

SETTLEMENT AGREEMENT

The Wyoming Department of Environmental Quality, Air quality Division ("DEQ/AQD"), Herschler building, 122 West 25th Street, Cheyenne, WY 82002, and Recycled Materials, LLC ("Recycled"), P.O. Box 370, Casper, Wyoming 82604 enter into this Settlement Agreement ("Agreement") to fully and finally resolve without litigation the violations cited in DEQ/AQD Notice of Violation Docket No. 4362-09 ("NOV"). The NOV alleges that Recycled failed to comply with Chapter 3, Section 8 of the Wyoming Air Quality Standards and Regulations ("WAQSR") in the renovation of the Coliseum Motors Building located in Casper, Natrona County, Wyoming in violation of the Air Quality Act ("Act") and applicable WAQSRs.

WYO. STAT. ANN. § 35-11-901(a)(ii) (West 2008) authorizes stipulated settlement, including payment of a penalty, in lieu of litigation. To that end, Recycled and the DEQ/AQD hereby stipulate and agree as follows:

1. The DEQ/AQD is responsible for enforcing the Act and 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 fabricating that apply to owners and operators of facilities where asbestos renovation/demolition activities are taking place.
4. On July 31, 2008, a DEQ/AQD inspector conducted an investigation of the renovation of the Coliseum Motors Building located in Casper, Wyoming. Upon review of notifications submitted for demolitions in Wyoming, the investigation revealed that no notification had been submitted to the DEQ/AQD prior to the renovation of the building. The investigation revealed that an inspection of the building had not been conducted prior to the start of renovation.
5. During the inspection, several samples of material from the renovation were collected for submittal for asbestos analysis. The analysis of the material tested positive for the presence of asbestos fibers with percentages ranging from 5% - 30% chrysotile asbestos. The materials collected included floor tile, mastic, pipe insulation, drywall mud, and ceiling texture.
6. The inspection revealed that workers conducting the renovation were not trained to properly remove asbestos materials, and no attempt was made to prevent visible emissions from the asbestos-containing material. Wetting was not done to prevent fiber release and the materials were not being properly packaged for disposal.
7. Chapter 3, Section 8(i)(i) of the WAQSR states: "To determine which requirements of paragraphs (i)(i), (i)(ii), and (i)(iii) apply to the owner or operator of a demolition or renovation activity and prior to the commencement of the demolition or renovation, thoroughly inspect the affected facility or part of the facility where the demolition or renovation operation will occur for the presence of asbestos, including Category I and Category II non friable ACM."
8. Information gathered during the inspection showed that Recycled did not conduct an inspection for asbestos containing materials prior to the

commencement of the renovation of the Coliseum Motors Building in violation of Chapter 3, Section 8(i)(i).

9. Chapter 3, Section 8(i)(ii) of the WAQSR states: "Each owner or operator of a demolition or renovation activity to which this section applies shall: (A) provide the Administrator with written notice of the intention to demolish or renovate." Further, Chapter 3, Section 8(i)(ii) of the WAQSR requires the notification at least ten working days prior to the commencement of the demolition or renovation.

10. Based on a review of DEQ/AQD records, Recycled failed to submit notification of the Coliseum Motors Building renovation to the Administrator of the DEQ/AQD in violation of Chapter 3, Section 8(i)(ii).

11. Chapter 3, Section 8(i)(iii) of the WAQSR states: "Remove all regulated asbestos-containing material (RACM) from a facility being demolished or renovated before any activity begins that would break up, dislodge, or similarly disturb the material..."

12. During the inspection friable asbestos-containing materials were found in various areas around the renovation site. The material was not being properly removed in accordance with Chapter 3, section 8(i)(iii).

13. Chapter 3, Section 8(i)(iii)(F)(I) of the WAQSR states: "Adequately wet the [regulated asbestos-containing] material and ensure that it remains wet until collected and contained or treated in preparation for disposal..."

14. During the inspection it was determined that asbestos-containing material was removed while dry and was not kept wet until collected and contained for disposal in violation of Chapter 3, Section 8(i)(iii)(F)(I).

