SETTLEMENT AGREEMENT

This settlement agreement (Agreement) is entered into by and among the California Air Resources Board (ARB) with its principal office at 1001 "I" Street, Sacramento, California 95814, and Placer County Department of Public Works (Placer County), with its principle office at 3091 County Center Drive, Suite 220, Auburn, California 95603, MCM Construction, Inc. (MCM Construction), with its principal office at P.O. Box 620, North Highlands, California 95660, and Yelton Company, Inc. (Yelton), with its principal office at 169 Leisure Way, Vacaville, California 95687.

I. RECITALS

1. California Health and Safety Code section 39658(b)(1) establishes the Asbestos National Emissions Standard for Hazardous Air Pollutants (Asbestos NESHAP) (Title 40, Code of Federal Regulations, section 61.140, et seq.) as an Airborne Toxic Control Measure (ATCM) enforceable by ARB.

2. The ATCM requires owner(s) or operator(s) of demolition or renovation activities to provide written notification of the intention to demolish or renovate a regulated facility ten (10) working days before work begins. (40 C.F.R. 61.145(b))

3. The ATCM further requires owners or operators of a demolition activity and prior to the commencement of the demolition, thoroughly inspect the affected facility or part of the facility where the demolition operation will occur for the presence of asbestos, including Category I and Category II nonfriable asbestos containing materials. (40 C.F.R. 61.145(a))

4. On June 4, 2013, ARB inspected the demolition of the Cooke Riolo Road Bridge at Dry Creek, Caltrans Bridge No. 19C-0017 (Cooke-Riolo Bridge), in Placer County.

5. The Cooke-Riolo Bridge is a regulated facility under the ATCM.

6. Placer County, MCM Construction, and Yelton are each defined as an "Owner or operator of a demolition or renovation activity" under the ATCM, with respect to the demolition of the Cooke-Riolo Bridge. (40 C.F.R. 61.141)

7. Placer County submitted the required notification to ARB on July 15, 2013, subsequent to ARB inspection. The notification identifies the demolition "Start Date" to be June 17, 2013. Based on the identified Start Date, notification should

have been submitted to ARB or U.S. Environmental Protection Agency (U.S. EPA) on or before June 3, 2013.

8. Placer County, MCM Construction, and Yelton failed to thoroughly inspect the Cooke-Riolo Bridge for asbestos, including Category I and Category II nonfriable asbestos containing materials, as required by the Asbestos ATCM.

9. Based on the facts set out in the recitals above, on July 25, 2013, ARB issued a Notice of Violation, NOV# ASB-2013-005, to Placer County, MCM Construction, and Yelton for failing to thoroughly inspect the facility for asbestos containing material and for failing to properly notify U.S. EPA and/or ARB at least 10 working days before beginning the demolition of the Cooke-Riolo Bridge, as required by the ATCM.

10. Violation of the ATCM is a violation of State law resulting in penalties. Health and Safety Code section 39674 authorizes strict liability penalties not to exceed ten thousand dollars ($10,000) per day, for each day that the violation occurs.

11. Placer County, MCM Construction, and Yelton admit the facts described in recital paragraphs 1 – 10, but deny any liability arising therefrom.

12. ARB and Placer County, MCM Construction, and Yelton desire to resolve this matter completely under the terms of this Agreement, in lieu of litigation. In order to resolve these violations, Placer County, MCM Construction, and Yelton agree to take the actions enumerated below under the "TERMS AND CONDITIONS."

II. TERMS AND CONDITIONS

In consideration of ARB not filing a legal action against Placer County, MCM Construction, and Yelton for the alleged violations referred to above, ARB and Placer County, MCM Construction, and Yelton agree as follows:

A. Upon execution of this Agreement, Placer County, MCM Construction, and Yelton agree to pay civil penalties in the total amount of FIFTEEN THOUSAND DOLLARS ($15,000), payable as follows:

(1) EIGHT THOUSAND DOLLARS ($8,000) due upon execution of this agreement.

