BEFORE THE
UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

In the Matter of:	)	DOCKET NO. EPCRA-10-2013-0052
SIERRA PACIFIC INDUSTRIES 301 Hagara Street Aberdeen, Washington 98520	)	**CONSENT AGREEMENT AND FINAL ORDER**
Respondent.	)	

I. STATUTORY AUTHORITY

1.1. This Consent Agreement and Final Order ("CAFO") is issued under the authority vested in the Administrator of the U.S. Environmental Protection Agency ("EPA") by Section 325 of the Emergency Planning and Community Right-to-Know Act ("EPCRA"), 42 U.S.C. § 11045.

1.2. The Administrator has delegated the authority to issue the Final Order contained in Part V of this CAFO to the Regional Administrator of EPA Region 10, who has redelegated this authority to the Regional Judicial Officer in EPA Region 10.

1.3. Pursuant to EPCRA Section 325, 42 U.S.C. § 11045, and in accordance with the "Consolidated Rules of Practice Governing the Administrative Assessment of Civil Penalties,"

40 C.F.R. Part 22, EPA issues, and Sierra Pacific Industries ("Respondent") agrees to issuance of, the Final Order contained in Part V of this CAFO.

II. PRELIMINARY STATEMENT

2.1. In accordance with 40 C.F.R. §§ 22.13(b) and 22.18(b), issuance of this CAFO commences this proceeding, which will conclude when the Final Order contained in Part V of this CAFO becomes effective.

2.2. The Director of the Office of Compliance and Enforcement, EPA Region 10 ("Complainant") has been delegated the authority pursuant to EPCRA Section 325, 42 U.S.C. § 11045, to sign consent agreements between EPA and the party against whom an administrative penalty for violations of Section 313 of EPCRA is proposed to be assessed.

2.3. Part III of this CAFO contains a concise statement of the factual and legal basis for the alleged violations of EPCRA together with the specific provisions of EPCRA and the implementing regulations that Respondent is alleged to have violated.

III. ALLEGATIONS

3.1 Under Section 313(a) of EPCRA, 42 U.S.C. § 11023(a), and 40 C.F.R. §§ 372.22 and 372.30, the owner or operator of a facility covered by Section 313 must submit annually, no later than July 1 of each year, a Toxic Chemical Release Inventory Reporting Form, EPA Form 9350-1 ("Form R") for each toxic chemical referenced in Section 313(c) of EPCRA and listed in 40 C.F.R. § 372.65 that was manufactured, imported, processed, or otherwise used during the preceding calendar year in quantities exceeding the established toxic chemical threshold specified in Section 313(f) of EPCRA, 42 U.S.C. § 11023(f), and 40 C.F.R. §§ 372.25, 372.27, and 372.28.

3.2 Under 40 C.F.R. § 372.22, a facility that meets each of the following criteria in a calendar year is a covered facility for that calendar year and must report under 40 C.F.R. § 372.30:

a. the facility has 10 or more full-time employees;

b. the facility is in a Standard Industrial Classification (SIC) major group or industry code or North American Industrial Classification System (NAICS) code listed in 40 C.F.R. § 372.23; and

c. the facility manufactured (including imported), processed, or otherwise used a toxic chemical in excess of an applicable threshold quantity of that chemical set forth in 40 C.F.R. § 372.25, 372.27, or 372.28.

3.3 The toxic chemicals which are subject to the reporting requirement of 40 C.F.R. § 372.30 are listed at 40 C.F.R. § 372.65.

3.4 Respondent is the owner and operator of a facility located at 301 Hagara Street, Aberdeen, Washington (the "Facility").

3.5 During calendar years 2006, 2009, and 2010, the Facility had 10 or more full-time employees.

3.6 During calendar years 2006, 2009, and 2010, the Facility was included in NAICS code 321113, which is included in the list of covered industry codes found at 40 C.F.R. § 372.23.

