

California Service
Station &
Automotive Repair
Association

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CSSARA
AUTO\$ENSE

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<http://www.cssara.org>

To be removed from our contact list, please call the CSSARA office.

CONOCOPHILLIPS SELLS STATIONS

The sale of approximately 600 company owned and many dealer operated franchised stations were sold to Pacific Convenience & Fuel, LLC.

Sam Hirbod, Chief Executive Officer of Pacific Convenience & Fuel, in a phone conversation with CSSARA's Executive Director, stated Pacific's main goal will be to offer existing dealers a reasonable, fair and smooth transition. In a memorandum of understanding to 76 branded dealers, Pacific said:

1. Pacific shall maintain dealer's monthly rent amount as of December 31, 2008 through December 31, 2010.
2. Dealer shall have the right to purchase the property for a period of two years following the closing of the acquisition for the amount of the ConocoPhillips appraised value.
3. Pacific shall extend credit terms for fuel to dealer to five (5) days from lifting.
4. Pacific is willing to continue the cycle of three (3) year franchise, leases, or Pacific shall execute longer term franchise leases with dealers if appropriate.
5. Pacific shall assist dealers in extending short-term ground leases by offering to co-sign with landlords as required by landlord.
6. In the event the acquisition does not close, this memorandum of understanding shall become null and void.

Hirbod also stated his understanding that dealers have certain rights of first refusal which may apply.

CSSARA commends Pacific on its straight forward approach to its relationship with dealers and hope that this is just the beginning.

CSSARA along with its new General Council, Richard Perez of Perez & Miller, will be holding a meeting for interested 76 dealers for the purpose of discussion of Dealer Rights under California Business and Professions code section 20999.25(a) and the Petroleum Marketing Practices Act ("PMPA") section 2801. Look for an invitation in the mail.

BAR

Smog check - BAR's preliminary findings show that 37% of roadside smog checks fail in meeting standards. This is a serious problem of performance in both testing & repair. Many feel that when more stringent cut points are mandated this will lower the roadside results.

Gold Shield workshops will drive regulation changes in Gold Shield status criteria.

The average EVAP repair is running \$163.90. BAR 2010 equipment update is awaiting approval which is expected any time. BAR estimates a 4th quarter 2009 roll out of new analyzer mandatory by 3rd quarter 2011. State will own software.

BAR considering registration of all automotive technicians in an effort to raise competency and the possibility of lower level citations such as \$50.00 for incompetent repairs.

VEEDER- ROOT EVR & ISD

Rumor mill is anticipating approval of Veeder-Root EVR & ISD equipment certification by CARB sometime in October 2008. The Veeder-Root carbon canister and hanging hardware is a balanced system. Installation is reported to be less expensive; equipment cost is higher in comparison to Healy and VST. Veeder-Root carbon canister system boasts a saving of approximately \$5000.00 per location.

Potential benefits may include:

- a. Lower annual maintenance cost
- b. Small tank
- c. Shorter installation time
- d. Lower potential alarms relating to ISD
- e. Less hassle in permitting requirements

If you need a quote on equipment, contact: Marty Ziegler with TITAN-PME @ (408) 422-5770 and tell him you want the CSSARA deal.