(2) TWO THOUSAND THREE HUNDRED THIRTY FOUR DOLLARS ($2,334) payable by Placer County within one year of the Effective Date of this

Agreement. In lieu of the payment described herein, Placer County may comply with this provision by taking each of the following actions within one year of the Effective Date of this Agreement:

- Placer County will prepare, with ARB input, and distribute a letter to the County Public Works Department Directors in California, or equivalent county agency directors if no such public works department exists within a county. The letter will include an ARB enforcement advisory prepared by ARB discussing the ATCM requirements with respect to bridge demolitions. To demonstrate compliance with this provision, Placer County will provide a copy of the letter and a list of recipients within one year of the Effective Date of this Agreement; and

- Placer County will convene at minimum two discussions between ARB and public works officials and consulting engineers who contract for public works agency projects in the Greater Sacramento area, to discuss the ATCM and answer questions related to the ATCM requirements for public works projects.

(3) TWO THOUSAND THREE HUNDRED THIRTY THREE DOLLARS ($2,333) payable by MCM Construction within one year of the Effective Date of this Agreement. In lieu of the payment described herein, MCM Construction may comply with this provision by taking each of the following actions within one year of the Effective Date of this Agreement:

- MCM Construction will provide to at least one employee, training that meets the Asbestos Hazard Emergency Response Act requirements for Asbestos Contractor/Supervisor Initial (40-hour) training within one year from the Effective Date of this Agreement. To demonstrate compliance with this provision, MCM shall provide to ARB proof of completion, in the form of a copy of the awarded training certificate documenting the date of attainment within one year of the Effective Date of this Agreement.

(4) TWO THOUSAND THREE HUNDRED THIRTY THREE DOLLARS ($2,333) payable by Yelton within one year of the Effective Date of this Agreement. In lieu of the payment described herein, Yelton may comply with this provision by taking each of the following actions within one year of the Effective Date of this Agreement:

- Yelton will to provide to at least one employee, training that meets the Asbestos Hazard Emergency Response Act requirements for Asbestos Contractor/Supervisor Initial (40-hour) training within one year from the Effective Date of this Agreement. To demonstrate compliance with this provision, Yelton shall provide to ARB proof of completion, in the form of a

copy of the awarded training certificate documenting the date of attainment within one year of the Effective Date of this Agreement.

All checks shall be made payable to the **"California Air Resources Board"** for deposit into the California Air Pollution Control Fund and shall include "NOV# ASB-2013-005" in the memo field.

B. ARB and Placer County, MCM Construction, and Yelton agree that the "Effective Date" of this agreement shall be the date upon which ARB executes the Agreement.

C. All filings and submittals required pursuant to this Agreement shall include reference NOV# ASB-2013-005 and shall be addressed to:

Mr. Ahmad Najjar
California Air Resources Board
Enforcement Division
P.O. Box 2815
Sacramento, California 95812

D. This Agreement shall apply to and be binding upon Placer County, MCM Construction, and Yelton, and their officers, directors, receivers, trustees, employees, successors and assignees, subsidiary and parent corporations, and upon ARB and any successor agency that may have responsibility for and jurisdiction over the subject matter of this Agreement.

E. This Agreement constitutes the entire agreement and understanding between ARB and Placer County, MCM Construction, and Yelton concerning the subject matter hereof, and supersedes and replaces all prior negotiations and agreements between ARB and Placer County, MCM Construction, and Yelton concerning the subject matter hereof.

F. No agreement to modify, amend, extend, supersede, terminate, or discharge this Agreement, or any portion thereof, is valid or enforceable unless it is in writing and signed by all parties to this Agreement. This Agreement shall further serve to toll any statute of limitation until six months after all terms and conditions of this Agreement have been fulfilled.

G. Failure to comply with any of the terms of this Agreement shall void the agreement and ARB may take enforcement action based on the initial violation and any subsequent violations of this Agreement or the Asbestos ATCM. Any failure to comply with this Agreement will be determined individually, such that a failure by one party does not otherwise impact compliance by the remaining parties. Upon completion by Placer County, MCM Construction and Yelton of the

individual terms identified in paragraph A of this Agreement, ARB will provide each entity written confirmation within 30 days of each entity's full compliance with the terms of this agreement.

H. Severability. Each provision of this Agreement is severable, and in the event that any provision of this Agreement is held to be invalid or unenforceable, the remainder of this Agreement remains in full force and effect.

I. This Agreement shall be interpreted and enforced in accordance with the laws of the State of California, without regard to California's choice-of-law rules.

J. This Agreement is deemed to have been drafted jointly by ARB and Placer County, MCM Construction, and Yelton; it will not be interpreted for or against either party on the ground that said party drafted it.