3.7 "Ammonia" is a chemical listed in 40 C.F.R. § 372.65. The threshold quantity for ammonia reporting is 10,000 pounds otherwise used during the year, as set forth at 40 C.F.R. § 372.25.

3.8 "Acetaldehyde" is a chemical listed in 40 C.F.R. § 372.65. The threshold quantity for acetaldehyde reporting is 25,000 pounds manufactured or processed during the year, as set forth at 40 C.F.R. § 372.25.

3.9 "Lead compounds" is a chemical category listed in 40 C.F.R. § 372.65. The threshold quantity for lead compounds reporting is 100 pounds manufactured or processed during the year, as set forth at 40 C.F.R. § 372.28.

3.10 "Dioxin and dioxin-like compounds" is a chemical category listed in 40 C.F.R. § 372.65. The threshold quantity for dioxin and dioxin-like compounds reporting is 0.1 grams manufactured or processed during the year, as set forth at 40 C.F.R. § 372.28.

3.11 The Facility otherwise used more than 10,000 pounds of ammonia during calendar year 2006.

3.12 The Facility manufactured more than 25,000 pounds of acetaldehyde during calendar years 2006 and 2010.

3.13 The Facility manufactured more than 100 pounds of lead compounds during calendar years 2006, 2009, and 2010.

3.14 The Facility manufactured more than 0.1 grams of dioxin and dioxin-like compounds during calendar years 2006, 2009, and 2010.

3.15 Respondent failed to file Form R reports with EPA and the state of Washington for ammonia, acetaldehyde, lead compounds, and dioxin and dioxin-like compounds for calendar year 2006 by July 1, 2007, in violation of 40 C.F.R. § 372.30.

3.16 Respondent failed to file Form R reports with EPA and the state of Washington for lead compounds and dioxin and dioxin-like compounds for calendar year 2009 by July 1, 2010, in violation of 40 C.F.R. § 372.30.

3.17 Respondent failed to file Form R reports with EPA and the state of Washington for acetaldehyde, lead compounds, and dioxin and dioxin-like compounds for calendar year 2010 by July 1, 2011, in violation of 40 C.F.R. § 372.30.

IV. CONSENT AGREEMENT

4.1. Respondent admits the jurisdictional allegations contained in Part I of this CAFO.

4.2. Respondent neither admits nor denies the specific factual allegations contained in Part III of this CAFO.

4.3. In light of the nature of the violation, Respondent's actions to correct the violations after having been notified by Complainant, Respondent's agreement to perform a Supplemental Environmental Project, and Respondent's willingness to settle this matter without litigation, and in accordance with the *Enforcement Response Policy for Section 313 of the Emergency Planning and Community Right-to-Know Act (1986) and Section 6607 of the Pollution Prevention Act(1990)*, EPA has determined and Respondent agrees that an appropriate penalty to settle this action is one hundred twenty-nine thousand and six hundred dollars ($129,600).

4.4. Respondent agrees to pay the total civil penalty set forth in Paragraph 4.3 within thirty (30) days of the effective date of the Final Order contained in Section V of this CAFO.

4.5. Payment under this CAFO must be made by a cashier's check or certified check payable to the order of "Treasurer, United States of America" and delivered to the following address:

U.S. Environmental Protection Agency
Fines and Penalties
Cincinnati Finance Center
P.O. Box 979077
St. Louis, MO 63197-9000

Respondent must note on the check the title and docket number of this action.

4.6. Respondent must serve photocopies of the check described in Paragraph 4.5 on the Regional Hearing Clerk and EPA Region 10 at the following addresses:

Regional Hearing Clerk
U.S. Environmental Protection Agency
Region 10, Mail Stop ORC-158
1200 Sixth Avenue, Suite 900
Seattle, WA 98101

Kim Ogle
U.S. Environmental Protection Agency
Region 10, Mail Stop OCE-164
1200 Sixth Avenue, Suite 900
Seattle, WA 98101

4.7. If Respondent fails to pay the penalty assessed by this CAFO in full by the due date set forth in Paragraph 4.4, the entire unpaid balance of penalty and accrued interest shall become immediately due and owing. Such failure may also subject Respondent to a civil action to collect the assessed penalty under EPCRA Section 325(f), 42 U.S.C. § 11045(f), together with interest, handling charges, and additional non-payment penalties described below.

