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SUPERIOR COURT OF CALIFORNIA
COUNTY OF RIVERSIDE
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SUPERIOR COURT OF THE STATE OF CALIFORNIA

COUNTY OF RIVERSIDE

INDIO BRANCH

PEOPLE OF THE STATE OF CALIFORNIA, Plaintiff, **v.** **TA OPERATING LLC, et al.,** Defendants.	Case No. RIC 503258 **~~[Proposed]~~ FINAL CONSENT JUDGMENT AND PERMANENT INJUNCTION** Dept: 2G Judge: The Honorable Harold W. Hopp **Action Filed: July 10, 2008**

Plaintiff, the People of the State of California ("Plaintiff" or the "People"), and Defendants TA Operating LLC, the successor by conversion of Defendant TA Operating Corporation, and HPT TA Properties Trust (collectively "Defendants"), having consented pursuant to stipulation to the entry of this Final Consent Judgment and Permanent Injunction ("Judgment") prior to the taking of any proof and without trial or adjudication of any fact or law herein; and

The Court having considered the pleadings, which include, without limitation, the Consolidated Complaint, the Answer, the parties' Stipulation for Entry of Final Consent

Judgment and Permanent Injunction ("Stipulation"), and the proposed Final Consent Judgment and Permanent Injunction;

IT IS HEREBY ORDERED, ADJUDGED AND DECREED as follows:

JURISDICTION

1. Jurisdiction exists over this matter pursuant to Health and Safety Code sections 25181, 25182, 25189, 25189.2, 25299.02, 25299.03, and 25516.1.

APPLICABILITY

2. Plaintiff alleges that Defendants have committed violations of requirements imposed by the California Health and Safety Code and related implementing regulations, county codes, local ordinances, permits or orders that govern (a) the operation and maintenance of underground storage tanks ("USTs") and UST systems, (b) the establishment and implementation of hazardous materials business plans, and (c) the handling and management of hazardous materials, hazardous wastes and hazardous substances generated by operation of USTs, UST systems, and motor vehicle maintenance, at Defendants' facility located at 46-155 Dillon Road in Coachella, California ("Coachella Facility" or "Facility"). Plaintiff also alleges that these underlying violations of law also constitute violations of California Business and Professions Code section 17200, *et seq*. The Coachella Facility dispenses gasoline and diesel fuel and includes a truck repair shop center, mini-mart, restaurant and rest area. The Facility currently contains six (6) active 20,000-gallon capacity double-walled fiberglass USTs used to store gasoline (tanks 1, 2, & 3) and diesel fuel (tanks 4, 5 & 6). The Facility also has one (1) 2,500-gallon-capacity double-walled fiberglass UST that was "abandoned" in place and closed pursuant to a permit issued by the Riverside County Department of Environmental Health. All USTs were installed in 1989.

3. The provisions of this Judgment are applicable to Defendants TA Operating LLC and HPT TA Properties Trust and to each of their respective predecessors, subsidiaries, affiliates, successors and assigns. This Judgment is not an admission by Defendants of any issue of law or fact in this matter or any violation of law as set forth in the Consolidated Complaint. Defendants waive their right to a trial prior to entry of this Judgment and also waive their right to appeal in this matter.

4. For purposes of this Judgment, unless otherwise specified, the definitions set forth in California Health and Safety Code sections 25110 through 25124, 25281, 25281.5, 25501, and the applicable provisions contained in Title 22 of the California Code of Regulations, section 66260.10, and Title 23 of the California Code of Regulations, sections 2610 and 2611, as they exist on the date of entry of this Judgment, shall apply to any technical terms used herein.

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

PERMANENT INJUNCTION

6. **Compliance with Statutes, Regulations, and Permits:** Pursuant to California Health and Safety Code sections 25299.01, 25299.04, 25189, subdivision (c), and 25181, and the Unfair Competition Law as set forth in California Business and Professions Code section 17203, Defendants, as of the Effective Date of this Judgment, are each enjoined and restrained from failing to comply with any of the following legal requirements at the Defendants' Coachella Facility:

(a). The provisions of Chapter 6.7 of Division 20 of the California Health and Safety Code, and its implementing regulations, related to the installation, operation, modification, repair or closure of underground storage tank systems.

(b). The provisions of Chapter 6.5 of Division 20 of the California Health and Safety Code, and its implementing regulations, that are applicable to generators of hazardous waste.

(c). The provisions of Chapter 6.95 of Division 20 of the California Health and Safety Code, and its implementing regulations, related to hazardous materials.

(d). All related permits and orders issued pursuant to the statutes and regulations set forth in Paragraphs 6 (a), (b), and (c).

7. **UST (Chapter 6.7) Specific Injunctive Relief at Coachella Facility**: Defendants each are enjoined and mandated to take the following actions with respect to the Coachella Facility:

Notification of Judgment

(a). Within thirty (30) calendar days after the entry of the Final Judgment, Defendants shall provide written notice of the terms of this Judgment, in a document to be prepared by Defendants and approved by counsel for the People, to each Designated UST Operator of the Coachella Facility, to the individual designated as Defendant's Environmental Associate pursuant to Paragraphs 10 and 11, below, and to each employee of Defendants involved in UST operations at the Coachella Facility (collectively referred to as "Defendants' Recipients"). The written notice shall provide for a signed acknowledgment of receipt by each of Defendants' Recipients and the signed acknowledgment shall be retained by Defendants for five years after entry of the Final Judgment.

