SETTLEMENT AGREEMENT AND RELEASE

This SETTLEMENT AGREEMENT AND RELEASE (hereinafter "Agreement") is entered into between the STATE OF CALIFORNIA AIR RESOURCES BOARD (hereinafter "ARB") 1001 I Street, Sacramento, California 95814, and MATHER BROS. INC. (hereinafter "MATHER"), P.O. Box 1358, Ridgecrest, California 93555.

I. RECITALS

(1) California Health and Safety Code section 44011.6 (HSC § 44011.6) established the Heavy-Duty Vehicle Inspection Program (HDVIP). It authorizes ARB to inspect on-road heavy-duty vehicles for excessive smoke emissions and engine tampering and to issue citations accordingly. The program also requires the vehicle owner to repair its engines that exceed the prescribed ARB smoke opacity standards, perform a post-repair opacity test, and submit proof of repairs and any assessed penalties under the regulations of the HDVIP, chapter 3.5, California Code of Regulations, title 13, sections 2180-2188 (13 CCR §§ 2180-2188).

(2) HSC § 43701 provides that ARB shall adopt regulations that require owners or operators of heavy-duty diesel motor vehicles to perform regular inspections of their vehicles for excessive smoke emissions.

(3) 13 CCR § 2190 *et seq*. were adopted under the authority of HSC § 43701 and, with limited exceptions, which are not applicable here, apply to all heavy-duty diesel powered vehicles with gross vehicle weight ratings greater than 6,000 pounds that operate on the streets or highways within the State of California.

(4) 13 CCR § 2190 *et seq*. authorize the Periodic Smoke Inspection Program (PSIP) which requires the owners and operators of California based vehicle fleets of two or more heavy-duty diesel motor vehicles with gross vehicle weight ratings greater than 6,000 pounds that operate on the streets or highways within the State of California to conduct annual smoke opacity inspections of their vehicles equipped with engines that are four years old or older.

(5) 13 CCR § 2192(a) requires inter alia that the owner of the vehicle "[t]est the vehicle for excessive smoke emissions periodically according to the inspection intervals specified in section 2193(a), (b), and (c)", "[m]easure the smoke emissions for each test…", "[r]ecord the smoke test opacity levels and other required test information as specified in section 2194…" and "[k]eep the records specified in section 2194 for two years after the date of inspection."

(6) HSC § 43016 states, "Any person who violates any provision of this part, or any order, rule, or regulation of the state board adopted pursuant to this part, and for which there is not provided in this part any other specific civil penalty or fine, shall

be subject to a civil penalty of not to exceed five hundred dollars ($500.00) per vehicle."

(7) ARB considers testing, measuring, recording, and recordkeeping to be critical components in reducing excessive smoke emissions from these heavy-duty vehicles.

(8) ARB contends MATHER failed to test, measure, record, and maintain records of smoke emissions from its fleet of heavy-duty diesel vehicles for years 2013 and 2014 in violation of 13 CCR § 2190 *et seq*.

(9) 13 CCR § 2183(c) states that "No 1974 or newer diesel powered heavy-duty commercial vehicle shall operate in California without evidence that, at the time of manufacture, the installed engine met emission standards at least as stringent as applicable federal emission standards for the model year of the engine". ARB shall base its determination on whether an engine meets the above requirements by inspecting the Emission Control Label (ECL) affixed to the vehicle's engine.

(10) ARB has documented that MATHER failed to provide evidence that one of their vehicles have an ECL attached to the engine of a heavy-duty diesel vehicle in its fleet in violation of HSC § 44011.6, and 13 CCR § 2183, *et seq*. Civil penalties for violation of the regulation covering ECLs have been set per 13 CCR § 2185(a)(2)(B) at $300 per vehicle per violation.

(11) HSC §§ 39650-39675 mandate the reduction of the emissions of substances that have been determined to be toxic air contaminants. In 1998, following an exhaustive 10-year scientific assessment process, ARB identified particulate matter (PM) from diesel-fueled engines as a toxic air contaminant. Transport Refrigeration Units (TRU) are powered by diesel fueled engines that emit this toxic PM. TRUs are regulated under the Airborne Toxic Control Measure (ATCM) for In-Use Diesel-Fueled TRUs and TRU Generator Sets, and Facilities where TRUs Operate as codified in 13 CCR § 2477.1 through 2477.21.

(12) 13 CCR § 2477.5(a) provides that no owner/operator shall operate a TRU or TRU generator (gen) set in California unless it meets in-use performance standards established in § 2477.5.

