

SETTLEMENT AGREEMENT

The Wyoming Department of Environmental Quality, Air Quality Division (DEQ/AQD), Herschler Building, 122 West 25th Street, Cheyenne, WY 82002, and Wells Fargo Bank, N.A., One S. Broad Street, 22nd Floor, Philadelphia, PA 19107, enter into this Settlement Agreement (Agreement) to fully and finally resolve without litigation the alleged violations cited in DEQ Notice of Violation Docket No. 4965-12 (NOV). As more fully set forth below, the NOV alleged that Wells Fargo failed to provide written notification of the demolition/renovation project of the Wells Fargo Bank commercial building facility (Facility) located at 1701 Capitol Avenue, Cheyenne, Laramie County, Wyoming, before renovation work began at the Facility, thereby violating the Wyoming Environmental Quality Act (Act) and applicable Wyoming Air Quality Standards and Regulations (WAQSR).

Wyo. Stat. Ann. § 35-11-901(a)(ii) (West 2010) authorizes stipulated settlement, including payment of a penalty, implementation of compliance schedules or other settlement conditions in lieu of litigation. To that end, Wells Fargo and DEQ/AQD hereby stipulate and agree as follows:

1. Wells Fargo & Company, a diversified financial services company, is a Delaware corporation that maintains its principal place of business in San Francisco, California. Wells Fargo Bank, N.A. is a national banking association and a subsidiary of Wells Fargo & Company (collectively referred to hereinafter as "Wells Fargo"). Wells Fargo is the owner of the Facility where the renovation or demolition activities took place.

2. The DEQ/AQD is the executive branch agency of Wyoming Government responsible for enforcing the Act and the WAQSR.

3. Wyo. Stat. Ann. § 35-11-201 states: "[n]o 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."

4. Chapter 3, Section 8 of the WAQSR establishes, in part, asbestos emission standards for demolition, renovation, manufacturing, spraying and fabricating that apply to owners and operators of facilities where renovation or demolition activities are taking place.

5. Chapter 3, Section 8(i)(ii) of the WAQSR requires owners and operators of facilities undergoing renovation or demolition to provide the DEQ/AQD with "written notice of the intention to demolish or renovate" at least ten working days before commencing the demolition or renovation.

6. On November 22, 2011, in response to a complaint, the DEQ/AQD Asbestos Program Coordinator inspected the renovation of the third floor of the Facility. While conducting the inspection, the DEQ/AQD Asbestos Program Coordinator observed that approximately 144 square feet of 9" x 9" suspect floor tile and the underlying mastic had been disturbed and broken during carpet removal. The Asbestos Program Coordinator collected a sample of the suspect floor tile and mastic. Subsequent analysis of the samples indicated that the suspect floor tile contained 15% chrysotile asbestos. Upon further investigation, the DEQ/AQD Asbestos Program Coordinator determined that Wells Fargo had not provided DEQ/AQD with prior written notification of intent to demolish or renovate the Facility.

7. On February 29, 2012, the DEQ/AQD issued the NOV to Wells Fargo, alleging that Wells Fargo failed to comply with Chapter 3, Section 8(i)(ii) of the WAQSR prior to demolition or renovation of the Facility.

8. Without admitting liability and in lieu of litigation under Wyo. Stat. Ann. § 35-11-901(a)(ii), the DEQ/AQD and Wells Fargo agree that to resolve the alleged violations described above and set forth in the NOV, Wells Fargo shall pay the DEQ/AQD one thousand five hundred seventy-five dollars and no cents (\$1,575.00) as a stipulated cash penalty. Within thirty (30) days after Wells Fargo has been notified that the final signature has been affixed to this Agreement, Wells Fargo shall make full payment by check, made payable to the Wyoming Department of Environmental Quality, Air Quality Division. Wells Fargo shall mail the payment to Nancy Vehr, Sr. Asst. Attorney General, 123 Capitol Building, Cheyenne, WY 82002.

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

10. Full compliance with this signed Agreement shall constitute full satisfaction for all claims by the DEQ/AQD against Wells Fargo based on the NOV, and solely in reliance on this Agreement, the DEQ/AQD will refrain from taking further enforcement action against Wells Fargo for these particular alleged violations.

11. In the event that Wells Fargo fails to fulfill its obligations under this Agreement, Wells Fargo waives any statute of limitation claims that may apply in an enforcement action by the DEQ/AQD involving the specific matters described in the NOV.

12. This Agreement shall be admissible by either Wells Fargo or the DEQ/AQD (hereinafter Wells Fargo and the DEQ/AQD may be referred to individually as "Party" or collectively as "Parties") without objection by the other Party only in an

action between these Parties relating to the violations alleged herein; provided, however, that nothing herein constitutes an admission by Wells Fargo of liability or fault.

13. Neither Party hereto shall have any claim against the other for attorneys' fees or other costs incurred with 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.

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

15. 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.

16. 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.

17. 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.

18. 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.

19. 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.

WELLS FARGO BANK, N.A.:

By: Steven A. Colton July 30, 2012
Name: Steven A. Colton Date
Title: Vice President

STATE OF WYOMING, DEPARTMENT OF ENVIRONMENTAL QUALITY:

By: Steven A. Dietrich 8-2-12
Steven A. Dietrich, AQD Administrator Date

By: John Corra 8/3/12
John Corra, DEQ Director Date

APPROVAL AS TO FORM:

Nancy E. Vehr 7/18/2012
Nancy E. Vehr, Sr. Asst. A.G. Date
Attorney for DEQ/AQD