SETTLEMENT AGREEMENT

The Wyoming Department of Environmental Quality (DEQ), Water Quality Division (WQD), and Wyoming Mountain Resorts, LLC (WMR), a company 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 (NOV) Docket Number 4064-07 dated May 30, 2007. These violations occurred in Washakie County, Wyoming.**

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, WMR 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. WMR Corporation (WMR) operates a waste water package treatment plant at Meadowlark Lodge and a lagoon wastewater treatment system at Deer Haven lodge in Washakie County, Wyoming. WMR holds two Wyoming Pollution Discharge Elimination System (WYPDES) permits in Wyoming. The WYPDES permits, WY0042218 (Meadowlark) and WY0023400 (Deer Haven) were issued by the Wyoming Department of Environmental Quality (DEQ), Water Quality Division (WQD).

3. WMR agrees to pay a total penalty of fifteen thousand five hundred thirty dollars and no cents ($15,530.00) 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: WMR shall pay $15,530.00 directly to the DEQ in thirty six (36) monthly installments of four hundred thirty one dollars and thirty nine cents ($431.39) each. The first payment of $431.39.00 to the DEQ shall be due and payable within thirty (30) days of the full execution of this Settlement Agreement or by August 15, 2008, whichever occurs first. Monthly payments of $431.39 will be due by the end of each month for the following 35 consecutive months with the final payment to be received by August 31, 2011. 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. Kevin M. Wells, Compliance & Enforcement Coordinator, Department of Environmental Quality, Water Quality Division, Herschler Building 4th Floor-West, 122 West 25th Street, Cheyenne, Wyoming 82002. The checks should reference NOV Docket Number 4064-07.

4. WMR shall provide the WQD with documentation indicating actions taken or scheduled to be taken to maintain compliance with WYPDES permit requirements. This documentation shall include schedules for completion and type of documentation to be provided for compliance verification (photo, multiple laboratory samples, DMRs, etc.). This requested information shall be received by the WQD within 30 days of receipt of this agreement.

5. This signed Settlement Agreement and payment by WMR shall constitute full satisfaction for and resolution of all claims by the DEQ against WMR based on the violations alleged in NOV Docket Number 4064-07. Contingent upon WMR' full compliance with the terms of this Settlement Agreement, the DEQ will refrain from taking further enforcement action against WMR for these particular violations. By this Settlement Agreement, the parties intend to resolve with prejudice all allegations that were asserted in NOV Docket Number 4064-07.

6. WMR waives any statute of limitations which may apply to an enforcement action by the DEQ involving the specific matters described in NOV Docket Number 4064-07 in the event that WMR fails to fulfill its obligations under this Settlement Agreement.

7. Nothing in this agreement precludes DEQ from taking additional enforcement action; including the issuance of a NOV, Order, and/or pursuing additional penalties, should WMR violate the Act, applicable rules and regulations, or WYPDES permit requirements in the future.

THIS SPACE LEFT INTENTIONALLY BLANK

8. This Settlement Agreement or any actions taken in accordance with its provisions, does not constitute an admission by WMR to any allegations, findings, determinations or conclusions contained in this Agreement, nor is this a retraction by the DEQ of the specific allegations in NOV Docket Number 4064-07. Except as specifically provided for herein, nothing in this Agreement shall prejudice, waive, or impair any right, remedy, or defense that WMR may have against any entity.

9. This Settlement Agreement shall be admissible by either party without objection by the other party in any subsequent action between these parties to enforce its terms.

10. 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 WMR and specifically retain all immunity and all defenses available as sovereigns under state and federal law.

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

12. WMR and the DEQ agree to comply with and be bound by the terms of this agreement and further agree they will not contest the basis or validity of this Settlement Agreement in any action taken by DEQ to enforce the terms of this Settlement Agreement. Therefore this Settlement Agreement is binding upon WMR, its successors and assigns, and upon the DEQ.

13. The persons signing this Settlement Agreement certify that they are duly authorized to bind their respective parties to this Settlement Agreement. Full execution of this Settlement Agreement shall be determined by the latest date of all parties signing.

FOR: WYOMING MOUNTAIN RESORTS, LLC

Signed: _____

Typed: JAMES D McCOTTER

Title: MANAGER

Date: 8/11/08

FOR THE WYOMING DEPARTMENT OF ENVIRONMENTAL QUALITY:

_____ Date: 7/14/08
John V. Corra
Director
Department of Environmental Quality

_____ Date: 7/14/08
John F. Wagner
Administrator
DEQ/Water Quality Division

JVC/JFW/KMW/bb/rm/8-0543

cc: Lee Hanley, 8ENF-W-NP, EPA Region 8 (PDF)
Bill J. DiRienzo ► Brian K. Lovett ► Leah J. Krafft (PDF)
IPS (for scanning) ► Docket 4064-07
Keith Guille, DEQ Public Information Officer (PDF File of signed copy by all parties)