(13) 13 CCR § 2477.5(e) requires that owner/operators of all California-based TRUs and TRU gen sets subject to this regulation shall apply for an ARB Identification Number (IDN) for all California-based TRUs or TRU gen sets operated by the operator by submitting an application to ARB.

(14) ARB Enforcement Division has documented that MATHER failed to bring the TRUs it operates in California into compliance with the in-use performance

standards before the deadlines set forth in the regulation and failed to register their TRUs in ARB's Equipment Registration system (ARBER).

(15) Failure to bring the TRU fleet in compliance with applicable in-use performance standards and failure to register their TRUs in ARBER are violations of state law resulting in penalties. HSC § 39674 authorizes civil penalties of up to ten thousand dollars ($10,000) for each day that the violation occurs.

(16) In-use On-Road diesel vehicles are powered by diesel fueled engines that emit toxic PM. On-Road vehicles are controlled under the Truck and Bus regulation, as codified in 13 CCR § 2025.

(17) 13 CCR § 2025(e)(5) states: "All fleets may utilize the credit provisions of 13 CCR § 2025(j), the provisions of agricultural vehicles and log trucks of 13 CCR § 2025(m), the provisions for construction trucks, vehicles operating exclusively in the NOx exempt areas, or any of the other extensions, delays, and exemptions of 13 CCR § 2025(p)."

(18) MATHER has elected to utilize the compliance exemptions for vehicles used exclusively in NOx exempt areas of 13 CCR § 2025(p)(1).

(19) 13 CCR § 2025(p)(1)(C) requires that fleet owners utilizing the provisions for vehicles used exclusively in NOx exempt areas must either meet the electronic tracking and reporting requirements of 13 CCR § 2025(r)(16)(A)(2), or must permanently affix or paint an identification label on each vehicle containing the letters "NE" and according to the specifications provided in 13 CCR § 2025(p)(1)(C).

(20) Failure to comply with the requirements of 13 CCR § 2025 is a violation of state law resulting in penalties. HSC §§ 39674(a) and (b) authorize civil penalties for the violation of the programs for the regulation of toxic air contaminants not to exceed one thousand dollars ($1,000) or ten thousand dollars ($10,000), respectively, for each day in which the violation occurs.

(21) ARB has documented that MATHER failed to comply with the requirements of electronic tracking and reporting requirements of 13 CCR § 2025(r)(16)(A)(2) or failed to permanently affix or paint an identification label on each vehicle containing the letters "NE" and according to the specifications provided in 13 CCR § 2025(p)(1)(C).

(22) 13 CCR § 2025(o)(2)(C)(3) states that a fleet owner of a vehicle that formerly qualified for any of the compliance extensions or exemptions granted in section 2025(p) but whose status has changed so that it no longer meets the applicable definition, must immediately bring the fleet into compliance with requirements of

section 2025(e) by either retiring or retrofitting the noncompliant vehicle with a diesel particulate filter, unless the fleet as a whole remains in compliance for the immediately preceding compliance date.

(23) ARB has documented that MATHER failed to meet PM Best Available Control Technology (BACT) requirements for all 2000 through 2006 engine model years preceding compliance date.

(24) 13 CCR § 2025(e)(8) states: "All information specified in 13 CCR § 2025(r) must be reported to the Executive Officer."

(25) ARB has documented that MATHER failed to report all vehicles with engines subject to the regulation for which the fleet owner has elected to utilize the compliance options of 13 CCR § 2025(p).

(26) ARB has documented that MATHER failed to correctly report the Engine Information Reporting requirements of 13 CCR § 2025(r)(9)(C).

(27) In order to resolve these alleged violations, MATHER has taken, or agreed to take, the actions enumerated below under "RELEASE". Further, ARB accepts this Agreement in termination and settlement of this matter.

(28) In consideration of the foregoing, and of the promises and facts set forth herein, the parties desire to settle and resolve all claims, disputes, and obligations relating to the above-listed violations, and voluntarily agree to resolve this matter by means of this Agreement. Specifically, ARB and MATHER agree as follows:

II. TERMS AND RELEASE

In consideration of ARB not filing a legal action against MATHER for the alleged violations referred to above, and MATHER's payment of the penalties set forth in Section 1 below, ARB and MATHER agree as follows:

(1) Upon execution of this Agreement, MATHER shall pay a civil penalty of $25,000.00. Payment shall be made in 18 payments as described below, beginning on **July 1, 2016**.