4.7.1. Interest. Any unpaid portion of the assessed penalty shall bear interest at a rate established by the Secretary of Treasury pursuant to 31 U.S.C. § 3717(a)(1) from the effective date of the Final Order set forth in Part V, provided however, that no interest shall be payable on any portion of the assessed penalty that is paid in accordance with the payment schedule established in Paragraph 4.4.

4.7.2. Handling Charge. Pursuant to 31 U.S.C. § 3717(e)(1), a monthly handling charge of $15 shall be paid if any portion of the assessed penalty is more than 30 days past due.

4.7.3 Nonpayment Penalty. Pursuant to 31 U.S.C. § 3717(e)(2), if Respondent fails to pay on a timely basis the penalty set forth in Paragraph 4.3, Respondent shall pay a nonpayment penalty in an amount equal to six percent (6%) per annum on any portion

of the assessed penalty that is more than 90 days past due, which nonpayment penalty shall be calculated as of the date the underlying penalty first becomes past due.

4.8. The penalty described in Paragraph 4.3, including any additional costs incurred under Paragraph 4.7, above, represents an administrative civil penalty assessed by EPA and shall not be deductible for purposes of federal taxes.

4.9. Respondent agrees to perform a Supplemental Environmental Project (SEP) under which it will pave with asphalt or concrete all of the current gravel surfaces on the Facility's access roadway from Hagara Street to and under the ash hopper, and extend paving up to at least the ammonia storage tank. This SEP must be completed within a 60 day period after the effective date of this Final Order. The SEP is expected to provide an environmental benefit by reducing the amount of pollutants that are released to the environment from the currently unpaved surface.

4.10. Respondent certifies that the cost estimate for the SEP included as Attachment A is complete and accurate and represents a fair estimate of the costs necessary to implement the road paving SEP. Respondent must fully perform the SEP and expend at least $ 32,000 to complete the project in order for the SEP to be deemed satisfactorily completed, or it will be subject to stipulated penalties in accordance with Paragraph 4.20.

4.11. Respondent hereby certifies that, as of the date of this Consent Agreement, Respondent is not required to perform or develop the SEP by any federal, state, or local law or regulation; nor is Respondent required to perform or develop the SEP by any other agreement, under a grant, or as injunctive relief in any other case. Respondent further certifies that it has not received, and is not presently negotiating to receive, credit in any other enforcement action for the SEP. For federal income tax purposes, Respondent agrees that it will neither capitalize into inventory or basis nor deduct any cost or expenditures incurred in performing this SEP.

4.12. Respondent hereby certifies that it is not a party to any open federal financial assistance transaction that is funding or could be used to fund the same activity as the SEP. Respondent further certifies that, to the best of its knowledge and belief after reasonable inquiry, there is no such open federal financial transaction that is funding or could be used to fund the same activity as the SEP, nor has the same activity been described in an unsuccessful federal financial assistance transaction proposal submitted to EPA within two years of the date of this settlement (unless the project was barred from funding as statutorily ineligible). For the purposes of this certification, the term "open federal financial assistance transaction" refers to a grant, cooperative agreement, loan, federally-guaranteed loan guarantee or other mechanism for providing federal financial assistance whose performance period has not yet expired.

4.13. Respondent shall submit a SEP Completion Report to EPA within 30 days of completing the SEP. The SEP Completion Report shall contain the following information:

i. A description of the SEP as implemented;

ii. Certification that the SEP has been fully implemented pursuant to the provisions of this CAFO;

iii. Itemized costs, documented by copies of purchase orders and receipts or cancelled checks;

iv. A description of any problems encountered and the solutions thereto; and

v. A description of the environmental and public health benefits resulting from implementation of the SEP.