Operation and Maintenance of Continuous Monitoring System

(b). Defendants shall monitor the UST systems at the Coachella Facility using the method specified in the permit as required by California Health and Safety Code section 25293 and California Code of Regulations, title 23, sections 2632(b), and shall keep the UST monitoring system powered on, in the proper operating mode (i.e., functional and not bypassed), except where necessary to perform maintenance, repairs or diagnostic testing, and in good repair as required by California Code of Regulations, title 23, section 2630(d).

(c). Defendants shall ensure that at all times all secondary containment at the Coachella Facility, including under-dispenser containment, and under dispenser spill control or containment systems, are equipped with a continuous monitoring system that either activates an audible and visual alarm or stops the flow of product when it detects a leak, as required by California Code of Regulations, title 23, including, but not limited to, section 2636(f)(1).

(d). Defendants shall properly install and place all leak-detecting sensors so that each is capable of detecting a leak at the earliest possible opportunity as required by California Code of Regulations, title 23, including, but not limited to, section 2630(d). Defendants promptly shall replace or repair any sensor that, for any reason, becomes incapable of detecting a leak at the earliest possible opportunity.

(e). Defendants shall ensure that only a Service Technician shall remove, reposition, adjust or replace any leak-detecting sensor. "Service Technician" shall have the same meaning as that term is defined in California Code of Regulations, title 23, section 2611, and shall include any individual who installs or tests monitoring equipment, or provides maintenance, service, system programming or diagnostics, calibration or trouble-shooting for UST system components, and who meets the requirements contained in California Code of Regulations, title 23, section 2715(i). The only exception to the prohibition in this Paragraph is where the sensor must be temporarily removed, repositioned or adjusted in order to silence an alarm pending prompt maintenance, repair or replacement by a Service Technician.

(f). Unless required for maintenance or repair, no employee or agent of Defendants shall remove, reposition, adjust, replace or otherwise tamper with any sensor that is part of a functioning UST system such that the sensor is not capable of detecting a leak at the earliest possible opportunity, in violation of California Code of Regulations, title 23, section 2630(d).

(g). In the event that corrective work is required to address the cause of the alarm, Defendants shall complete the work promptly, consistent with all applicable legal requirements. Nothing in this Judgment exempts Defendants from complying with any and all regulations and any applicable local ordinances and permitting requirements. Further, nothing in this Judgment exempts Defendants from any requirements for reporting, recording or responding to unauthorized releases of hazardous substances.

Monitoring and Alarm Recording and Response

(h). Defendants shall immediately upon entry of this Judgment, continue to maintain a program that standardizes the descriptions and method of recording alarms and responses to alarms. As part of the program, as further described in Paragraph 7(i), Defendants shall require employees to take annual refresher courses on proper alarm recording and response as required by California Code of Regulations, title 23, section 2715(f).

(i). In the event the UST monitoring system at the Coachella Facility registers an alarm, Defendants shall respond appropriately as required by California Code of Regulations, title 23, including, but not limited to, section 2712. Where the alarm indicates a potential release of

product to the environment, or a failure of the UST monitoring system, Defendants shall document in writing in a Facility Alarm Log, the date and time of the alarm contemporaneously with its occurrence, noting what specific piece of equipment went into alarm; the cause of the alarm; and the action taken to address the cause of the alarm. Where the alarm indicates a potential release of product to the environment, Defendants immediately shall inspect the UST system and take all necessary actions to prevent a release. Where a product "overfill alarm" occurs, in addition to undertaking any other required response, Defendants promptly shall notify the delivery driver and the delivery company of the overfill. The Facility Alarm Log shall be maintained on-site at the Coachella Facility and shall be made available for review upon request by the CUPA or any other regulatory agency with jurisdiction over the Facility.

(j). Defendants shall immediately upon entry of this Judgment, continue to poll, retrieve, collect, and retain for a period of five years after entry of the Final Judgment, Veeder-Root Monitoring system data for the Coachella Facility, which shall include, among other reports, liquid status reports. These reports shall be reviewed by Defendant TA Operating LLC's Environmental Manager, or his/her designee, on a weekly basis.

Maintenance of Tamper Resistant Sensors

(k). If Defendants discover that a sensor has been improperly or unlawfully moved at any time while the injunctive relief provisions of this Judgment are in force, Defendants shall promptly and diligently investigate that incident to identify the responsible party, if possible, and where a responsible party can be identified, Defendants shall immediately take appropriate action against that individual or responsible entity. Defendants shall also promptly take all necessary actions to ensure that said sensor is capable of detecting a leak at the earliest possible opportunity.

(l). Within thirty (30) calendar days after the entry of this Judgment, Defendants shall confirm that all leak detection sensors at the Coachella Facility have been replaced with tamper-resistant, position-sensitive sensors. Defendants shall also ensure that the tamper-resistant, position-sensitive sensors have been installed and maintained in such a manner that any tampering with a sensor to defeat its leak detection capability will result in a shutdown of the fuel delivery turbine for the product in question, activation of an audible and visible alarm at the

Facility, and automatic notification to Defendants' Environmental Manager or his/her designee. The sensor and alarm conditions shall be re-set only by authorized personnel. Records related to alarm conditions, as specified in the California Code of Regulations, title 23, section 2715(c), and additional records, if any, that are routinely generated by Defendants during and in response to an alarm, will be kept at the Coachella Facility for at least three years after each alarm event.