K. **SB1402 Statement.**

Senate Bill 1401 (Dutton, Chapter 413, Statutes of 2010) requires ARB to provide information on the basis for the penalties it seeks (Health and Saf. Code section 39619.7). This information, which is provided throughout this settlement agreement, is summarized here.

The manner in which the penalty amount was determined, including a per unit or per vehicle penalty.

Penalties must be set at levels sufficient to discourage violations. The penalties in this matter were determined in consideration of all relevant circumstances, including the eight factors specified in Health and Safety Code section 42403.

The per unit penalty in this case is a maximum of ten thousand dollars ($10,000.00) per violation per day for strict liability violations pursuant to Health and Safety Code section 39674. The penalty obtained in this case is a total of FIFTEEN THOUSAND DOLLARS ($15,000.00), after considering all factors specified in Health and Safety Code section 42403. The penalty reflects that, upon ARB inspection, Placer County, MCM Construction, and Yelton returned to compliance. Furthermore, the proposed penalty reflects that ARB has not previously issued Asbestos ATCM notices of violation to Placer County, MCM Construction, and Yelton.

The provision of law the penalty is being assessed under and why that provision is the most appropriate.

The penalty provision is being applied in this case is Health and Safety Code section 39674, because Placer County, MCM Construction, and Yelton failed to comply with the Asbestos ATCM established under Health and Safety Code section 39658(b).

Is the penalty being assessed under a provision of law that prohibits the emission of pollution at a specified level, and if so a quantification of excess emissions, if it is practical to do so.

The notification and survey requirements do not reflect an emission limit.

L. Placer County, MCM Construction, and Yelton acknowledge that ARB has complied with SB 1402 in prosecuting and settling this case. Specifically, ARB has considered all relevant facts, including those listed at Health and Safety Code section 42403, has explained the manner in which the penalty amount was calculated (including a per unit or per vehicle penalty, if appropriate), has identified the provision of law under which the penalty is being assessed, and has considered and determined that this penalty is not being assessed under a provision of law that prohibits the emission of pollutants at a specified level.

M. Penalties were determined based on the unique circumstances of this matter, considered together with the need to remove any economic benefit from noncompliance, the goal of deterring future violations and obtaining swift compliance, the consideration of past penalties in similar cases, and the potential costs and risks associated with litigating these particular violations. Penalties in future cases might be smaller or larger on a per unit basis.

N. The penalty reflects ARB's assessment of the relative strength of its case against Placer County, MCM Construction, and Yelton, the desire to avoid the uncertainty, burden and expense of litigation, obtain swift compliance with the law and remove any unfair advantage that Placer County, MCM Construction, and Yelton may have secured from their actions.

O. Now therefore, in consideration of the payment on behalf of Placer County, MCM Construction, and Yelton to the California Air Resource Board, ARB hereby resolves with Placer County, MCM Construction, and Yelton and their principals, officers, agents, predecessors and successors from any and all claims for the past violations of the ATCM ARB may have based on the circumstances described in the Recitals. The undersigned represent that they have the authority to enter into this Agreement.

III SIGNATURES

Californian Air Resources Board

By: _____

Name: James Ryden

Title: Enforcement Division Chief

Date: 02/14/14

Placer County Department of Public Works

By: _____

Name: KEN GREHM

Title: DIRECTOR

Date: 1/10/14

MCM Construction, Inc.

By: _____

Name: _____

Title: _____

Date: _____

Yelton Company

By: _____

Name: _____

Title: _____

Date: _____

III SIGNATURES

Californian Air Resources Board

By: _____

Name: James Ryden

Title: Enforcement Division Chief

Date: 02/14/14

Placer County Department of Public Works

By: _____

Name: _____

Title: _____

Date: _____

MCM Construction, Inc.

By: _____

Name: Edmundo A. Ruiz

Title: Treasurer + General Counsel

Date: 1-27-2014

Yelton Company

By: _____

Name: _____

Title: _____

Date: _____

III SIGNATURES

Californian Air Resources Board

By: _____

Name: James Ryden

Title: Enforcement Division Chief

Date: 02/14/14

Placer County Department of Public Works

By: _____

Name: _____

Title: _____

Date: _____

MCM Construction, Inc.

By: _____

Name: _____

Title: _____

Date: _____

Yelton Company

By: _____

Name: Charles W Yelton

Title: President

Date: 12/6/2013