4.14. Unless otherwise instructed in writing by EPA, Respondent shall submit its SEP Completion Report by first class mail, overnight mail, or hand delivery to:

Kim Ogle
U.S. Environmental Protection Agency
1200 Sixth Avenue, Suite 900
Mail Stop: OCE-164
Seattle, WA 98101

4.15. Respondent agrees that EPA may inspect Respondent's records related to the SEP at any reasonable time in order to confirm that the SEP is being undertaken in conformity with the representations made herein.

4.16. Respondent must maintain legible copies of documentation of the underlying data for documents or reports submitted to EPA pursuant to this CAFO for at least one year after completion of the SEP, and Respondent must provide the documentation of any such underlying data to EPA within 15 days of a written request for such information.

4.17. In all documents or reports including, without limitation, the SEP Completion Report submitted to EPA pursuant to this CAFO, Respondent shall, by a corporate officer, sign and certify under penalty of law that the information contained in such a document or report is true, accurate and not misleading by signing the following statement:

> " I certify under penalty of law that I have examined and am familiar with the information submitted in this document and all attachments and that, based on my inquiry of those individuals immediately responsible for obtaining the information, I believe that the information is true, accurate and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fines and imprisonment."

4.18. In the event the SEP is not completed as contemplated by this CAFO, then stipulated penalties shall be due and payable by Respondent upon demand by EPA in accordance with Paragraphs 4.19 and 4.20, below. Schedules herein may be extended based upon mutual written agreement of the parties.

4.19. If Respondent fails to satisfactorily complete the SEP in a timely manner as required by this CAFO, Respondent shall pay stipulated penalties, upon written demand from EPA, in the following amounts for each day the SEP remains incomplete:

Period of Noncompliance	**Penalty Per Violation Per Day**
1st through 7th day	$ 100.00
8th through 21st day	$ 250.00
22nd through 30th day	$ 500.00
Greater than 30 days	$ 1,000.00

4.20. If Respondent fails to satisfactorily complete the SEP as set forth in the CAFO, EPA may elect to terminate the SEP if it determines that Respondent is not making a good faith effort to satisfactorily complete the SEP. In addition, if at any time EPA determines that Respondent has abandoned the SEP, it may terminate the SEP. EPA shall provide written notice of SEP termination to Respondent. If EPA determines that Respondent failed to satisfactorily complete the SEP or terminates the SEP, Respondent shall be liable for a lump sum stipulated penalty of $32,000, less any amount that Respondent has paid under Paragraph 4.19. EPA may take the amount spent by Respondent to partially complete the SEP into account when assessing a stipulated penalty for unsatisfactory completion of the SEP under this paragraph. If Respondent pays a termination penalty under this Paragraph, it shall not be liable for stipulated penalties under Paragraph 4.19.

4.21. The determination of whether the SEP has been satisfactorily completed and whether the Respondent has made a good faith, timely effort to implement the SEP is reserved to the sole discretion of EPA.

4.22. Respondent shall pay stipulated penalties within 15 days of receipt of a written demand by EPA for such penalties. Payment shall be in accordance with the provisions of Paragraphs 4.5 and 4.6, above. Interest and late charges shall be paid as stated in Paragraph 4.7, above.

4.23. Any public statement, oral or written, in print, film or other media made by Respondent making reference to the SEP shall include the following language: "This project was undertaken in connection with the settlement of an administrative enforcement action taken by the U.S. Environmental Protection Agency under the Emergency Planning and Community Right-to-Know Act."

4.24. The undersigned representative of Respondent certifies that he or she is authorized to enter into the terms and conditions of this CAFO and to bind Respondent to this document.

4.25. The undersigned representative of Respondent also certifies that, as of the date of Respondent's signature of this CAFO, Respondent has corrected the violation(s) alleged in Section III and is currently in compliance with all applicable EPCRA requirements at each of the facilities under its control.

4.26. Except as described in Subparagraph 4.7.2, above, each party shall bear its own fees and costs in bringing or defending this action.

