

**BEFORE THE
DEPARTMENT OF ENVIRONMENTAL QUALITY
STATE OF WYOMING**

IN THE MATTER OF THE NOTICE OF VIOLATION)
ISSUED TO FIRST NATIONAL BANK OF BUFFALO,) No.4640-10
MR. SCOTT MCBRIDE, EXECUTIVE VICE PRESIDENT)
PO BOX 400)
BUFFALO, WYOMING 82834)

SETTLEMENT AGREEMENT

The Wyoming Department of Environmental Quality, Air Quality Division (“DEQ/AQD”), Herschler Building, 122 West 25th Street, Cheyenne, WY 82002, and First National Bank of Buffalo (“First National”), PO Box, Buffalo, Wyoming 82834 enter into this Settlement Agreement (“Agreement”) to fully and finally resolve without litigation the violations cited in DEQ Notice of Violation Docket No. 4640-10 (“NOV”). The NOV alleges that First National failed to conduct a thorough asbestos inspection prior to renovation or demolition of the Masonic Lodge in Buffalo, Wyoming, and failed to notify the Administrator of the DEQ/AQD prior to the renovation or demolition of the building in violation of the Air Quality Act (“Act”) and applicable Wyoming Air Quality Standards and Regulations (“WAQSR”).

WYO. STAT. ANN. § 35-11-901(a)(ii) (West 2009) authorizes stipulated settlement, including payment of a penalty, in lieu of litigation. To that end, First National 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. 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 nonfriable ACM [Asbestos Containing Material].”
5. Chapter 3, Sections 8(i)(ii)(A) & (C)(I) 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 intention to demolish or renovate, and (C)(I): At least 10 working days before asbestos stripping or removal work or any other activity begins (such as site preparation that would break up, dislodge or similarly disturb asbestos material), if the operation is described in paragraphs (i)(i)(A) and (D) (except (i)(i)(D)(III) and (i)(i)(D)(IV)).”

6. On December 15, 2009, a DEQ/AQD inspector conducted an inspection of the demolition of the Masonic Lodge located at 185 South Main Street, Buffalo, Wyoming. During the inspection, the DEQ/AQD inspector observed violations of Chapter 3, Section 8 of the WAQSR.

7. While conducting the inspection, the DEQ/AQD inspector noted many areas where suspect materials appeared to be disturbed to include plaster, pipe insulation and floor tile. Approval was granted to collect and analyze samples of the suspect materials listed above. Sample results for the pipe insulation residue showed 35% chrysotile asbestos. Therefore, disturbed materials were Regulated Asbestos containing material (RACM) that had not been identified prior to demolition.

8. Based on the inspection, the DEQ/AQD inspector determined that First National failed to conduct a thorough pre-demolition inspection for the presence of asbestos in violation of Chapter 3, Section 8(i)(i) of the WAQSR.

9. As a result of the inspection the DEQ/AQD inspector checked DEQ/AQD records to determine if notification was provided to the DEQ/AQD prior to commencement of the renovation project. The DEQ/AQD inspector determined that First National failed to provide notice to the DEQ/AQD in violation of Chapter 3, Section 8(i)(ii) of the WAQSR.

10. DEQ/AQD and First National 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 three thousand two hundred fifty dollars and no cents (\$3,250.00) payable as follows:

A. In lieu of paying the three thousand two hundred fifty dollars and no cents (\$3,250.00) to the DEQ/AQD, First National agrees to complete the following Supplemental Environmental Project ("SEP"):

i. First National agrees to contribute three thousand two hundred fifty dollars and no cents (\$3,250.00) to the University of Wyoming Environmental Engineering Internship Program account WYDEQ6867. First National shall submit the SEP payment to Shannyn Adkins, UW Sponsored Programs, Dept. 3355, 107 Old Main, 1000 East University Avenue, Laramie, Wyoming 82071. First National shall make full payment of the SEP within thirty (30) days after First National has been notified by DEQ/AQD that the final signature has been affixed to the Agreement unless First National and the DEQ/AQD mutually agree to an extension of time.

ii. First National shall provide proof of the contribution to the DEQ/AQD, to: Attn: Mr. Robert Gill, 122 West 25th Street, Cheyenne, WY 82002 within thirty (30) days after the completion of the SEP. The DEQ/AQD and First National agree that if First National does not complete the SEP by the SEP deadline, then First National will pay the DEQ/AQD the full settlement amount of three thousand two hundred fifty dollars and no cents (\$3,250.00) by the SEP Completion Report deadline.

iii. First National hereby certifies that as of the date it signs this Agreement, First National is not required to perform or develop the SEP by any federal, state or local law or regulation; nor is First National required to perform or develop the SEP pursuant to any other agreement or relief in any other case. First National

further certifies that it has not received and is not presently negotiating to receive credit for the SEP in any other pending action.

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

12. Full compliance with the signed Agreement shall constitute full satisfaction for all claims by the DEQ/AQD against First National based on the NOV and, solely in reliance on the Agreement, the DEQ/AQD will refrain from taking further enforcement action against First National for those particular violations.

13. First National 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 First National fails to fulfill its obligations under this Agreement.

14. This Agreement shall be admissible by either First National or DEQ/AQD (hereinafter First National 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.

15. 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.

16. 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.

17. 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.

18. 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.

19. 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.

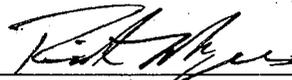
20. The Parties do not intend to create in any other individual or entity the status of third party beneficiary, and this Agreement shall not be construed so as to create such status. The rights, duties and obligations contained in the Agreement shall operate only between the Parties to this Agreement,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

21. 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.

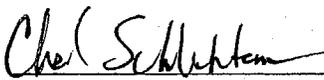
IN WITNESS THEREOF, the Parties, by their duly authorized representatives, have executed this Agreement on the days and dates set out below, and certify that they have read, understood, and agreed to the terms and conditions of this Agreement:

FIRST NATIONAL BANK OF BUFFALO

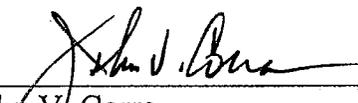
By: 
Rick Myers

3/24/10
Date

STATE OF WYOMING, DEPARTMENT OF ENVIRONMENTAL QUALITY:

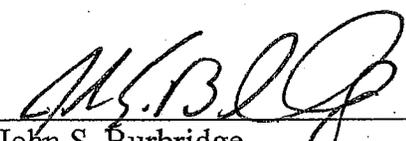
By: 
Char Schluchtemeyer, AQD Administrator

3/31/10
Date

By: 
John V. Corra
Director
Department of Environmental Quality

3/31/10
Date

APPROVAL AS TO FORM:

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

3-31-10
Date