

**SUPERIOR COURT FOR THE DISTRICT OF COLUMBIA**  
**Civil Division**

DISTRICT OF COLUMBIA	)	
a municipal corporation	)	
1200 First St., N.E., 5 <sup>th</sup> Floor	)	
Washington, DC 20002	)	
Plaintiff,	)	Civil Action No.
	)	
v.	)	
	)	
POTOMAC CREEK ASSOCIATES, L.L.C.	)	<u>CONSENT DECREE</u>
995 L'Enfant Plaza North, SW, Suite 1208	)	
Washington, DC 20024	)	
Defendant.	)	

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WHEREAS, attached hereto is a true and correct copy of the Complaint, in which the District of Columbia and the District Department of the Environment (collectively "Plaintiff"), allege that Defendant, Potomac Creek Associates L.L.C., as the owner of a portion of the L'Enfant Plaza property (collectively "PCA"), failed to timely submit its application for renewal of a major source operating permit ("Permit"), in violation of 20 DCMR § 301.1(a)(4), and operated without a Permit, in violation of 20 DCMR § 303.2;

WHEREAS, in accordance with 20 DCMR § 301.1(a)(4), a renewal application for PCA's major source operating Permit was due on March 27, 2009;

WHEREAS, PCA did not file an application for renewal of its Permit until April 2, 2009, seven (7) days after March 27, 2009, thereby violating 20 DCMR § 301.1(a)(4);

WHEREAS, violation of 20 DCMR § 301.1(a)(4) imposes a fine of one thousand dollars (\$1,000) per day of failure to cure the violation, in accordance with 16 DCMR §§ 3201.1(b)(1) and 3637.2(e) and 20 DCMR § 105.5;

WHEREAS, DDOE further alleges that due in part to the delay in submitting the renewal application, PCA's Permit expired on or about September 27, 2009, and PCA operated without a valid permit for twelve (12) days, through October 9, 2009, violating 20 DCMR § 303.2;

WHEREAS, according to 16 DCMR §§ 3201.1(b)(1) and 3637.2(h) and 20 DCMR § 105.5, operating without a permit imposes a fine of one thousand dollars (\$1,000) per day of violation, which equates to a fine of twelve thousand dollars (\$12,000) as of the date of initial settlement negotiations on October 9, 2009;

WHEREAS, in consideration of the remedial measures that PCA is agreeing to perform under this Consent Decree, DDOE is agreeing to enter into this Consent Decree;

WHEREAS, this Consent Decree constitutes a settlement of the claims in the attached Complaint, and DDOE and PCA (collectively, the "Parties"), without the necessity of trial or adjudication of any issues of fact or law, consent to the entry of this Consent Decree;

WHEREAS, the Parties agree, and the D.C. Superior Court ("Court") finds, that settlement of this matter is in the public interest, and that the entry of this Consent Decree pursuant to the terms hereof, without further litigation, is the most appropriate means of resolving this matter.

NOW, THEREFORE, without any adjudication of any issue of fact or law, without any admission of the allegations contained in the Complaint, and upon consent and agreement of the Parties to this Consent Decree, it is hereby ORDERED, ADJUDGED, and DECREED as follows:

1. **Parties Bound and Notification.** The Parties agree that the provisions of this Consent Decree shall apply to and be binding upon DDOE and PCA.

2. **Jurisdiction.** This Court has subject matter jurisdiction over the Defendant pursuant to D.C. Official Code § 11-921(a)(6) (2001). This Court also has personal jurisdiction over Defendant pursuant to D.C. Official Code § 13-423(a)(1), (a)(5) (2001) (establishing personal jurisdiction over “a person, who acts directly or by an agent, as to a claim for relief arising from the person's -- (1) transacting any business in the District of Columbia; . . . (5) having an interest in, using, or possessing real property in the District of Columbia . . .”) and D.C. Official Code § 13-421 (2001) (defining the term "person" to include “a corporation, partnership, association, or any other legal or commercial entity, whether or not a citizen or domiciliary of the District of Columbia and whether or not organized under the laws of the District of Columbia”). Solely for purposes of this Consent Decree and the underlying Complaint, including any further action to enforce the terms of this Consent Decree, PCA waives any and all objections and defenses it might have as to jurisdiction and fully consents to the terms of this Consent Decree, and to its entirety, and enforcement of this Consent Decree by this Court.

3. **Waiver of Hearing.** PCA hereby waives its right to a judicial or administrative hearing or appeal on any issue of law or fact set forth in the Complaint or in this Consent Decree. PCA voluntarily consents to the entry of this Consent Decree and agrees and consents to all the terms hereof.