(m). Within sixty (60) calendar days after entry of this Judgment, a representative of Defendants with responsibility for environmental compliance at the Coachella Facility shall certify to Plaintiff under penalty of perjury that based on the personal knowledge of that representative after reasonable inquiry, the requirements of Paragraph 7, subparagraphs (a) and (l), above, have been completed (including the completion dates for such work).

UST Employee Training

(n). Defendants agree to provide annual regulatory compliance training, which shall meet the requirements of California Code of Regulations, title 23, section 2715, for Coachella Facility employees, and to take reasonable steps to ensure that those employees attend those training sessions. Defendants further agree to maintain on-site at the Coachella Facility records of that training for no less than three years and as otherwise required by law following each training session, and to make those records available for review by Plaintiff or the CUPA upon reasonable prior written notice. Defendants further acknowledge that, for purposes of the Stipulation and the Final Judgment only, compliance with the requirements set forth in California Code of Regulations, title 23, section 2715 does not relieve their independent responsibility to comply with other employee training responsibilities and requirements, including employee hazardous waste training and documentation for such training, as set forth in Paragraph 8(e) below.

Testing and Certification; Failed Tests

(o). Defendants shall cause the spill containment structure testing required by California Health and Safety Code section 25284.2; the line tightness testing required by California Code of Regulations, title 23, section 2636(f)(4); the secondary containment testing required by California Code of Regulations, title 23, section 2637; and the testing required for UST monitoring

equipment certification required by California Code of Regulations, title 23, section 2638, to occur as required by law.

(p). Defendants shall give at least 48 hours notice to the CUPA before conducting any monitoring or testing specified in Paragraph 7.o. as required by California Code of Regulations, title 23, sections 2638(e) and 2637(f).

(q). Defendants shall ensure that the testing described in Paragraph 7.o has occurred within the required time periods and shall file and timely submit to the CUPA, the results of the testing.

(r). In the event that UST system testing or certification set forth in Paragraph 7.o indicates a failure, and where the failure indicates that there is potential for a release to the environment, Defendants immediately shall take all appropriate action to prevent a release, including, but not limited to, shutting down the affected portion of the UST system.

Designated UST Operator

(s). Defendants shall have at all times a qualified designated UST operator for the Coachella Facility as required by California Code of Regulations, title 23, section 2715(b), and shall identify the designated UST operator to the CUPA as required by California Code of Regulations, title 23, section 2715(a).

(t). Defendants shall ensure that a qualified designated UST operator performs a visual inspection of every UST system every month as required by California Code of Regulations, title 23, section 2715(c), and conducts and documents the training required by California Code of Regulations, title 23, section 2715(f).

(u). Defendants shall ensure that the designated UST operator has access to all materials (including, but not limited to, alarm history reports and logs), all areas of the Facility and all employees necessary for the designated UST operator to complete the tasks required by California Code of Regulations, title 23, section 2715.

(v). Defendants shall promptly address any maintenance, repair or testing issues identified by the designated UST operator during the monthly inspection.

Permits, Authorizations and Approvals

(w). Defendants shall obtain, keep current and maintain on-site at the Coachella Facility, a permit to operate each UST as required by California Code of Regulations, title 23, section 2712(i) and California Health and Safety Code section 25284.

(x). Defendants shall maintain on-site at the Coachella Facility, or off-site at a readily available location if approved by the CUPA in writing, written monitoring and maintenance records and shall make the records available to the CUPA or State Water Board as required by California Code of Regulations, title 23, section 2712(b).

(y). Pursuant to California Health and Safety Code section 25286(a) and California Code of Regulations, title 23, section 2712, Defendants shall comply with the terms of its UST permits, including, but not limited to, timely notifying the CUPA in writing of any changes to the information provided.

(z). Defendants shall submit any proposed upgrade or repair of a UST system to the CUPA for its approval as required by California Code of Regulations, title 23, section 2660 et seq. and shall obtain the CUPA's approval before proceeding with the proposed upgrade or repair, pursuant to California Code of Regulations, title 23, section 2662(a).

(aa). Defendants shall not operate a UST system without having in place a monitoring and response plan approved by the CUPA and specified in the UST operating permit as required by California Code of Regulations, title 23, section 2632(b).

Inspection for, and Removal of, Liquid and Debris

(bb). Defendants shall have a means for monitoring for any water intrusion by precipitation or infiltration into the secondary containment as required by California Code of Regulations, title 23, section 2630(d) and California Health and Safety Code section 25291(e).

(cc). Defendants promptly shall remove any liquid or debris that has accumulated in the secondary containment system pursuant to the maintenance and operating requirements contained in California Code of Regulations, title 23, sections 2630(d), 2631(d)(4), 2632(d)(2) and 2635(c)(6).