Payment Due Date:	In the Amount of and Payable to:	
July 1, 2016	**$1,390.00**	**the Peralta Colleges Foundation**
August 1, 2016	**$1,390.00**	**the Peralta Colleges Foundation**
September 1, 2016	**$1,390.00**	**the Peralta Colleges Foundation**
October 3, 2016	**$1,390.00**	**the Peralta Colleges Foundation**
November 1, 2016	**$690.00** **$700.00**	**the Peralta Colleges Foundation** **the Air Pollution Control Fund**
December 1, 2016	**$1,390.00**	**the Air Pollution Control Fund**
January 3, 2017	**$1,390.00**	**the Air Pollution Control Fund**
February 1, 2017	**$1,390.00**	**the Air Pollution Control Fund**
March 1, 2017	**$1,390.00**	**the Air Pollution Control Fund**
April 3, 2017	**$1,390.00**	**the Air Pollution Control Fund**
May 1, 2017	**$1,390.00**	**the Air Pollution Control Fund**
June 1, 2017	**$1,390.00**	**the Air Pollution Control Fund**
July 3, 2017	**$1,390.00**	**the Air Pollution Control Fund**
August 1, 2017	**$1,390.00**	**the Air Pollution Control Fund**
September 1, 2017	**$1,390.00**	**the Air Pollution Control Fund**
October 2, 2017	**$1,390.00**	**the Air Pollution Control Fund**
November 1, 2017	**$1,390.00**	**the Air Pollution Control Fund**
December 1, 2017	**$1,370.00**	**the Air Pollution Control Fund**

Please send the signed Settlement Agreement and any future mailings or documents required per the terms of this Settlement Agreement to:

Mr. Eric Bissinger
Air Pollution Specialist
California Air Resources Board
Enforcement Division
P.O. Box 2815
Sacramento, California 95812

Please submit each payment by the applicable payment due date along with the corresponding <u>Settlement Agreement Payment Transmittal Form (Attachment A)</u> to:

California Air Resources Board
Accounting Office
P.O. Box 1436
Sacramento, California 95812-1436

(2) Effect of Untimely Payment. If any payment is more than 15 days late, the entire remaining balance becomes immediately due and payable. In addition, if the Attorney General files a civil action to enforce this settlement agreement,

MATHER shall pay all costs of investigating and prosecuting the action, including expert fees, reasonable attorney's fees, and costs.

(3) It is agreed that if MATHER, including its subsidiary or parent company, at any time becomes insolvent, or makes an assignment for the benefit of creditors or similar action adversely involving MATHER, its subsidiary, or parent company, or a proceeding or petition under any bankruptcy, reorganization, arrangement of debt, insolvency, readjustment of debt, or receivership law or statute is filed by or against MATHER, its subsidiary, or parent company, or a trustee in bankruptcy, custodian, receiver or agent is appointed or authorized to take charge of any of MATHER's, its subsidiary, or parent company's properties, or if any deposit account or other property of MATHER, its subsidiary, or parent company be attempted to be obtained or held by writ of execution, garnishment, attachment, condemnation, levy, forfeiture or other legal process, or MATHER, its subsidiary, or parent company takes any action to authorize any of the foregoing, the entire remaining balance becomes immediately due and payable without notice or demand.

(4) It is further agreed that the penalties described in Terms and Release, paragraph 1 are punitive in nature, rather than compensatory. Furthermore, the penalty is intended to deter and punish MATHER for violations of state environmental statutes, and these penalties are payable to and for the benefit of ARB, a governmental unit. Therefore, it is agreed that these penalties imposed on MATHER by ARB arising from the facts described in recital paragraphs (1) through (26) are non-dischargeable under 11 United States Code § 523 (a)(7), which provides an exception from discharge for any debt to the extent such debt is for a fine, penalty or forfeiture payable to and for benefit of governmental unit, and is not compensation for actual pecuniary loss, other than certain types of tax penalties.

(5) MATHER shall not violate HSC §§ 43701 *et seq.*, 44011.6 *et seq.*, and 13 CCR §§ 2180 *et seq.*, 2190 *et seq.*, and 2485 *et seq.*

(6) MATHER shall comply with one of the following options to attend the California Council on Diesel Education and Technology (CCDET I) class, (SAE J1667 Snap Acceleration Smoke Test Procedure for Heavy-Duty Diesel Powered Vehicles) as described on the ARB webpage at http://www.arb.ca.gov/enf/hdvip/ccdet/ccdet.htm. This class is conducted by various California Community Colleges and instructs attendees on compliance with the PSIP, the ECL regulation and the HDVIP.

