

Keith Amble

SETTLEMENT AGREEMENT

The Wyoming Department of Environmental Quality, Air Quality Division ("DEQ/AQD"), Herschler Building, 122 West 25th Street, Cheyenne, WY 82002, and Interstate Insulation and Contracting, Inc., a Wyoming corporation ("IICI"), P.O. Box 6045, Sheridan, WY 82801 enter into this Settlement Agreement ("Agreement") to fully and finally resolve without litigation the violations cited in DEQ Notice of Violation Docket No. 4066-07 ("NOV"). The NOV alleges that IICI failed to adequately wet asbestos-containing material ("ACM") prior to disturbance and failed to properly handle and dispose of ACM during an asbestos abatement project ("Project") at the former Buffalo High School facility ("Facility") located at 326 South Burrit Street, Buffalo, in Johnson County, Wyoming, resulting in a release of visible emissions in violation of the Wyoming Environmental Quality Act ("Act") and the applicable Wyoming Air Quality Standards and Regulations ("WAQSR").

WYO. STAT. ANN. § 35-11-901(a)(ii) (West 2007) authorizes stipulated settlement, including payment of a penalty, in lieu of litigation. To that end, IICI and the DEQ/AQD hereby stipulate and agree as follows:

1. The DEQ/AQD is responsible for enforcing the Act and the WAQSR.
2. WYO. STAT. ANN. § 35-11-201 states, "No person shall cause, threaten or allow the discharge or emission of any air contaminant in any form so as to cause pollution which violates rules, regulations and standards adopted by the council."
3. Chapter 3, Section 8 of the WAQSR establishes asbestos emission standards for demolition, renovation, manufacturing, spraying and fabrication that apply to owners and operators of facilities where asbestos renovation/demolition activities are taking place.
4. Regulated ACM ("RACM") includes friable and Category I non-friable ACM that has become friable. 3 WAQSR § 8(b)(xxxiii).
5. Chapter 3, Section 8(i)(i)(D) of the WAQSR mandates compliance with the requirements of 3 WAQSR § 8(i)(ii) and (iii) if the combined amount of RACM is at least 160 square feet. The DEQ/AQD alleges that the Project involved the removal of approximately 22,300 square feet of ACM from the Facility, including asbestos-containing floor tile.
6. On January 23, 2007, DEQ/AQD Asbestos Inspector Mr. Robert Rodriguez inspected the planned abatement of the Facility. The DEQ/AQD alleges that during its January 23, 2007 inspection, the DEQ/AQD inspector observed a dry disturbance of

ACM (asbestos-containing floor tile) had occurred indicating the disturbance caused the previously category I non-friable ACM to become friable and regulated as RACM.

7. Also during DEQ/AQD's January 23, 2007 inspection, the DEQ/AQD inspector observed the RACM floor tile material had not been wetted prior to disturbance, was not kept adequately wet until packaged for disposal, nor immediately sealed in leak tight containers for transport to an approved asbestos disposal site.

8. Chapter 3, Section 8(i)(iii)(A) of the WAQSR requires that all RACM from a facility being demolished or renovated must be removed before any activity begins that would disturb, dislodge, break up, or hinder access to the material for subsequent removal. Chapter 3, Section 8(i)(iii)(C) and (F) of the WAQSR requires that after RACM has been stripped from a facility component within the facility it must be kept adequately wet until collected and contained or treated in preparation for disposal. Based on the results of DEQ/AQD's January 23, 2007 inspection, the DEQ/AQD alleges that IICI was responsible for the dry disturbance of RACM which occurred at the Facility.

9. On February 14, 2007, DEQ/AQD Asbestos Inspector Mr. Robert Rodriguez and Asbestos Program Manager, Mr. Tony Wagner, inspected the Project at the Facility. During this inspection, IICI stated that IICI removed the RACM from containment and then took the RACM out of the Facility before sealing it in leak tight containers.

10. Chapter 3, Section 8(m) of the WAQSR prohibits owners or operators from discharging visible emissions to the outside air during the collection, processing, packaging, or transporting of any asbestos-containing waste material. Based on the results of DEQ/AQD's February 14, 2007 inspection, the DEQ/AQD alleges that IICI's removal of ACM from burlap bags before sealing the bags in leak tight containers caused a release of ACM.