4.27. Respondent expressly waives any right to contest the allegations and waives any right to appeal the Final Order set forth in Part V.

4.28. The provisions of this CAFO shall bind Respondent and its agents, servants, employees, successors, and assigns.

4.29. The above provisions are STIPULATED AND AGREED upon by Respondent and EPA Region 10.

DATED:

January 15, 2013

FOR RESPONDENT:

GEORGE EMMERSON, President
Sierra Pacific Industries

DATED:

January 28, 2013

FOR COMPLAINANT:

EDWARD J. KOWALSKI, Director
Office of Compliance and Enforcement
EPA Region 10

V. FINAL ORDER

5.1. The terms of the foregoing Parts I-IV are ratified and incorporated by reference into this Final Order. Respondent is ordered to comply with the terms of settlement.

5.2. This CAFO constitutes a settlement by EPA of all claims for civil penalties pursuant to EPCRA for the violations alleged in Part III. In accordance with 40 C.F.R. § 22.31(a), nothing in this CAFO shall affect the right of EPA or the United States to pursue appropriate injunctive or other equitable relief or criminal sanctions for any violations of law. This CAFO does not waive, extinguish, or otherwise affect Respondent's obligations to comply with all applicable provisions of EPCRA and regulations promulgated or permits issued thereunder.

5.3. This Final Order shall become effective upon filing.

SO ORDERED this 4th day of February, 2013.

THOMAS M. JAHNKE
Regional Judicial Officer
U.S. Environmental Protection Agency
Region 10

LAKESIDE INDUSTRIES, INC.

ACCT./ADMIN. OFFICE: P.O. BOX 7016 ISSAQUAH, WA 98027
"AN EQUAL OPPORTUNITY EMPLOYER"

PROPOSAL/CONTRACT AGREEMENT
(425) 313-2600

Lakeside Industries, Inc.
PO Box 928
Aberdeen, WA 98520
Phone-(360)533-0610 Fax- (360)533-1772

Date: October 26, 2012

CONTRACTING PARTY

JOB NO.

Sierra Pacific
301 Hagara Street
Aberdeen, WA 98520

LOCATION & TYPE OF WORK: Grade and pave back roadway

Bid Item	Approximate Quantity	Unit of Measure	Description	Unit Price	Total Price
			AREA #1: From Hagara To End Of Fence		
	1	LS	Grade area (approx. 15,000 SF)	$ 6,000.00	$ 6,000.00
	1	LS	Furnish hot mix asphalt class A	$ 20,625.00	$ 20,625.00
	1	LS	Deliver and place asphalt	$ 4,175.00	$ 4,175.00
			AREA #2: From Fence To Existing Asphalt		
	1	LS	Grade area (approx. 11,000 SF)	$ 3,800.00	$ 3,800.00
	1	LS	Furnish hot mix asphalt class A	$ 15,075.00	$ 15,075.00
	1	LS	Deliver and place asphalt	$ 3,025.00	$ 3,025.00
			APPROXIMATE TOTAL (Plus sales tax where applicable) Total price to be based on actual quantity or measurement unless otherwise specified.		**$ 52,700.00**

Exclusions:	Tax, traffic control, grading, utility adjustments, saw cutting, excavation
Notes:	*We may need some rock to bring up the area along building, if we can use grindings that would work good if not we will need to buy rock which is not in the quote. *This is just for grading, if we have to excavate any soft areas it will be additional.

Lakeside's proposed prices herein assume that Lakeside's work hereunder will be substantially complete on or before: December 1, 2012.

Unless Contracting Party has signed and returned this Agreement within thirty (30) calendar days of the date first stated above, Lakeside's proposal shall be null and void.

Attachment A – Cost Estimate
In the Matter of: Sierra Pacific Industries
Docket Number: EPCRA-10-2013-0052
Consent Agreement and Final Order

CONTRACTING PARTY'S SIGNATURE ON ONE COPY RETURNED TO LAKESIDE INDUSTRIES, INC. WILL RENDER THIS A LEGAL CONTRACT FOR THE PERFORMANCE OF THE ABOVE WORK. CONTRACTING PARTY'S SIGNATURE ALSO ACKNOWLEDGES RECEIPT OF LAKESIDE'S 'NOTICE TO CUSTOMER' STATEMENT ATTACHED HERETO.