(a) MATHER shall have the fleet maintenance manager (or equivalent) and all staff performing opacity tests for compliance with PSIP and the HDVIP attend the CCDET I class. Proof of CCDET I completion shall be provided to ARB

within six months of the date of this Agreement and be maintained in each applicable employee's file for the term of his or her employment.

(b) If MATHER uses a contractor to perform the annual smoke opacity testing required under the PSIP, MATHER shall obtain proof that the contractor's staff conducting the smoke opacity tests completed the CCDET I course within the past four years. This proof of CCDET I completion shall be provided to ARB with PSIP records as required by this Agreement and be maintained with the annual PSIP records.

(7) MATHER shall comply with one of the following options to attend the CCDET II class (Diesel Exhaust After Treatment and Maintenance), described on the ARB's webpage http://www.arb.ca.gov/enf/hdvip/ccdet/ccdet.htm. This class is conducted by various California Community Colleges and instructs attendees on California's emission regulations and the proper care and maintenance of diesel exhaust after-treatment systems (DEATS).

(a) MATHER shall have the fleet maintenance manager (or equivalent) and all staff responsible for maintenance of DEATS attend the CCDET II class. Proof of CCDET II completion shall be provided to ARB within six months of the date of this Agreement and also be maintained in each applicable employee's file for the term of his or her employment.

(b) In case MATHER uses a contractor for the maintenance of DEATS, MATHER shall obtain proof that the contractor's staff maintaining the DEATS device(s) completed the CCDET II course within the last four years. This proof of the CCDET II completion shall be provided by MATHER to ARB within six months of the date of this settlement and be maintained with the DEATS installation and maintenance records.

(8) MATHER shall submit copies of all PSIP compliance records for the years 2016 and 2017 to ARB by January 31 of the following year. **Copies shall be addressed to the attention of Mr. Eric Bissinger at the California Air Resources Board, Enforcement Division, P.O. Box 2815, Sacramento, California 95812**. ARB reserves the right to visit any MATHER fleet location at any time to conduct compliance audits for the HDVIP and PSIP, or any other applicable ARB program.

(9) MATHER shall comply with the ECL regulation as codified in 13 CCR § 2183. Within 90 days of the execution of this Agreement, MATHER shall **submit the proof of compliance to Mr. Eric Bissinger, Air Pollution Specialist, California Air Resources Board, Enforcement Division, P.O. Box 2815, Sacramento, California 95812**.

(10) MATHER shall instruct all employees who operate diesel-fueled vehicles to comply with the idling regulations set forth in 13 CCR § 2485, within 45 days of this Agreement.

(11) MATHER shall comply with the Truck and Bus regulation as codified in 13 CCR § 2025. Within 18 months of the execution of this Agreement, MATHER shall submit the proof of compliance to Mr. Eric Bissinger, Air Pollution Specialist, ARB Enforcement Division, at the California Air Resources Board, Enforcement Division, P.O. Box 2815, Sacramento, California 95812.

(12) Within 18 months of the execution of this Agreement, MATHER shall bring its fleet of TRUs operating in California in compliance with the applicable in-use performance standards as required by 13 CCR § 2477.5(a) and apply for an ARB IDN for each of the California-based TRUs or TRU gen sets that it owns and/or operates as required by 13 CCR § 2477.5(e) and affix the IDN to both sides of each TRU or TRU gen set within 30 days of receiving the IDN from ARB as required by 13 CCR § 2477.5(e)(1)(F). MATHER shall submit the proof of compliance to Mr. Eric Bissinger, Air Pollution Specialist, California Air Resources Board, Enforcement Division, P.O. Box 2815, Sacramento, California 95812.

(13) This Agreement shall apply to and be binding upon MATHER, and its officers, directors, receivers, trustees, employees, successors and assignees, subsidiary and parent corporations and upon ARB and any successor agency that may have responsibility for and jurisdiction over the subject matter of this Agreement.

(14) This Agreement constitutes the entire agreement and understanding between ARB and MATHER concerning the subject matter hereof, and supersedes and replaces all prior negotiations and agreements between ARB and MATHER concerning the subject matter hereof.

(15) No agreement to modify, amend, extend, supersede, terminate, or discharge this Agreement, or any portion thereof, is valid or enforceable unless it is in writing and signed by all parties to this Agreement.

