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WYOMING DEPARTMENT OF ENVIRONMENTAL QUALITY  
WATER QUALITY DIVISION

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SETTLEMENT AGREEMENT

The Wyoming Department of Environmental Quality (WDEQ) and Rockworth Companies, and Roger Alworth of Vector Engineers enter into this Settlement Agreement to fully and finally resolve without litigation the violation alleged in the WDEQ Notice of Violation (NOV), Docket Number 4654-10, dated June 15, 2010. The NOV alleges the construction, installation, modification or operation of the sewage system and public water supply system at the Sundance Apartments without a permit. This is a violation of the Wyoming Environmental Quality Act. Sundance Apartments is located in Section 7, Township 13N, Range 66W, of the 6<sup>th</sup> P.M. in Laramie County, Wyoming.

Wyoming Statute (W.S.) 35-11-901 (a) (ii) authorizes the WDEQ to negotiate a stipulated settlement in lieu of litigation. To that end, Rockworth Companies, and Roger Alworth of Vector Engineers and the WDEQ hereby stipulate and agree as follows:

- 1 of 16      The WDEQ 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. WDEQ is the agency with the responsibility for administering the Wyoming Environmental Quality Act including all provisions of the WDEQ rules.
- 2 of 16      Vector Engineers is the Engineer that designed the sewage system and public water supply system for Sundance Apartments and is responsible for the plans submitted for a permit. Rockworth Companies is the owner and responsible for the construction and operation of the sewage system and public water supply system.
- 3 of 16      The construction of a sewage system and public water supply system without a permit to construct is a violation of Wyoming Statute (W.S.) 35-11-301 (a)(iii) and (v).
- 4 of 16      Rockworth Companies and Vector Engineers agree to pay a total penalty of fifteen thousand dollars and no cents (\$15,000) and complete the items outlined in 6 of 16 as a stipulated settlement to resolve NOV Docket 4654-10 in lieu of litigation under W.S. 35-11-901 (a)(ii). Rockworth Companies and Vector Engineers shall pay \$15,000 directly to the DEQ/WQD. The payment is due and payable within thirty (30) days of the full execution of this Settlement Agreement or by August 13, 2010, 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: Lou Harmon, Water & Wastewater Program Manager, Department of Environmental Quality Water Quality Division, Herschler Building, 4<sup>th</sup> Floor West, 122 West 25<sup>th</sup> Street, Cheyenne, Wyoming 82002. **The check should reference Docket Number 4654-10.**
- 5 of 16      Rockworth Companies and Vector Engineers agree to submit a complete sewage system and public water supply system application for approval and complete the items outlined in 6 of 16 as a stipulated settlement to resolve NOV Docket 4654-10 in lieu of litigation under W.S. 35-11-901 (a)(ii).
- 6 of 16      Rockworth Companies and Vector Engineers shall complete the as-built permitting process with the WDEQ in accordance with the Water Quality Rules and Regulations (WQRR) and commit to provide the following to the WDEQ once the Settlement Agreement is signed by both parties:
  - a.      A corrected set of as-built plans for the constructed sewage system and public water supply system.

- b. Submit an Operation and Maintenance Manual within 30 days of receiving the Settlement Agreement
- c. A Signed Certificate of Completion by Owner and Engineer