APPROVED BY CONTRACTING PARTY:	LAKESIDE INDUSTRIES, INC. WA. CONTRACTOR'S REG. LAKESI*274JD OR. CCB 108542
BY: _____	BY: _____
TITLE: _____	TITLE: Estimator

SUBJECT TO THE ATTACHED GENERAL PROVISIONS

General Provisions

1. DEFINITIONS. As used herein, (i) "Contractor" shall mean Lakeside Industries, Inc. or any division thereof; (ii) "Contracting Party" shall mean the person or entity purchasing materials and/or services as set forth on the front page hereof and pursuant to these General Provisions; and (iii) "Agreement" shall mean the contract formed between Contractor and Contracting Party by Contracting Party's acceptance of those terms and conditions set forth on the front page hereof and these General Provisions and/or materials and/or services provided to Contracting Party by Contractor.

2. ACCEPTANCE. Unless Contracting Party has signed and returned this Agreement to Contractor within thirty (30) calendar days of the date first stated on the front page hereof, Contractor's proposal shall be null and void. Contractor hereby objects to any conflicting, additional and/or different terms contained in any proposal or other writing issued by Contracting Party for purposes of accepting the proposal set forth herein and the same shall not become a part of this Agreement unless agreed upon in writing by Contractor and Contracting Party.

3. COST ESCALATION FOR ASPHALT. Contractor's proposal herein is based upon local vendor posted prices for liquid asphalt as of the date of Contractor's proposal. In the event the actual prices exceed such posted prices, the Contract Price shall be equitably adjusted by change order to reflect such increase. Contractor reserves the right to terminate this Agreement if an equitable adjustment cannot be agreed upon by Contracting Party and Contractor. Payment for any such adjustment shall be made in accordance with the terms and conditions of this Agreement.

4. CREDIT VERIFICATION. This Agreement is subject to Contractor's verification of Contracting Party's credit and Contractor's determination that such credit is adequate or satisfactory to Contractor. Contractor reserves the right to withdraw its proposal should Contractor reasonably determine that such credit verification is unsatisfactory or inadequate.

5. TERMS OF PAYMENT. Unless otherwise provided for herein, payment shall be due to Contractor within ten (10) days of the date of any invoice issued by Contractor to Contracting Party. Interest shall accrue on all overdue invoices at the rate of 1-1/2% per month (18.00% per annum) or the highest rate allowed by law.

6. SCHEDULE. This Agreement is subject to Contractor's review and approval of Contracting Party's schedule. Contracting Party shall coordinate other contractors' and subcontractors' work to prevent any delay or interference with Contractor's work.

7. CHANGES. Contracting Party, without invalidating the Agreement, may order changes in the scope of the work provided for by this Agreement, with the cost of the work and the time to complete such work being adjusted accordingly. Such changes in the work shall be authorized only by written change order signed by Contracting Party and Contractor.

8. PROPERTY LINES. Contracting Party warrants that Contracting Party knows the actual location of all legal property lines and that Contracting Party, prior to commencement of work hereunder, shall place stakes clearly indicating such property lines.

9. PERMITS. Any permits that must be secured prior to commencement of the work hereunder shall be secured and paid for by Contracting Party.

10. DELAYS. If Contractor is delayed at any time in the commencement or progress of the work by any act or neglect of Contracting Party, or by any employee or agent of Contracting Party, or by any separate contractor employed by Contracting Party, or by changes ordered in the work by Contracting Party, or by labor disputes, fire, abnormal adverse weather conditions, force majeure, unusual delay in transportation, fuel, material, or labor shortages or unavailability, action or inaction of public authorities not arising out of the fault of Contractor, casualties or any other causes beyond Contractor's reasonable control, then the Contract Time shall be extended by change order for a period of time reasonably necessary to alleviate the effect of such events on Contractor. Delays beyond Contractor's reasonable control shall be compensable to Contractor and such equitable adjustment of the Contract Price shall be made by change order. Contractor reserves the right to terminate this Agreement if an equitable adjustment cannot be agreed upon by Contracting Party and Contractor. Payment for any such adjustment shall be made in accordance with the terms and conditions of this Agreement.