4. **Consideration and Mitigation Measures.** As consideration for a reduced fine, PCA retained an environmental consultant and completed the following:

a. Conducted a Major Source Operating Permit Compliance Assessment that included a review of the Site's operations and equipment, as well as past records, notifications, and reports. Using this information, PCA's environmental consultant provided expert assistance

to ensure compliance with Permit requirements. Such expert assistance included the preparation of the required semi-annual reports and annual certification reports.

b. Developed and conducted an on-site Major Source Operating Permit Compliance Training Program at the Site for on-site management and supervisory maintenance personnel. Training included a discussion of the District of Columbia Air Pollution Control Act, D.C. Official Code §§ 8-101.04–8-101.6 (2001), the District of Columbia air pollution control regulations pertaining to major source operating permits (20 DCMR §§ 100–2099), and the federal Clean Air Act, 42 U.S.C. §§ 7401–7671q (2006). The training focused on the major source Permit program’s operational and recordkeeping requirements, visible emissions observations, and ozone-depleting substances requirements.

c. Developed a compliance tracking program for the Site that monitored compliance obligations, including deadlines for all major source operating permit requirements.

5. **Terms of Settlement.** In consideration of Paragraph 4, DDOE agrees to reduce the fine to nine thousand dollars (\$9,000.00), in lieu of the nineteen thousand dollars (\$19,000.00) that could be imposed under 16 DCMR §§ 3201.1(b)(1), 3637.2(e), and 3637.2(h), and 20 DCMR § 105.5 for PCA’s violations of 20 DCMR §§ 301.1(a)(4) and 303.2 (seven thousand dollars (\$7,000) for PCA’s late application seven (7) days after its Permit reapplication deadline, and twelve thousand dollars (\$12,000) for operating without a permit for twelve (12) days).

a. The fine specified in the Paragraph above shall represent a civil fine assessed by DDOE, and shall not be deductible for purposes of federal, state, or local taxes.

b. PCA paid the fine on or about October 1, 2009.

c. PCA certifies that it has not received, and will not in the future seek to receive, credit in any other enforcement action under any federal, state, or local law or regulation for the mitigation measures specified in Paragraph 4 herein. PCA further certifies that it is not required to perform or develop or pay for said mitigation measures by any other agreement or grant, or as injunctive relief.

6. **Compliance Plan.** Pursuant to 20 DCMR § 301.3(h)(3)(C), the Parties agree that PCA will comply with Permit #016 (which DDOE's predecessor issued on September 27, 2004, and which expired on September 27, 2009), and with the revised Title V Operating Permit Application submitted to DDOE on April 9, 2010, until DDOE issues a new Permit to PCA.

7. **Public Statements Must Acknowledge Enforcement Action.** Any public statement, oral or written, in print, film, or other media, made by PCA making reference to any of the mitigation measures specified in Paragraph 4 herein shall include the following language: "This project was undertaken in connection with the settlement of an enforcement action taken by the District Department of the Environment."

8. **No Relief from Compliance; No Endorsement by DDOE.** This Consent Decree shall not relieve PCA of its obligation to comply with all applicable provisions of federal, state, or local law; nor shall it be construed to be a ruling on, or determination of, any issue related to any federal, state, or local permit, approval, or other requirement. Additionally, nothing in this Consent Decree shall be construed as prohibiting, altering, or in any way limiting the ability of DDOE to require PCA to conduct any sampling or monitoring at or about the Site.

9. **Covenant Not to Sue.** DDOE covenants not to sue and not to take any other form of administrative or judicial enforcement against PCA and its successors, as well as its officers, directors, members and employees, with respect to any of the acts, omissions, or other

matters alleged in or encompassed by the Complaint, including any and all acts or omissions relating to PCA's late application and operation without a permit for the Site that occurred (or failed to occur) through the date of the filing of this Consent Decree and the Complaint. The Complaint, filed with this Consent Decree, alleges that PCA's major source permit application, filed with DDOE on April 6, 2009, was seven (7) days late, in violation of 20 DCMR § 301.1(a)(4), and that PCA operated the Site without a permit for twelve (12) days from September 27, 2009 through October 9, 2009, in violation of 20 DCMR § 303.2. DDOE's covenant not to sue shall take effect upon the date of entry of this Consent Decree. If PCA materially breaches and fails to cure any such breach of this Consent Decree within 60 days, unless extended by the District, the foregoing release and covenant shall be deemed null and void. Further, nothing in this Consent Decree is intended nor shall be construed to operate in any way to limit or otherwise preclude DDOE from taking additional enforcement action with regard to PCA or any other person who has violated or violates hereinafter District of Columbia laws, regulations, or other legal requirements, by reason of acts or omissions other than those encompassed by the first sentence of this paragraph.

