

SETTLEMENT AGREEMENT

The Wyoming Department of Environmental Quality, Air Quality Division (DEQ/AQD), Herschler Building, 122 West 25th Street, Cheyenne, Wyoming 82002, and Merrill, Inc. (Merrill), P.O. Box 20519, Cheyenne, WY 82003, enter into this Settlement Agreement (Agreement) to fully and finally resolve without litigation the alleged violations cited in DEQ Notice of Violation Docket No. 5077-12 (Notice of Violation). The Notice of Violation alleged that Merrill failed to inspect the Smith Ranch House (Facility) located in Platte County, Wyoming, for the presence of asbestos containing materials prior to the start of demolition or provide prior written notification of the demolition project to the DEQ/AQD thereby violating the Wyoming Environmental Quality Act (Act) and applicable Wyoming Air Quality Standards and Regulations (Air Quality Rules).

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

1. Merrill, Inc. is a Wyoming corporation.
2. The DEQ/AQD is the executive branch agency of Wyoming government responsible for enforcing the Act and the Air Quality Rules.
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 Air Quality Rules 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)(i) of the Air Quality Rules requires owners and operators of facilities undergoing renovation or demolition to “thoroughly inspect the affected facility or part of the facility where the demolition or renovation operation will occur for the presence of asbestos” before “the commencement of the demolition or renovation.”
6. Chapter 3, Section 8(i)(ii) of the Air Quality Rules 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 prior to the start of the demolition or renovation activity.

7. On October 15, 2012, the DEQ/AQD issued the Notice of Violation to Merrill, alleging that Merrill failed to comply with certain provisions of Chapter 3, Section 8 of the Air Quality Rules prior to the start of demolition activities at the Facility, including requirements to inspect for the presence of asbestos containing materials prior to the start of demolition or provide prior written notification of the demolition project to the DEQ/AQD.

8. Without admitting liability and in lieu of litigation under Wyo. Stat. Ann. § 35-11-901(a)(ii), the DEQ/AQD and Merrill agree to resolve the alleged violations described above and set forth in the Notice of Violation for the total amount of one thousand one hundred twenty five dollars and no cents (\$1,125.00), payable as follows:

A. Merrill shall pay the DEQ/AQD five hundred sixty two dollars and fifty cents (\$562.50) as a stipulated cash penalty. Within thirty (30) days after Merrill has been notified that the final signature has been affixed to this Agreement, Merrill shall make full payment by check made payable to the Wyoming Department of Environmental Quality, Air Quality Division. Merrill shall mail payment to Nancy Vehr, Sr. Asst. Attorney General, 123 Capitol Building, Cheyenne, Wyoming 82002.

B. In lieu of paying the additional amount of five hundred sixty two dollars and fifty cents (\$562.50) (Additional Amount), Merrill agrees that it will provide, or make arrangements to provide, asbestos training to several employees to be completed by June 1, 2013, as follows:

i. Asbestos Training which may include any of the following:

a. 24-hour Building Inspector Initial Course. This training provides information on the types of suspect materials and appropriate sampling protocol needed to prove asbestos content.

b. 32-hour Worker Initial Course. This training provides information on abatement project work-practices.

c. 40-hour Contractor/Supervisor Initial Course. This training provides information on regulatory requirements for performance of abatement projects.

ii. By July 1, 2013, Merrill shall provide the DEQ/AQD with notification of training completion and the employees' certificates of completion. Merrill shall send this information to the DEQ/AQD, Attention: Karen Godman, 122 West 25th Street, Herschler Building 2-E, Cheyenne, WY 82002.

iii. By July 1, 2013, Merrill shall provide the DEQ/AQD with actual cost information. If Merrill's total actual cost of providing Asbestos Training is less than the Additional Amount, Merrill agrees to pay the difference to DEQ/AQD by August 1, 2013, as an additional stipulated penalty. Merrill shall send the cost information to the DEQ/AQD, Attention: Karen Godman, 122 West 25th Street, Herschler Building 2-E, Cheyenne, WY 82002.

9. Merrill, 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 Merrill based on the Notice of Violation and, solely in reliance on this Agreement, the DEQ/AQD will refrain from taking further enforcement action against Merrill for these particular violations.

11. In the event that Merrill fails to fulfill its obligations under this Agreement, Merrill waives any statute of limitations claims which may apply in an enforcement action by the DEQ/AQD involving the specific matters described in the Notice of Violation.

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

13. Neither Party to this Agreement shall have any claim against the other for attorney 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 the 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 venue shall be the First Judicial District, Laramie County, Wyoming.

16. This Agreement, consisting of five (5) 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 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.

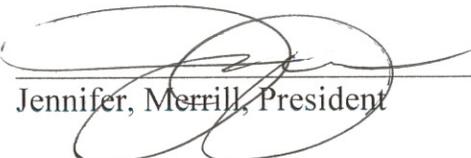
18. The Parties do not intend to create in any other individual or entity the status of third party beneficiary, and this Agreement shall not be construed so as to create such status. The rights, duties, and obligations contained in this Agreement shall operate only between the Parties to this Agreement,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

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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 dates set out below, and certify that they have read, understood, and agreed to the terms and conditions of this Agreement:

MERRILL, INCORPORATED:

By:  _____ Date 12/10/12

Jennifer, Merrill, President

STATE OF WYOMING, DEPARTMENT OF ENVIRONMENTAL QUALITY:

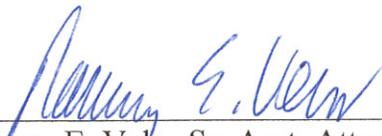
By:  _____ Date 12-20-12

Steven A. Dietrich, AQD Administrator

By:  _____ Date 12/21/12

Todd Parfitt, DEQ Director

APPROVAL AS TO FORM:

 _____ Date 12/4/2012

Nancy E. Vehr, Sr. Asst. Attorney General
Attorney for DEQ/AQD