11. HAZARDOUS SUBSTANCES. Contracting Party agrees to indemnify, defend and hold harmless Contractor and its employees and subcontractors from liability related to the existence of hazardous substances at the project site, unless such liability results directly from hazardous substances brought on to the project site by Contractor or its subcontractors or arises out of the negligence or wrongful act of Contractor or its subcontractors. If Contractor encounters a substance on the project site which Contractor believes is a hazardous substance, Contractor shall immediately notify Contracting Party and shall cease work in whole or in part and any delays (and costs arising therefrom) shall be Contracting Party's responsibility.

12. TERMINATION FOR CAUSE. Contractor has the right to terminate this Agreement if Contracting Party fails to comply with any of the other provisions herein; provided, further, Contractor may terminate this Agreement in the event of the happening of any of the following: (a) insolvency of Contracting Party or Contractor; (b) any act of bankruptcy by Contracting Party under any provision of the Federal Bankruptcy Act or filing by Contracting Party of a voluntary petition under any law providing for relief from the claims of creditors; (c) the filing of an involuntary petition to have Contracting Party adjudicated as bankrupt under the Federal Bankruptcy Act or for reorganization of Contracting Party under that Act or under any law providing for relief from the claims of creditors which is not vacated within thirty (30) days from the date of such filing; (d) the appointment of a receiver or trustee for Contracting Party or Contractor which is not vacated within thirty (30) days from the date of such appointment; (e) the execution by Contracting Party or Contractor of an assignment for the benefit of creditors; or (f) any other event occurring which under the applicable law would entitle Contractor to cancel and terminate this Agreement. Such termination shall not prejudice any claims that either party may have against the other.

13. INDEMNITY. To the fullest extent permitted by law, Contractor shall indemnify and hold harmless Contracting Party from and against claims, damages, losses and expenses, including but not limited to attorneys' fees, arising out of or resulting from performance of the work hereunder, provided that such claim, damage, loss or expense is attributable to bodily injury, sickness, disease or death, or to injury to or destruction of tangible property, including loss of use resulting therefrom, but only to the extent caused by negligent acts or omissions of Contractor, a subcontractor, anyone directly or indirectly employed by them or anyone for whose acts they may be liable. Contracting Party shall indemnify and hold harmless Contractor from and against claims, damages, losses and expenses, including but not limited to attorneys' fees, to the extent caused by negligent acts or omissions of Contracting Party, or anyone directly or indirectly employed by it or anyone for whose acts it may be liable.

14. WARRANTIES. Contractor warrants and guarantees all work and/or materials provided under this Agreement shall be of good quality and workmanship, free from faults and defects and in conformance with this Agreement. Contractor further agrees to make good, at its own expense, any defect in materials or workmanship which may appear within one (1) year of Contractor's substantial completion of its work hereunder. Except as otherwise provided herein, Contractor makes no warranties or representations of any kind, express or implied (including no warranty of merchantability or fitness for a particular purpose) and none shall be implied by law. Contracting Party agrees that oral agreements, statements and representations made by Contractor, its employees or its agents shall not constitute a warranty of any kind.

15. TIME LIMITATION ON CLAIMS. Any action arising out of Contracting Party's purchase of materials or Contractor's provision of services to Contracting Party, including any action arising under this Agreement, must be commenced within one (1) year after substantial completion of Contractor's work hereunder, and no such action may be maintained which is not commenced within such one-year period.