(16) Severability. Each provision of this Agreement is severable, and in the event that any provision of this Agreement is held to be invalid or unenforceable, the remainder of this Agreement remains in full force and effect.

(17) This Agreement shall be interpreted and enforced in accordance with the laws of the State of California, without regard to California's choice-of-law rules.

(18) This Agreement is deemed to have been drafted equally by the Parties; it will not be interpreted for or against either party on the ground that said party drafted it.

(19) Senate Bill 1402 (Dutton, Chapter 413, statutes of 2010) requires ARB to provide information on the basis for the penalties it seeks (HSC § 39619.7). This information, which is provided throughout this settlement agreement, is summarized here:

The manner in which the penalty amount was determined, including a per unit or per vehicle penalty.

Penalties must be set at levels sufficient to discourage violations. The penalties in this matter were determined in consideration of all relevant circumstances, including the eight factors specified in HSC §§ 42403 and 43024.

PSIP Violations

The per vehicle penalty for the PSIP violations involved in this case is a maximum of $500.00 per vehicle per violation per year. The penalty obtained for the PSIP violations involved in this case is $2,755.00 for 19 violations involving 15 vehicles, or $145.00 per vehicle per violation.

The penalty was discounted due to extreme financial hardship and based on the fact that this was a first time violation and the violator is making diligent efforts to comply and to cooperate with the investigation.

ECL Violation

The per vehicle penalty for the labeling violations involved in this case is a maximum of $300.00 per vehicle per violation. The penalty obtained for the ECL violation involved in this case is from a citation for one MATHER vehicle (license plate VP014989). Citation number ECL081815009RB was issued to MATHER on August 18, 2015. The penalty for the ECL violation involved in this case is $237.00 for one vehicle, or $237.00 per vehicle.

The penalty was discounted due to extreme financial hardship and based on the fact that this was a first time violation and the violator is making diligent efforts to comply and to cooperate with the investigation.

TRU Violations

The per unit penalty for the TRU violations involved in this case is a maximum of $1,000 per unit per day for strict liability violations or $10,000 per vehicle per day for negligent or intentional violations pursuant to HSC § 39674. The penalty obtained for the TRU violations involved in this case is $5,220.00 for 18 noncompliant TRUs operated by MATHER or $290.00 for each violation. The

amount associated with this penalty incorporates two TRU citation received in August 2015 (citation numbers TRU081815010RB and TRU082015002RB).

The penalty obtained for MATHER failing to register TRUs it owns in ARBER is $200.00 for one non-registered TRU or $200.00 for each violation.

The penalty was discounted due to extreme financial hardship and based on the fact that this was a first time violation and the violator is making diligent efforts to comply and to cooperate with the investigation.

Truck and Bus Violations

The per unit penalty for the Truck and Bus violations involved in this case is a maximum of $1,000 per vehicle per day for strict liability violations or $10,000 per vehicle per day for negligent or intentional violations.

The penalty obtained for the Truck and Bus violations involved in this case for failure to meet the requirements of the Engine Model Year Compliance Schedule for heavier vehicles is $15,950.00 or $290.00 per month of violation:

- $14,500.00 for ten vehicles with a 2000 through 2004 model year engine (five months in violation); and
- $1,450.00 for one vehicle with a 2005 model year engine (five months in violation).
- The amount associated with this penalty incorporates a Truck and Bus citation received on August 18, 2015 (citation number STB081815008RB).

In addition, the penalty obtained for failure to report, misreport and submittal of false information is $638.00:

- The penalty obtained for MATHER failing to report one vehicle is $145.00 ($145.00 for each violation); and
- The penalty obtained for MATHER misreporting engine information on four vehicles is $348.00 ($87.00 for each violation); and
- The penalty obtained for MATHER submitting false information for one vehicle is $145.00 ($145.00 for each violation).

The penalty was discounted due to extreme financial hardship and based on the fact that this was a first time violation and the violator is making diligent efforts to comply and to cooperate with the investigation.

The provision of law the penalty is being assessed under and why that provision is most appropriate for that violation.

PSIP Violations

The penalty provision being applied to the PSIP violations is HSC § 43016 because MATHER failed to test, measure, record, and maintain records of smoke emissions from its fleet of heavy-duty diesel vehicles for the years 2013 and 2014 in violation of the PSIP regulation in 13 CCR § 2190 *et seq.*, for 15 vehicles. Since the PSIP regulation was adopted pursuant to authority granted in Part 5 of Division 26 of the HSC and since there is no specific penalty or fine provided for PSIP violations in Part 5, HSC § 43016 is the applicable penalty provision.

