The Executive Officer of the Regional Water Quality Control Board, Central Valley Region, (Regional Board), and Somersville-Gentry Inc. (Discharger) hereby agree to this Settlement Agreement (Agreement) of Administrative Civil Liability (ACL) Complaint No. R5-2006-0512, dated 19 July 2006.

1. This Agreement is entered into by the Executive Officer and the Discharger to resolve by consent and without further administrative proceedings certain alleged violations of the California Water Code (CWC) and Cleanup and Abatement Order (CAO) No. R5-2002-0735.

2. The Executive Officer agrees that full compliance with this Agreement constitutes settlement of ACL Complaint No. R5-2006-0512. ACL Complaint No. R5-2006-0512 states that the Discharger failed to complete corrective actions by the deadline stipulated in the CAO No. R5-2002-0735. ACL Complaint No. R5-2006-0512 proposed a liability in the amount of $300,000.

3. The Discharger has proposed to settle this matter.

4. The Executive Officer and the Discharger believe that settlement of this matter is in the best interest of the people of the State. Therefore, in settlement of ACL Complaint No. R5-2006-0512, the Discharger agrees to comply with the terms and conditions of this Agreement.

5. The Discharger agrees to pay $50,000 to the State Water Resources Control Board Waste Discharge Permit Fund (Permit Fund) within 10 days of the date this Agreement becomes final (i.e., by 8 January 2007). An additional civil liability in the amount of $100,000 shall be held in abeyance pending completion of the following task in accordance with the following timeline:

   - The Discharger shall complete the corrective actions required by CAO No. R5-2002-0735 on the Discharger’s property by 31 December 2008. If the Discharger is unable to comply by 31 December 2008, then the Discharger shall remit the funds held in abeyance ($100,000) to the Waste Discharge Permit Fund by 10 January 2009.

6. In consideration of the Discharger’s full compliance with this Agreement, the Executive Officer agrees not to initiate any other administrative or judicial enforcement actions against the Discharger for the violations alleged in ACL Complaint No. R5-2006-0512. In consideration of the Executive Officer’s settlement of ACL Complaint No. R5-2006-0512, the Discharger agrees to toll any applicable statute of limitations.
7. Compliance with this Agreement will be measured by the timely submittal of the $50,000, and the timely completion of the corrective actions on the Discharger’s property. If the Discharger fails to fully comply with this Agreement at any time, then **within 30 days of the demand of the Executive Officer**, the Discharger shall submit payment of the remaining $100,000, which is the suspended portion of the Complaint. In addition, the Regional Board may take any administrative or judicial enforcement actions available, including re-issuance of a complaint for administrative civil liability for the suspended portion of the ACL proposed in ACL Complaint No. R5-2005-0512.

8. The Executive Officer has the authority to settle this matter in accordance with Water Code Section 13323 and Government Code Section 11415.60.

9. The Discharger has been informed of the rights provided by Water Code section 13323, subdivision (b), and hereby waives its right to a hearing before the California Regional Water Quality Control Board, Central Valley Region.

10. The Discharger understands that payment in accordance with this Agreement is not a substitute for compliance with applicable laws, and that continuing violations of the type alleged in the Complaint may subject it to further enforcement, including additional civil liability.

11. This Agreement is severable; should any provision be found invalid the remainder shall remain in full force and effect.

12. This Agreement may be executed in counterpart.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed by their respective officers on the dates set forth, and this Agreement is effective as of **29 December 2006**.

California Regional Water Quality Control Board
Central Valley Region:

By: __________ Original Signed By __________
  PAMELA C. CREEDON, Executive Officer
Date: __________ 29 December 2006

Discharger:

By: __________ Original Signed By __________
  Mr. Jay Torres-Muga, Somersville-Gentry Inc.
Date: __________ 19 December 2006