(dd). Within thirty (30) calendar days after entry of this Judgment, Defendants shall institute a program for the regular inspection and maintenance of spill containment structures ("spill buckets") and under-dispenser containment ("UDCs"). The program shall require that inspections occur at monthly intervals, as required by California Code of Regulations, title 23, section 2715(c), and are documented and that any accumulation of liquid or debris discovered during these inspections immediately is removed and the source of liquid or debris addressed. Defendants shall ensure that Facility employees and qualified designated UST operators comply with the spill bucket and UDC inspection and maintenance program once instituted.

Other UST Requirements

(ee). All UST systems at the Coachella Facility shall meet the operational requirements set forth in California Health and Safety Code sections 25292.1(a), 25290.2, and 25291.

(ff). For any unauthorized release, as defined in California Health and Safety Code section 25295.5, Defendants shall record the unauthorized release, timely notify the CUPA of the unauthorized release and timely provide to the CUPA a full written report of the unauthorized release as required by California Health and Safety Code sections 25294 and 25295(a)(1) and California Code of Regulations, title 23, sections 2650 through 2652.

(gg). Defendants shall maintain on-site at the Coachella Facility and make available for review by the CUPA all written monitoring and maintenance records as required by California Code of Regulations, title 23, sections 2712(b) and 2715(e).

(hh). Defendants shall equip all USTs with a spill bucket and overfill prevention system as required by California Code of Regulations, title 23, section 2635(b).

(ii). Defendants shall install all underground primary piping that is in contact with hazardous substances under normal operating conditions within a secondary containment system as required by California Code of Regulations, title 23, section 2636(c)(1).

(jj). Defendants shall at all times ensure that boots at turbine sumps, transition sumps and piping sumps are properly placed so that the secondary piping drains to a monitored sump as required by California Code of Regulations, Title 23, section 2636(c).

(kk). Defendants shall install, maintain, and test automatic line leak detectors on all underground pressurized piping as required by California Code of Regulations, title 23, section 2636(f)(2).

(ll). Defendants shall maintain on-site at the Coachella Facility evidence of financial responsibility for taking corrective action and for compensating third parties as required by California Health and Safety Code section 25292.2 and California Code of Regulations, title 23, section 2711(a)(11).

(mm). In any permit application submitted pursuant to California Code of Regulations, title 23, section 2711, Defendants shall provide complete and accurate information including the permit requirements of California Health and Safety Code section 25284.

(nn). Within thirty (30) days after the entry of this Judgment, Defendants shall submit to the CUPA and maintain on-site at the Coachella Facility, a copy of the written contract required by California Code of Regulations, title 23, section 2620(b). Defendants shall acknowledge in the written contract that both the owner and operator of the UST Systems at the Coachella Facility are responsible for assuring that the UST Systems are repaired or upgraded in accordance with California Code of Regulations, title 23, Article 6 (section 2660 through section 2666), or closed in accordance with California Code of Regulations, title 23, Article 7 (section 2670 through 2672), as appropriate.

8. **HWCL (Chapter 6.5) Specific Injunctive Relief at Coachella Facility**: Defendants are enjoined and mandated to take the following actions with respect to the Coachella Facility:

Management of Hazardous Waste

(a). Immediately upon the entry of this Judgment, Defendants shall manage hazardous waste in accordance with the requirements of Chapter 6.5 of Division 20 of the Health and Safety Code, and its implementing regulations in the California Code of Regulations, title 22. Defendants shall lawfully and timely dispose of all accumulated hazardous waste stored at the Coachella Facility at least once every ninety (90) days, and shall timely cause to be prepared and filed a hazardous waste manifest with the California Department of Toxic Substances Control ("DTSC") for hazardous waste that is transported, or submitted for transportation, for offsite

handling, treatment, storage, disposal, or any combination thereof, as provided by Health and Safety Code section 25160(b)(3) and California Code of Regulations, title 22, section 66262.23, or timely notify the DTSC of the treatment, storage, or disposal facility's failure to return an executed hazardous waste manifest.

Labeling of Hazardous Waste Containers

(b). Immediately upon the entry of this Judgment, Defendants shall identify and label all containers used to store, treat, or otherwise manage hazardous waste with the words "Hazardous Waste," the composition and physical state of the waste, the hazardous properties, the initial date of accumulation of hazardous waste, and the name and address of the generator in compliance with California Code of Regulations, title 22, section 66262.34(f).

Daily Inspections of Hazardous Waste Containers and Tanks

(c). Effective on the date of entry of this Judgment, Defendants shall conduct and document daily inspections of tanks used to store hazardous waste (including waste oil) and also conduct and document weekly inspections of areas used for hazardous waste container storage, in accordance with the requirements of California Code of Regulations, title 22, section 66265.174 and section 66265.195, subdivisions (a) and (c). Defendants shall maintain on-site at the Coachella Facility documentation of the inspections conducted, including corrective actions taken. Defendants shall make the written daily inspection plan and documentation of inspections available upon request by the CUPA or any other regulatory agency.

Secondary Containment

(d). Within thirty (30) calendar days after the entry of this Judgment, Defendants shall provide and maintain adequate secondary containment for each tank and tank system as required by law, including, but not limited to, California Code of Regulations, title 22, section 66265.193.