11. DEQ/AQD and IICI agree that IICI will pay the DEQ/AQD six thousand three hundred dollars and no cents (\$6,300.00) as a stipulated cash settlement to resolve this alleged violation in lieu of litigation pursuant to WYO. STAT. ANN. § 35-11-901(a)(ii). IICI shall make full payment by check, made payable to the Wyoming DEQ/AQD within thirty days after IICI has been notified by DEQ/AQD that the final signature has been affixed to this Agreement. IICI shall mail the payment to Nancy Vehr, Sr. Asst. Attorney General, 123 Capitol Building, Cheyenne, WY 82002

12. IICI, by entering into this Agreement, does not concede or admit to any liability, and this Agreement constitutes no admission of fault.

13. Full compliance with this signed Agreement shall constitute full satisfaction for all claims by the DEQ/AQD against IICI based on NOV Docket No. 4066-07 and

solely in reliance on this Agreement the DEQ/AQD will refrain from taking further enforcement action against IICI for these particular violations.

14. IICI waives any statute of limitations which may apply to an enforcement action by the DEQ/AQD involving the specific matters described in NOV Docket No. 4066-07 in the event that IIC fails to fulfill its obligations under this Agreement.

15. This Agreement shall be admissible by either IICI or DEQ/AQD (hereinafter IICI and DEQ/AQD may be referred to individually as "Party" and collectively as "Parties") without objection by the other Party in any action between these Parties relating to the violations alleged herein; provided, however, that nothing herein constitutes an admission by IICI of liability or fault.

16. Neither Party hereto shall have any claim against the other for attorneys' fees or other costs incurred relating to the allegations resolved hereby, including costs incurred in the preparation of this Agreement. Each Party shall bear its own attorney fees and costs, if any, incurred through the date this Agreement is signed by both Parties. Each Party assumes the risk of any liability arising from its own conduct. Neither Party agrees to insure, defend or indemnify the other.

17. Any changes, modifications, revisions or amendments to this Agreement which are mutually agreed upon by the Parties shall be incorporated by written instrument, executed and signed by all Parties to this Agreement.

18. The construction, interpretation and enforcement of this Agreement shall be governed by the laws of the State of Wyoming. The Courts of the State of Wyoming shall have jurisdiction over this Agreement and the Parties, and the venue shall be the First Judicial District, Laramie County, Wyoming.

19. This Agreement, consisting of four (4) pages represents the entire and integrated agreement between the Parties and supersedes all prior negotiations, representations, and agreements, whether written or oral.

20. The State of Wyoming and the DEQ/AQD do not waive sovereign immunity by entering into this Agreement and specifically retain immunity and all defenses available to them as sovereigns pursuant to WYO. STAT. ANN. § 1-39-104(a) and all other state law.

21. The Parties do not intend to create in any other individual or entity the status of third party beneficiary, and this Agreement shall not be construed so as to create such status. The rights, duties and obligations contained in this Agreement shall operate only between the Parties to this Agreement, and shall inure solely to the benefit of the Parties

to this Agreement. The Parties to this Agreement intend and expressly agree that only Parties signatory to this Agreement shall have any legal or equitable right to seek to enforce this Agreement, to seek any remedy arising out of a Party's performance or failure to perform any term or condition of this Agreement, or to bring an action for the breach of this Agreement.

22. Each Party represents that they are authorized to enter into this Agreement and agree to be bound hereby. This Agreement shall become binding upon the Parties once executed by all Parties.

IN WITNESS THEREOF, the Parties, by their duly authorized representatives, have executed this Agreement on the days and dates set out below, and certify that they have read, understood, and agreed to the terms and conditions of this Agreement:

INTERSTATE INSULATION & CONTRACTING, INC.:

By: Randy J. Warnke 7-17-2007
Randy Warnke, President Date

STATE OF WYOMING, DEPARTMENT OF ENVIRONMENTAL QUALITY

By: David A. Finley 7/30/07
David A. Finley, AQD Administrator Date

By: John Corra 7/30/07
John Corra, DEQ Director Date

APPROVAL AS TO FORM:

Nancy E. Vehr 7/13/07
Nancy E. Vehr, Sr. Asst. Attorney General Date
Attorney for DEQ/AQD