15. Chapter 3, Section 8(m)(i)(A)(III) of the WAQSR states: "After wetting, seal all asbestos-containing materials in leak-tight containers while wet..."

16. The inspection revealed that materials associated with the Coliseum Motors Building renovation were not wetted and were not sealed in leak-tight containers in preparation for disposal in violation of Chapter 3, Section 8(m)(i)(A)(III).

17. DEQ/AQD and Recycled agree that the total stipulated settlement amount to resolve the violations alleged in the NOV in lieu of litigation under WYO. STAT. ANN. § 35-11-901(a)(ii) is six thousand dollars and no cents (\$6,000.00) payable as follows:

A. Recycled agrees to pay the DEQ/AQD two thousand dollars and no cents (\$2,000.00) by check made payable to the Wyoming Department of Environmental Quality, Air Quality Division, within thirty (30) days after Recycled has been notified by DEQ/AQD that the final signature has been affixed to the Agreement. Recycled shall mail the payment to John S. Burbridge, Senior Assistant Attorney General, 123 Capitol Building, Cheyenne, WY 82002.

B. Recycled agrees that four thousand dollars and no cents (\$4,000.00) will be deferred provided that no enforcement actions are taken by the DEQ/AQD against Recycled specific to asbestos laws and regulations for the next year following the date of the last signature on this

agreement. If Recycled is subject to an enforcement action specific to asbestos related laws and regulations during the next year following the date of the last signature on this agreement, Recycled shall pay the differred four thousand dollars and no cents (\$4,000.00) within thirty (30) days of the initiation of the action.

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

19. Full compliance with the signed Agreement shall constitute full satisfaction for all claims by the DEQ/AQD against Recycled based on the NOV and, solely in reliance on the Agreement, the DEQ/AQD will refrain from taking further enforcement action against Recycled for that particular violation.

20. Recycled waives any statute of limitations which may apply to an enforcement action by the DEQ/AQD involving the specific matters described in the NOV in the event that Recycled fails to fulfill its obligations under this Agreement.

21. This Agreement shall be admissible by either Recycled or DEQ/AQD (herinafter Recycled 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.

22. Neither Party hereto shall have any claim against the other for attorney's fees or other costs incurred with the allegations resolved hereby, including costs incurred in the preparation of the 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.

23. 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.

24. 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.

25. 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.

26. 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.

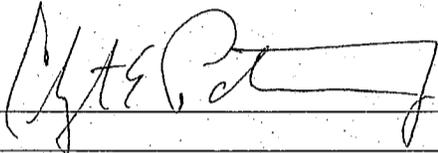
27. The Parties do not intend to create in any other individual or entity the status of third party beneficiary, and this Agreement shall not be construed so as to create such status. The rights, duties and obligations contained in the Agreement shall operate only between the Parties to this Agreement,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

28. 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.

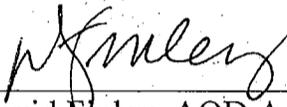
IN WITNESS THEREOF, the Parties, by their duly authorized representatives, have executed this Agreement on the days and dates set out below, and certify that they have read, understood, and agreed to the terms and conditions of this Agreement:

RECYCLED MATERIAL, LLC

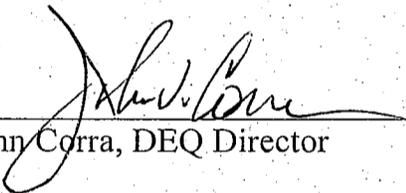
By: 

10/09/09
Date

STATE OF WYOMING, DEPARTMENT OF ENVIRONMENTAL QUALITY:

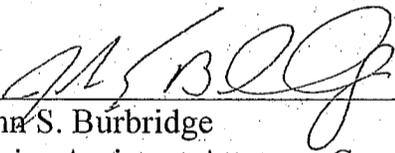
By: 
David Finley, AQD Administrator

10/15/09
Date

By: 
John Corra, DEQ Director

10/12/09
Date

APPRVAL AS TO FORM:

By: 
John S. Burbridge
Senior Assistant Attorney General
Attorney for DEQ/AQD

10.15.09
Date