Employee Training Regarding Hazardous Waste

(e). Within thirty (30) calendar days after the entry of this Judgment, Defendants shall develop, implement, and comply with a written training plan for all Coachella Facility employees, including contract employees, who are involved with the storing, handling, treating and removal of hazardous waste at the Facility, meeting the requirements of California Code of Regulations,

title 22, section 66265.16, including, but not limited to, the requirement to maintain on-site at the Coachella Facility training records for current personnel until closure of the Facility and training records for former employees for at least three (3) years from the date the employee last worked at the Facility. In addition, Defendants shall maintain on-site at the Coachella Facility an employee training plan designed to enhance Facility employee awareness of any regulatory or statutory changes in environmental compliance requirements, including, but not limited to, changes in Chapter 6.5 and 6.95 of Division 20 of the Health and Safety Code, or the corresponding California Code of Regulations.

9. **HMBP (Chapter 6.95) Specific Injunctive Relief at Coachella Facility**: TA Operating LLC is enjoined and mandated to take the following actions with respect to the Coachella Facility:

Hazardous Materials Business Plan and Hazardous Materials Inventory

(a). TA Operating LLC at all times shall have in place and shall implement a business emergency plan for emergency response to a release or threatened release of a hazardous material at the Coachella Facility as required by California Health and Safety Code section 25503.5. Such plan shall also include an employee training program that meets the requirements of Health and Safety Code section 25504(c), and California Code of Regulations, title 19, section 2732. TA Operating LLC shall also immediately report any release or threatened release of a hazardous material from the Coachella Facility as required by Health and Safety Code section 25507.

(b). TA Operating LLC at all times shall have in place and shall submit to the CUPA a complete hazardous materials business plan as required by California Health and Safety Code sections 25504 and 25505 and California Code of Regulations, title 19, section 2729.

(c). TA Operating LLC shall timely submit the hazardous materials inventory to the CUPA and local fire agency, and timely shall submit any required amendment to the hazardous materials inventory, as required by California Code of Regulations, title 19, section 2729.4 and California Health and Safety Code section 25503.

10. **Environmental Associate**

For a period of five (5) years after the entry of this Judgment, TA Operating LLC shall employ and maintain a corporate officer or employee knowledgeable in the California environmental laws that are the subject of this Stipulation and Final Judgment, as an "Environmental Associate." The Environmental Associate's responsibility shall be to manage Defendants' compliance with the injunctive terms in this Judgment. The duties of the Environmental Associate shall include collecting and maintaining copies of all written advisements of violation, including Notices of Violation ("NOVs") and inspection reports, issued or performed by the CUPA, relating to the Coachella Facility for a period of five (5) years and to undertake good faith efforts to assess Defendants' compliance with applicable laws and regulations, to advise Defendants' personnel on compliance with all applicable laws and regulations, and to correct any noted deficiencies or violations. TA Operating LLC shall have the right, at its sole option, to retain a third-party contractor to perform all or part of the responsibilities set forth in this Paragraph, in lieu of having such responsibilities performed by a corporate officer or employee. If TA Operating LLC elects to retain a third-party contractor to perform all or part of the responsibilities set forth in this Paragraph, TA Operating LLC shall remain responsible for the actions of said contractor and shall not otherwise be relieved of the requirements set forth in this Judgment.

11. Beginning one year after the entry of this Judgment, and continuing for five (5) years from the entry of this Judgment, Defendants' Environmental Associate shall submit to the People, an annual status report describing Defendants' program for compliance with the terms of the injunction and the implementation of such compliance program, any material change made to the program in the preceding year, any NOV issued to Defendants for the Coachella Facility, any actions taken in response to such NOVs, and any penalties paid by Defendants with respect to such NOVs. Each such annual report shall be signed by Defendants' Environmental Associate, or other management representative, under penalty of perjury.

FINANCIAL OBLIGATIONS

12. Defendants TA Operating LLC and HPT TA Properties Trust, jointly and severally, shall pay or expend a total of **ONE MILLION, TWO HUNDRED THOUSAND DOLLARS** ($1,200,000.00) due to Plaintiff pursuant to this Judgment. The settlement payments and expenditures shall be allocated as set forth in the following paragraphs. Financial obligations set forth in this Judgment do not affect, interfere with, or prejudice any other financial obligations Defendants have pursuant to any other statutory, judicial or administrative proceeding.

CIVIL PENALTIES

13. Defendants TA Operating LLC and HPT TA Properties Trust, jointly and severally, shall pay Five Hundred Fifty Thousand Dollars **($550,000.00)** to Plaintiff as civil penalties, as follows:

(a). Two Hundred Thousand Dollars **($200,000.00)** as civil penalties to the California Attorney General pursuant to Health and Safety Code section 25299, subdivision (h)(1), and Government Code section 26506, in the form of a check made payable to "The California Department of Justice – Litigation Deposit Fund" and sent to Deputy Attorney General Kirk McInnis at the address indicated below in Paragraph 20 within thirty (30) days from the Effective Date of this Judgment. These funds, and the attorneys' fees and costs paid to the California Attorney General pursuant to Paragraph 14(a) herein shall be administered by the California Department of Justice and 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: (1) implementation of the Attorney General's authority to protect the environment and natural resources of the State pursuant to Government Code section 12600 *et seq. and* as Chief Law Officer of the State of California pursuant to Article V, section 13 of the California Constitution; (2) enforcement of laws related to environmental protection, including, but not limited to, Chapters 6.5 and 6.95, Division 20, of the California Health and Safety Code; (3) enforcement of the Unfair Competition Law, Business and Professions Code section 17200, *et seq.,* as it relates to protection of the environment and natural resources of the State of California; and (4) other environmental actions which benefit the State of California and its citizens as determined by the