ECL Violation

The penalty provision being applied to the ECL requirements is 13 CCR § 2185(a)(2) because MATHER failed to provide evidence that one of their vehicles has an ECL attached as required.

TRU Violations

The penalty provision being applied for the TRU ATCM (13 CCR § 2477) violations (including registration and labeling) is HSC § 39674 because the TRU rule is an Air Toxic Control Measure adopted pursuant to authority contained in HSC §§ 39002 et seq., 39650-39675 and MATHER, as an owner of TRUs, failed to bring all TRUs in its fleet into compliance by the deadlines set forth in the TRU ATCM and failed to register one TRU in its fleet in ARBER.

Truck and Bus Violations

The penalty provision being applied for the Truck and Bus regulation (13 CCR § 2025) violations in this case is HSC § 39674 because the Truck and Bus regulation is an Airborne Toxic Control Measure adopted pursuant to authority contained in HSC §§ 39002 et seq., 39650-39675 and because MATHER failed to bring their diesel fleet into compliance by the deadlines set forth in 13 CCR § 2025(f). MATHER also failed to report all required information for all vehicles in the fleet for which they have elected to utilize compliance options/credits/provisions as required in 13 CCR § 2025(r) and failed to correctly report the Engine Information Reporting requirements of 13 CCR § 2025(r)(9)(C).

Is the penalty being assessed under a provision of law that prohibits the emission of pollution at a specified level, and, if so a quantification of excess emissions, if it is practicable to do so.

PSIP Violations

The PSIP provisions cited above do prohibit emissions above a specified opacity or level of g/hp-hr. However, since the hours of operation of the noncompliant units involved and their individual emission rates are not known, it is not practicable to quantify the excess emissions.

ECL Violation

The penalty is not being assessed under a provision of law that prohibits the emission of pollution at a specified level.

TRU Violations

The provisions cited above do prohibit emissions above a specified level of g/hp-hr. However, since the hours of operation of the noncompliant TRUs involved and their individual emission rates are not known, it is not practicable to quantify the excess emissions. In addition, the provisions cited above for failing to register a TRU in ARBER does not prohibit emissions above a specified level.

Truck and Bus Violations

The provisions cited above do prohibit emissions above a specified level of g/hp-hr. However, since the hours of operation of the noncompliant vehicles involved and their individual emission rates are not known, it is not practicable to quantify the excess emissions. The provisions cited above for failing to report, misreporting and submitting false information do not prohibit emissions above a specified level.

(20) MATHER acknowledges that ARB has complied with Senate Bill 1402 in prosecuting or settling this case. Specifically, ARB has considered all relevant facts, including those listed at HSC § 43024, has explained the manner in which the penalty amount was calculated, has identified the provision of law under which the penalty is being assessed and has considered and determined that this penalty is being assessed under a provision of law that prohibits the emission of pollutants at a specified level.

(21) Penalties were determined based on the unique circumstances of this matter, considered together with the need to remove any economic benefit from noncompliance, the goal of deterring future violations and obtaining swift compliance, the consideration of past penalties in similar cases, and the potential costs and risk associated with litigating these particular violations. Penalties in future cases might be smaller or larger on a per unit basis.

(22) The penalty was based on confidential settlement communications between ARB and MATHER that ARB does not retain in the ordinary course of business. The penalty is the product of an arms length negotiation between ARB and MATHER and reflects ARB's assessment of the relative strength of its case against MATHER, the desire to avoid the uncertainty, burden and expense of litigation, obtain swift compliance with the law and remove any unfair advantage that MATHER may have secured from its actions.

(23) Now therefore, in consideration of the payment on behalf of MATHER to the Air Pollution Control Fund and the Peralta Colleges Foundation, ARB hereby releases MATHER and their principals, officers, agents, predecessors and successors from any and all claims, ARB may have or have in the future based on the circumstances described in paragraphs (1) through (26) of the Recitals. The undersigned represent that they have the authority to enter into this Agreement.

California Air Resources Board		**MATHER BROS. INC.**	
Signature:		Signature:	
Print Name:	Dr. Todd P. Sax		TODD MATHER
Title:	Chief, Enforcement Division		
Date:	6/25/16	Date:	6/10/16

AIR RESOURCES BOARD
2016 JUN 15 AM 10:30
ACCOUNTING SECTION