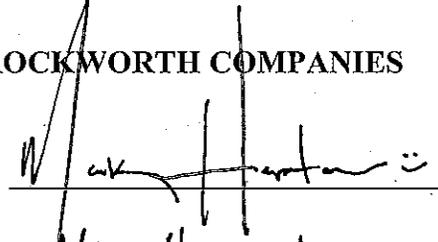
- 7 of 16 Rockworth Companies commits to contacting DEQ for final inspection of the sewage system and pressure testing the public water system.
- 8 of 16 The WDEQ commits to completing the as-built review of the sewage system and public water supply system within two (2) days of receiving all of the required information and then either issuing an as-built permit or requesting additional information from Rockworth Companies and Vector Engineers so an as-built permit can be issued.
- 9 of 16 This signed Settlement Agreement, as specified above, shall constitute full satisfaction for and resolution of all claims by the WDEQ against Rockworth Companies and Vector Engineers based on the violation alleged in the NOV Docket Number 4654-10. Contingent upon Rockworth Companies and Vector Engineers compliance with the terms of this Settlement Agreement, the WDEQ will refrain from taking further enforcement action against Rockworth Companies and Vector Engineers for the violation cited in this Settlement Agreement. By this Settlement Agreement, the parties intend to resolve with prejudice all allegations that were asserted in the NOV Docket Number 4654-10.
- 10 of 16 Rockworth Companies and Vector Engineers waive any statute of limitations which may apply to an enforcement action by the WDEQ involving the specific matters described in NOV Docket Number 4654-10 in the event that Rockworth Companies and Vector Engineers fail to fulfill their obligations under this Settlement Agreement.
- 11 of 16 Nothing in this agreement precludes WDEQ from taking additional enforcement action, including the issuance of a Notification of Violation, Order and/or pursuing additional penalties, should Rockworth Companies and Vector Engineers violate the Wyoming Environmental Quality Act or applicable rules and regulations in the future.
- 12 of 16 This Settlement Agreement shall be admissible by either party without objection by the other party in any subsequent action between these parties.
- 13 of 16 Notwithstanding any other language in this Settlement Agreement, the State of Wyoming and WDEQ do not waive sovereign immunity by entering into this Settlement Agreement with Rockworth Companies and Vector Engineers, and specifically retain all immunity and all defenses available as sovereigns under state and federal law.
- 14 of 16 Each party shall bear its own attorney fees and costs, if any, incurred through the date this Settlement Agreement is signed by both parties.

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15 of 16 This Settlement Agreement is binding upon Rockworth Companies and Vector Engineers, their successors and assigns, and upon the WDEQ.

16 of 16 The persons signing this Settlement Agreement certify that they are duly authorized to bind their respective parties to this Settlement Agreement.

**FOR ROCKWORTH COMPANIES**

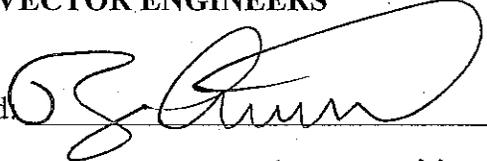
Signed:  \_\_\_\_\_

Date: 7-22-10

Typed: MARK HAMPTON

Title: MANAGER

**FOR VECTOR ENGINEERS**

Signed:  \_\_\_\_\_

Date: 7-22-10

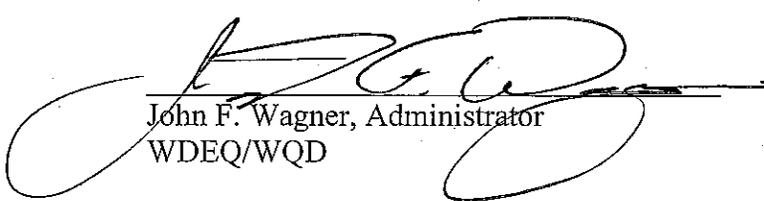
Typed: ROGER ALWORTH

Title: OWNER

**FOR THE WYOMING DEPARTMENT OF ENVIRONMENTAL QUALITY:**

  
\_\_\_\_\_  
John V. Corra, Director  
WDEQ

Date: 7/14/10

  
\_\_\_\_\_  
John F. Wagner, Administrator  
WDEQ/WQD

Date: 7/14/10

JVC/JFW/RRC/bb/10-0601

cc: Keith Guille, DEQ Public Information Officer  
Rich Cripe, Southeast District Engineer, Cheyenne  
Dena Hansen, Manager, South Cheyenne Water & Sewer District, 215 East Allison Road, Cheyenne, Wyoming 82007