Attorney General. Such funding may be used for the costs of the Attorney General's investigation, filing fees and other court costs, payment to expert witnesses and technical consultants, purchase of equipment, laboratory analyses, personnel costs, travel costs, and other costs necessary to pursue environmental actions investigated or initiated by the Attorney General for the benefit of the State of California and its citizens. The payment, and any interest derived therefrom shall solely and exclusively augment the budget of the Attorney General's Office as it pertains to the Environment Section of the Public Rights Division and in no manner shall supplant or cause any reduction of any portion of the Attorney General's budget.

(b). Three Hundred Fifty Thousand Dollars **($350,000.00)** as civil penalties to the Office of the District Attorney of Riverside County pursuant to section 17206 of the California Business and Professions Code, in the form of a check made payable to "Riverside County District Attorney" and sent to Supervising Deputy District Attorney Stephanie B. Weissman, 3960 Orange Street Riverside, CA 92501 within thirty (30) days from the Effective Date of this Judgment. Pursuant to section 17206 of the Business and Professions Code, all civil penalties shall be deposited into the Consumer Protection Prosecution Account in the General Fund of Riverside County.

ATTORNEYS' FEES, COSTS, AND REIMBURSEMENTS

14. Defendants TA Operating LLC and HPT TA Properties Trust, jointly and severally, shall pay Four Hundred Thousand Dollars ($400,000.00) to Plaintiff as attorneys' fees and costs as follows:

(a). Two Hundred Twenty-Three Thousand, Four Hundred Three Dollars and Twenty-Nine Cents ($223,403.29), by check, made payable to "The California Department of Justice – Attorney General's Office" as reimbursement for partial recovery of investigative costs and attorneys' fees in this matter, which shall be delivered to Deputy Attorney General Kirk McInnis at the address indicated below in Paragraph 20 within thirty (30) calendar days of the Effective Date of this Judgment.

(b). Seventy-Three Thousand, Four Hundred Three Dollars and Twenty-Nine Cents **($73,403.29)**, by check, made payable to the "Riverside County District Attorney," as

reimbursement for partial recovery of its costs of investigation, which shall be delivered to Supervising Deputy District Attorney Stephanie B. Weissman at the address indicated below in Paragraph 20 within thirty (30) calendar days of the Effective Date of this Judgment.

(c). Thirty Thousand Dollars ($30,000.00), by check, made payable to the "Riverside County Department of Environmental Health Hazardous Materials Division" as reimbursement for the costs of investigation related to this matter. Said check shall be delivered to Supervising Deputy District Attorney Stephanie B. Weissman at the address indicated below in Paragraph 20 within thirty (30) calendar days of the Effective Date of this Judgment.

(d). Seventy Three Thousand, One Hundred Ninety Three Dollars and Forty-Two Cents ($73, 193.42), by check, made payable to the "Craig Thompson Environmental Protection Prosecution Trust Fund" ("EPPF Trust") to reimburse the EPPF Trust. This check shall be delivered to Supervising Deputy District Attorney Stephanie B. Weissman at the address indicated below in Paragraph 20 within 30 days of the Effective Date of this Judgment.

CREDIT FOR ENVIRONMENTAL IMPROVEMENTS

15. Defendants TA Operating LLC and HPT TA Properties Trust have represented to the People that as of September 2011, Defendant TA Operating LLC has expended the sum of approximately Five Hundred Fifty-Nine Thousand, Two Hundred Fifty-Three Dollars and Fifteen Cents ($559,253.15) to improve the UST Systems at the Coachella Facility in ways that exceed regulatory requirements for those systems ("Environmental Improvements"). Specifically, Defendants have represented that in November 2007, Defendant TA Operating LLC expended $58,836.20 when it installed position sensitive sensors at the Coachella Facility that are designed to shutdown the tank turbines if the sensors are moved from their proper location. Position sensitive sensors are not currently required by any applicable laws or regulations. In addition, Defendants represented that between March 2009 and April 2009, Defendant TA Operating LLC installed fill sumps for the three diesel underground storage tanks at the Coachella Facility and expended the sum of $106,540.45. Defendants have represented that they installed these sumps to protect against the release of product to the environment in the event an overfill exceeds the capacity of the spill buckets or if the spill buckets were to fail. Further, Defendants have

represented that since 2007, Defendant TA Operating hired a contractor to perform weekly inspections of the underground tank facilities at a cost of $73,876.50, to monitor conditions at the Facility and protect against the release of product into the environment. In 2008, Defendant TA Operating LLC hired an environmental compliance associate who is dedicated to overseeing compliance at Defendants' facilities in California. Since he was hired in 2008, the environmental compliance associate has been responsible for (1) conducting monthly inspections at the Coachella Facility; (2) following up with the Store Manager or maintenance personnel to address any compliance or maintenance issues that may arise at the Facility; (3) making sure that all required documentation is at the Facility and readily available for review by inspectors; and (4) conducting annual Designated Operator training for Facility employees. The environmental compliance associate also serves as the point of contact with the Riverside County Department of Environmental Health to address any compliance issues at the Coachella Facility. Defendant TA Operating LLC has represented to the People that it expends $80,000.00 per year for salary and benefits paid to the environmental compliance associate.

