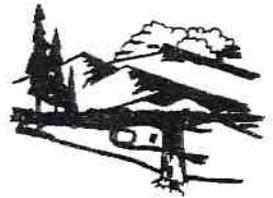




Department of Environmental Quality



To protect, conserve and enhance the quality of Wyoming's environment for the benefit of current and future generations.

Dave Freudenthal, Governor

John Corra, Director

CERTIFIED MAIL

December 7, 2006

Mr. Tim Joannides
President
Halladay Motors, Inc.
P.O. Box 1164
Cheyenne, Wyoming 82003

RE: Settlement Agreement for Notice of Violation Docket Number 3932-06

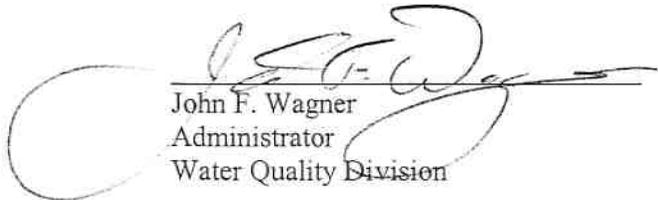
Dear Mr. Joannides:

Enclosed are two copies of the Settlement Agreement for Notice of Violation Docket Number 3932-06, issued to Halladay Motors, Inc., a wholly owned subsidiary of Joannides Family Properties, LLC, for the dumping of sludge into a storm sewer. Please review and sign both Settlement Agreements and keep one signed Settlement Agreement for your files. Please return the other signed Settlement Agreement in the self addressed, stamped envelope provided to Mr. Brian R. Bohlmann, P.E., WYPDES Compliance & Enforcement Program Coordinator, Wyoming Department of Environmental Quality, Water Quality Division, Herschler Building 4th Floor West, 122 West 25th Street, Cheyenne, Wyoming 82002.

If you have any questions or comments concerning this matter, please contact Mr. Bohlmann at (307) 777-8669.



John V. Corra
Director
Department of Environmental Quality



John F. Wagner
Administrator
Water Quality Division

JVC/JFW/BRB/bb/6-1137.LTR

Enclosure: Settlement Agreement

cc: Colleen Gillespie, 8ENF-W-NP, EPA Region 8
Brian R. Bohlmann, P.E., WYPDES Compliance & Enforcement Coordinator
Joe Hunter, DEQ Emergency Response Coordinator
IPS (for scanning) ► Docket 3952-06
Keith Guille, DEQ Public Information Officer (PDF file only)



SETTLEMENT AGREEMENT

The Wyoming Department of Environmental Quality (DEQ), Water Quality Division (WQD), and Halladay Motors, Inc. (Halladay), a wholly owned subsidiary of Joannides Family Properties, LLC, corporations authorized to do business in Wyoming, enter into this Settlement Agreement to fully and finally resolve without litigation the violations alleged in **Notice of Violation Docket (NOV) Number 3932-06 dated October 5, 2006.**

W.S. §35-11-901(a)(ii) authorizes the DEQ to negotiate a stipulated settlement, including payment of a penalty, in lieu of litigation. To that end, Halladay and the DEQ hereby stipulate and agree as follows:

1. The DEQ, pursuant to W.S. §35-11-104, is a department in the executive branch of the state government of Wyoming and is principally situated in Cheyenne, Wyoming. DEQ is the agency with the responsibility for administering the Wyoming Environmental Quality Act (Act) including all provisions of the Wyoming Water Quality Rules and Regulations (WWQRR).

2. Halladay accepts responsibility for the violations alleged in NOV Docket Number 3932-06 which occurred in Laramie County, Wyoming.

3. Since receiving NOV Docket Number 3932-06, Halladay has provided the WQD with documentation indicating the steps taken to prevent the violation from occurring again. This includes contacting Mr. Stephen E. Roseberry, DEQ Small Business Assistance Coordinator, to conduct an environmental assessment of Halladay's operations.

4. Halladay agrees to pay a total penalty of one thousand dollars and no cents (\$1,000.00) as a stipulated settlement to resolve this matter in lieu of litigation under W.S. §35-11-901(a)(ii). Payment shall be according to the following plan: Halladay shall pay \$1,000.00 directly to the DEQ. Payment to the DEQ shall be due and payable within thirty (30) days of the full execution of this Settlement Agreement or by January 15, 2007, whichever occurs first. Payment to DEQ shall be by check made payable to the Wyoming Department of Environmental Quality, Water Quality Division and shall be sent to: Mr. Brian R. Bohlmann, P.E., Compliance & Enforcement Coordinator, Department of Environmental Quality, Water Quality Division, Herschler Building, 4th Floor-West, 122 West 25th Street, Cheyenne, Wyoming 82002. The check should reference NOV Docket Number 3932-06.

5. Except as provided in paragraph 4 above, this signed Settlement Agreement and payment by Halladay as specified above shall constitute full satisfaction for and resolution of all claims by the DEQ against Halladay based on the violations alleged in Notice of Violation Docket Number 3932-06. Contingent upon Halladay's compliance with the terms of this Settlement Agreement, the DEQ will refrain from taking further enforcement actions against Halladay for these particular violations. By this Settlement Agreement, the parties intend to resolve with prejudice all allegations that were asserted in NOV Docket Number 3932-06.

6. Halladay waives any statute of limitations which may apply to an enforcement action by the DEQ involving the specific matters described in Notice of Violation Docket Number 3932-06 in the event that Halladay fails to fulfill their obligations under this Settlement Agreement.

7. Nothing in this agreement precludes DEQ from taking additional enforcement action, including the issuance of a Notice of Violation, Order, and/or pursuing additional penalties, should Halladay violate the Act or applicable rules and regulations in the future.

8. This Settlement Agreement shall be admissible by either party without objection by the other party in any subsequent action between these parties.

9. Notwithstanding any other language in this Settlement Agreement, the State of Wyoming and DEQ do not waive sovereign immunity by entering into this Settlement Agreement with Halladay and specifically retain all immunity and all defenses available as sovereigns under state and federal law.

10. Each party shall bear its own attorney fees and costs, if any incurred, through the date this Settlement Agreement is signed by both parties.

11. This Settlement Agreement is binding upon Halladay, its successors and assigns, and upon the DEQ.

12. The persons signing this Settlement Agreement certify that they are duly authorized to bind their respective parties to this Settlement Agreement.

13. Full execution of this Settlement Agreement shall be determined by the latest date when signed by all parties.

FOR: HALLADAY MOTORS, INC.

Signed: _____

Typed: _____

Title: _____

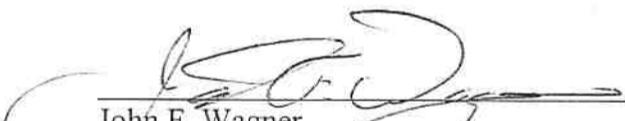
Date: _____

FOR THE WYOMING DEPARTMENT OF ENVIRONMENTAL QUALITY:



John V. Corra
Director
Department of Environmental Quality

Date: 12/6/06



John F. Wagner
Administrator
Water Quality Division

Date: 12/6/06

JVC/JFW/BRB/bb/6-1137.SA

cc: Colleen Gillespie, 8ENF-W-NP, EPA Region 8 (signed copy by all parties only)
Brian R. Bohlmann, P.E., WYPDES Compliance & Enforcement Coordinator
Bill DiRienzo ► Brian K. Lovett ► Barb Sahl
IPS (for scanning) ► Docket 3932-06
Keith Guille, DEQ Public Information Officer (PDF File of signed copy by all parties only)