10. **Reservation of Rights.** DDOE reserves any and all legal and equitable remedies, sanctions, and penalties that may be available to it to enforce the provisions of this Consent Decree against PCA for failure to comply with the requirements of this Consent Decree.

11. **Modification.** There shall be no material modification of this Consent Decree without the prior written approval of the Parties to this Consent Decree and the approval of the Court. All non-material modifications, such as a change to the person to receive notice under this Consent Decree, may be made by written agreement of the Parties.

12. **Termination.** This Consent Decree shall terminate after the Parties have complied with Paragraphs 4, 5 and 6. PCA has complied with Paragraphs 4 and 5. When a new Permit is issued in compliance with Paragraph 6, PCA may file a motion with the Court seeking termination, for which motion concurrence shall not be unreasonably withheld by DDOE.

13. **Retention of Jurisdiction.** Until the terms of this Consent Decree have been satisfied, this Court shall retain jurisdiction to enforce the terms and conditions of this Consent Decree, in order to resolve disputes arising hereunder as may be necessary or appropriate for the construction, execution, or implementation of this Consent Decree.

14. **Final Judgment.** Consistent with and in no way abrogating the preceding paragraph regarding retention of jurisdiction, the Consent Decree shall constitute a final judgment pursuant to D.C. S.C.R.-Civil Rule 54, upon approval and entry of this Consent Decree by this Court.

15. **Release from Liability.** DDOE agrees to release PCA from all liability under all claims brought in or which could have been brought pursuant to the Complaint (including NOI numbers DE-I-09-A200162 and DE-I-10-A200182) upon completion and satisfaction of all terms and conditions of the Consent Decree.

16. **Governing Law.** This Consent Decree is made and executed in the District of Columbia, and it is agreed that this Consent Decree shall be interpreted in accordance with the laws of the District of Columbia.

17. **Integration Clause.** This Consent Decree supersedes any and all prior agreements and understandings of the Parties and constitutes the entire understanding between and among the Parties with regard to the matters set forth. There are no representations, warranties, agreements, arrangements, nor undertakings, written or oral, between or among the

Parties thereto, relating to the subject matter of the Consent Decree that are not fully expressed herein.

18. **Notice.** Written communications submitted under this Consent Decree shall be addressed as follows, unless the listed individuals or their successors give written notice of change(s) to the Parties:

District of Columbia

Kimberly Katzenbarger  
General Counsel  
District Department of the Environment  
1200 First Street, NE, 5<sup>th</sup> Floor  
Washington, D.C. 20002-3347  
(202) 535-2608  
(202) 535-2881 (facsimile)  
kimberly.katzenbarger@dc.gov

PCA

Potomac Creek Associates, L.L.C.  
c/o The JBG Companies  
955 L'Enfant Plaza North, SW, Suite 1208  
Washington, D.C. 20024  
Attn: Dawn Redmond  
(202) 485-3354

David Friedland  
Beveridge & Diamond, P.C.  
1350 I Street, NW, Suite 700  
Washington, DC 20005  
(202) 789-6047  
(202) 789-6190 (facsimile)

Potomac Creek Associates, L.L.C.  
c/o The JBG Companies  
4445 Willard Avenue, Suite 400  
Chevy Chase, MD 20815  
Attn: Legal Department

19. **Service.** For purposes of this action, the Complaint filed in this action, and the Consent Decree, PCA hereby agrees to accept service by mail at the address provided in Paragraph 18, above, and to waive the formal service requirements of D.C. SCR-Civil Rule 4, including but not limited to service of a summons.

**Dated and entered on \_\_\_\_\_ day of \_\_\_\_\_, 2012.**

For Plaintiff:

IRVIN B. NATHAN  
Attorney General for the  
District of Columbia

ELLEN EFROS  
Deputy Attorney General  
Public Interest Division

  
\_\_\_\_\_  
KIMBERLY KATZENBARGER (DC Bar # 476049)  
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Attorneys for the District of Columbia

Date: 1-6-12

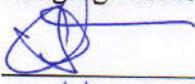
For Defendant:

**POTOMAC CREEK ASSOCIATES, L.L.C.**

By: JBG/L'Enfant Plaza Mezzanine, L.L.C.  
its Managing Member

By: JBG/L'Enfant Plaza Member, L.L.C.  
its Managing Member

By: JBG/Company Manager II, L.L.C.  
its Managing Member

By:   
Name: Michael Glossemann  
Title: Managing Member

c/o The JBG Companies  
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DAVID FRIEDLAND (DC Bar # 414556)  
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1350 I Street, NW, Suite 700  
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Date: January 4, 2012