16. For the purposes of this Judgment, Plaintiff will credit, towards the one million two hundred thousand dollar obligation of Defendants set forth in Paragraph 12 herein, the sum of Two Hundred Fifty Thousand Dollars ($250,000.00) in recognition of all such proven direct expenditures for the Environmental Improvements, subject to the following conditions: During the next five (5) years from entry of this Judgment, TA Operating LLC shall continue to employ an Environmental Associate who shall be dedicated to overseeing environmental compliance at the Coachella Facility. The Environmental Associate's responsibilities shall include, but not limited to, (1) conducting and documenting monthly UST Designated Operator inspections at the Coachella Facility, the monthly inspections shall meet the requirements contained in California Code of Regulations, title 23, section 2715, subdivision (c); (2) following up with the Facility's Store Manager or maintenance personnel to address any compliance or maintenance issues relating to tanks, hazardous waste or hazardous materials that may arise at the Facility or that may be identified as a compliance issue by a CUPA inspector at the Facility; (3) making sure that all required documentation, including, but not limited to, operation and maintenance records, testing

and certification records, business plans, financial certifications, employee training records, is at the Facility and readily available for review by CUPA inspectors; and (4) conducting annual Designated Operator training for Facility employees in accordance with California Code of Regulations, title 23, section 2715, subdivision (f). The Environmental Associate shall also serve as the point of contact with the CUPA to address any compliance issues at the Coachella Facility. In lieu of continuing to employ an Environmental Associate, TA Operating LLC, at its sole option, shall have the right to retain a third-party contractor to perform all or part of the responsibilities to be performed by the Environmental Associate. If TA Operating LLC elects to retain a third-party contractor to perform all or part of the responsibilities to be performed by the Environmental Associate, TA Operating LLC shall remain responsible for the actions of said contractor and shall not otherwise be relieved of the requirements set forth in this Judgment.

ENFORCEMENT OF JUDGMENT

17. The provisions in this Judgment will be enforceable only by the Parties hereto.

(a). Either Party may, after first meeting and conferring with the opposing Party, file a motion or otherwise request an order to show cause before the Superior Court of Riverside County, to enforce the terms and conditions contained in this Judgment. Except as otherwise provided in this Judgment, the rights of Defendants to defend themselves in law or equity shall not be waived, abrogated or reduced in any fashion, and Defendants shall be entitled to raise any and all applicable defenses, rights and remedies.

(b). Nothing in this Judgment shall restrict or condition the ability of the People, a CUPA, or any other enforcement agency to separately administer, to initiate a separate new enforcement action or take immediate action to protect the public health and/or environment or to enforce state laws or regulations, County Codes, or the provisions of any order or permit issued by any other agency or entity.

(c). Nothing in this Judgment shall be interpreted or construed as an admission by Defendants of any issue of law or fact.

JURISDICTION RETAINED

18. The Parties submit to the jurisdiction of the Superior Court for the following purposes:

(a). entering this Final Judgment in this action;

(b). adjudicating any proceeding to enforce the Parties' Stipulation and this Judgment;

(c). adjudicating any contempt of this 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 the Stipulation and this Judgment while the injunctive relief provisions of this Judgment are in force; and

(e). issuing such further orders as may be necessary and appropriate for the interpretation, implementation, modification and enforcement of the Stipulation and this Judgment.

COSTS AND FEES

19. Except as specifically provided herein, each Party agrees that it shall bear its respective costs, expenses and fees, including attorneys' fees, in connection with this action, including, but not limited to, the Stipulation, this Judgment and any related actions.

NOTICE

20. All submissions and notices required by this Judgment shall be sent to:

For Plaintiff:

Office of the California Attorney General
Kirk McInnis, Deputy Attorney General
1515 Clay Street, 20th Floor
P.O. Box 70550
Oakland, CA 94612-0550

Office of the District Attorney for Riverside County
Stephanie B. Weissman
Supervising Deputy District Attorney
3960 Orange Street, First Floor
Riverside, CA 92501

For Defendants:

Executive Vice President and General Counsel
TravelCenters of America LLC
Two Newton Place
255 Washington Street
Newton, MA 02458

Jose R. Allen, Esq.
Skadden, Arps, Slate, Meagher & Flom LLP
525 University Avenue
Palo Alto, CA 94301

21. Any Party may change the individual or the address for purpose of notices to that Party by a written notice specifying a new individual or address, but no such change is effective until the written notice is actually received by the Party sought to be charged with its contents. All notices or other communications required or permitted under the Stipulation and this Judgment that are addressed as 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 Judgment shall be interpreted or applied to relieve Defendants of their existing obligations to provide copies of documentation to a state or local agency or CUPA as required by statute, regulation, or requirement.

NO WAIVER OF RIGHT TO ENFORCE

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

Modification of Stipulation and Final Judgment

23. The Stipulation and this Judgment may be modified only upon written consent of the Parties hereto and the approval of the Court or as provided for by law.

