

MAR 17 2010

## SETTLEMENT AGREEMENT

The Wyoming Department of Environmental Quality, Solid and Hazardous Waste Division (WDEQ/SHWD) and The Vons Companies, Inc., doing business as "Safeway", enter into this Settlement Agreement to fully and finally resolve without litigation, the violations alleged in **Notice of Violation Docket No. 4600-09, Dated December 11<sup>th</sup>, 2009**. The Notice of Violation alleges that Safeway is in violation of the Wyoming Environmental Quality Act (Act) and applicable Solid Waste Rules and Regulations.

W.S. 35-11-90 (a)(ii) authorize the WDEQ to negotiate a stipulated settlement, including payment of a penalty, compliance schedules, or other enforcement conditions, in lieu of litigation. To that end, Safeway and the WDEQ/SHWD hereby stipulate and agree as follows:

1. The WDEQ/SHWD is responsible for enforcing the Solid Waste Rules and Regulations (SWRR).
2. Safeway owns property at 1165 Main Street, Lander, WY, on which it has constructed a grocery supermarket.
3. Wyoming Solid Waste Rules and Regulations (SWRR), Chapter 1, Section 1(f)(i), states that a facility is required to have a current permit or one-time authorization (OTA) to manage wastes at a location. ARS Inc., a subcontractor of Roche Constructors, Inc., used fly ash as a soil stabilizer without a permit or one time authorization from the WDEQ/SHWD.
4. In accordance with this Settlement Agreement, Safeway agrees to file a notice of property condition at the Fremont County Court House for the property located at 1165 Main Street in Lander, WY. Safeway also agrees to pay a total of seven thousand two hundred dollars (\$7200.00) as a stipulated penalty. Such payments shall be made no later than March 31, 2010, by check payable to the Wyoming Department of Environmental Quality and addressed to the Wyoming Department of Environmental Quality, Attention: WDEQ/SHWD, Herschler Building, 4<sup>th</sup> Floor West Wing, 122 W. 25<sup>th</sup> Street, Cheyenne, WY 82002.
5. Safeway's full compliance with the terms of this Settlement Agreement shall constitute satisfaction for all present and future claims against Safeway based on acts or omissions alleged to be violations in Notice of Violation No. 4600-09. Contingent on Safeway's compliance with the terms of the Settlement Agreement, WDEQ will refrain from taking further enforcement action against Safeway for these particular alleged acts or omissions.

6. Safeway waives any statute of limitations which may apply to an enforcement action by the WDEQ/SHWD involving the specific matters described in Notice of Violation No. 4600-09, in the event that Safeway fails to fulfill its obligations under this Settlement Agreement.
7. This Settlement Agreement shall be admissible by either party without objection by the other party in any subsequent action between the parties for breach of this Settlement Agreement.
8. Each party shall bear its own attorney fees and costs, if any, incurred through the date this Settlement Agreement is signed by both parties.
9. This Settlement Agreement is binding upon Safeway, its successors and assigns, and upon the WDEQ.
10. This Settlement Agreement may only be amended in writing, signed by both parties.
11. The State of Wyoming and the Department of Environmental Quality, Solid and Hazardous Waste Division, do not waive sovereign immunity by entering into this Settlement Agreement, and specifically retain all immunity and all defenses to them as sovereigns pursuant to Wyoming Statute W.S. 1-39-104(a) and all other state law.
12. The persons signing this Settlement Agreement certify that they are duly authorized to bind their respective parties to this Settlement Agreement.

THE VONS COMPANIES, INC.

By: Linda J. Macdonald  
Its Assistant Vice President

By: [Signature]  
Its Assistant Secretary

Date: 3/15/10

FOR: The Wyoming Department of Environmental Quality

[Signature], Director Date: 3/1/10  
Wyoming Department of Environmental Quality (WDEQ)

[Signature], Administrator Date: 3/1/10  
WDEQ/Solid & Hazardous Waste Division