Termination of Injunction

24. At any time after this Judgment has been in effect for five (5) years, and Defendants have paid any and all amounts due under this Judgment, Defendants may file a motion requesting a Court order that the permanent injunctive provisions of Paragraphs 6, 7, 8, 9, 10, and 11 shall have no prospective force or effect based on Defendants' history of compliance with this Judgment. The People may file a statement of non-opposition to Defendants' motion. If the People disagree with Defendants' motion, the People will file an opposition setting forth the grounds for the People's opposition. The People's statement of non-opposition or opposition will be filed within thirty (30) days of the filing of Defendants' motion, and Defendants may file a reply within forty-five (45) days of the filing of Defendants' motion. The Parties agree that the Court may grant Defendants' request upon determining that Defendants have substantially complied with the obligations set forth in this Judgment.

MATTERS RESOLVED BY THE FINAL JUDGMENT

25. This Judgment is a final and binding resolution and settlement as to the Covered Parties and the Covered Matters as defined below in Paragraphs 26 and 27, respectively. Except for the obligations of Defendants that are expressly set forth in the Stipulation and this Judgment, Plaintiff hereby covenants not to sue or pursue any further civil claims against the Covered Parties for the Covered Matters. Any claim, violation, or cause of action that is not a Covered Matter is a "Reserved Claim." Reserved Claims include, without limitation, (1) any violation of the injunctive provisions of this Judgment; (2) any violation at the Coachella Facility that is unknown to the People as of January 31, 2012; (3) any violation at the Coachella Facility that occurs or is discovered after January 31, 2012; (4) the violations that were first discovered and documented by the Riverside County Department of Environmental Health Hazardous Materials Division, during the February 1, 2012 inspection of the Coachella Facility, including all days preceding the February 1, 2012 inspection during which the violations commenced and remained

uncorrected; (5) any violations by Defendants at facilities other than the Coachella Facility; (6) any claim, violation, or cause of action directly against Defendants' independent contractors or subcontractors; and (7) any claim under state or federal law for cleanup of contamination or environmental response actions. The Parties reserve the right to pursue any Reserved Claim and reserve the right to assert any defenses against any Reserved Claim; provided, however, that in any subsequent action that may be brought by Plaintiff to enforce any Reserved Claims, Defendants, collectively or individually, shall not assert, plead or raise against Plaintiff in any fashion any defense or avoidance based on splitting of claims.

26. As used herein, "Covered Parties" means Defendants, collectively and individually, and each of their respective subsidiaries, predecessors, affiliates, successors and assigns of any of the foregoing entities.

27. As used herein, "Covered Matters" means any and all claims, violations, or causes of action that were or could have been asserted by the People based on the allegations that are the subject of the Consolidated Complaint under Chapters 6.5, 6.7 and 6.95 of Division 20 of the California Health & Safety Code and related regulations, county codes, local ordinances, permits or orders (except as provided below) for civil liability against Defendants as an owner or operator of the Coachella Facility for acts, omissions, or events on or pertaining to the Coachella Facility prior to and during periods of ownership or operation by any of the named Defendants; and any civil claims under the California Business and Professions Code that are derived from the foregoing; provided, however, that in addition to the Reserved Claims set forth above in Paragraph 25, "Covered Matters" specifically excludes any claim stemming from or related to any actual or threatened release and/or disposal of hazardous waste, hazardous material, hazardous substance, pollutant or designated contaminant at or from the Coachella Facility, and provided further that Defendants reserve any and all defenses to such claims, including but not limited to defenses based on statutes of limitation. Further, as used herein, "Covered Matters" shall not preclude the issuance of any requirement or order that Defendants shall investigate and/or remediate any actual or threatened release, spill, leak, disposal or discharge, of hazardous waste, hazardous material, hazardous substance, pollutant or designated contaminant at or from

the Coachella Facility; and this Judgment shall not constrain claims, causes of action, enforcement or corrective action orders that have been or may be filed or issued concerning the investigation and/or remediation of any actual or threatened release, spill, leak, disposal or discharge or suspected release, spill, leak, disposal or discharge of hazardous waste, hazardous material, hazardous substance and/or pollutant or designated contaminant at or from the Coachella Facility.

28. Defendants covenant not to pursue any civil or administrative claims against the People or against any agency of the State of California, any county or city in the State of California or any CUPA, Participating Agency or local agency, or against their officers, employees, representatives, agents or attorneys arising out of or related to any Covered Matter.

LIABILITY OF THE PEOPLE

29. The People shall not be liable for any injury or damage to persons or property resulting from acts or omissions by Defendants, their directors, officers, employees, agents, representatives or contractors, in carrying out activities pursuant to the Stipulation or this Judgment, nor shall the People be held as a party to or guarantor of any contract entered into by Defendants, its directors, officers, employees, agents, representatives or contractors, in carrying out the requirements of the Stipulation or this Judgment.

EFFECTIVE DATE

30. The "Effective Date" of this Judgment shall be the date on which the Court enters this Judgment on the Court's docket.

ENTRY OF FINAL JUDGMENT

31. The Clerk of the Court is ordered to enter this Judgment forthwith.

IT IS SO ORDERED, ADJUDGED AND DECREED.

Dated: 3/14/12

JUDGE OF THE SUPERIOR COURT