16. LIMITATION OF LIABILITY. Contractor's sole liability and Contracting Party's sole and exclusive remedy for any and all damages, special, direct, incidental or consequential, sustained by Contracting Party or others arising of Contractor's performance of this Agreement shall be limited to correcting defective work. In no event shall Contractor be liable to Contracting Party or any third party for more than the amount of Contractor's proposal, or for any delay damages.

Under no circumstances shall Contractor be liable for (i) damage to or breakage of underground pipes and/or conduits and cables not visible from the surface of the ground nor for any damage to approaches (including sidewalks) from the street to the property line; (ii) damage to the completed pavement surface due to the action of petroleum product spillage; (iii) subgrade failure or utility ditch failure; or (iv) growth of horsetail weed, morning glory, deep-rooted ferns or perennials subsequent to the application of soil sterilization (weed killer) that have not reached maturity prior to such application. Any soil sterilization provided for in this Agreement shall be applied at the rate specified by the manufacturer thereof.

17. DISPUTE RESOLUTION/ATTORNEYS' FEES. Contracting Party and Contractor agree that all claims, collections, disputes, or other controversies arising under this Agreement or related hereto, shall be settled by and subject to litigation, or at the sole choice of the contractor, binding arbitration with a

single arbitrator pursuant to the Construction Industry Arbitration Rules of the American Arbitration Association ("AAA"). Any such arbitration shall be commenced by the Contractor delivering a written demand for arbitration to the AAA, and a copy of such demand shall be delivered to the Contracting Party. Contracting Party and Contractor agree that the location of any such arbitration proceeding shall be at the Seattle, Washington AAA office. Any arbitration award by the arbitrator shall be final and binding on the parties and subject to confirmation and reduction to judgment pursuant to RCW 7.04 in the King County Superior Court. In any such litigation or arbitration, the prevailing party shall be entitled to its reasonable attorneys' fees and costs.

18. GOVERNING LAW. This Agreement shall be governed by and construed in accordance with the laws of the State of Washington.

19. SEVERABILITY. In the event that any paragraph, part, term, or condition of this Agreement is construed or held to be void, invalid or unenforceable by an arbitrator or court of competent jurisdiction, the remaining paragraphs, parts, terms and conditions of this Agreement shall not be affected and shall remain in full force and effect.

20. VOLUNTARY CONTRACT. Each of the parties to this Agreement has carefully read and fully understands the terms and conditions hereof, has had full opportunity to consult with legal counsel regarding its meaning and effect, and is entering into this Agreement freely and voluntarily, through a representative who is fully authorized and empowered to sign on its behalf.

21. ENTIRE AGREEMENT. Contracting Party and Contractor intend that the proposal and those terms and conditions on the front page hereof and these General Provisions shall constitute the final, complete and exclusive Agreement between the parties. This Agreement supersedes all other prior or contemporaneous agreements, representations, understandings and promises, oral and/or written, by or between the parties with respect to the subject matter hereof. Contracting Party further acknowledges and agrees that in entering into this Agreement, Contracting Party has not and is not relying upon any contemporaneous agreements, representations, understandings and promises, oral and/or written, made by Contractor. No course of dealings between the parties shall be relevant or admissible to explain, supplement or vary the terms of this Agreement. No amendment or modification of this Agreement shall be effective or binding upon the parties unless made in writing and executed by Contracting Party and Contractor.

State of Washington

NOTICE TO CUSTOMER(RCW 18.27.114)

Lakeside Industries, Inc. is registered with the State of Washington, Registration No. LAKESI*274JD, and has posted with the state a bond or deposit of $12,000 for the purpose of satisfying claims against Lakeside Industries for breach of contract including negligent or improper work in the conduct of Lakeside Industries' business. The expiration date of Lakeside Industries' registration is July 31st.

THIS BOND OR DEPOSIT MIGHT NOT BE SUFFICIENT TO COVER A CLAIM THAT MIGHT ARISE FROM THE WORK DONE UNDER YOUR CONTRACT.

This bond or deposit is not for your exclusive use because it covers all work performed by Lakeside Industries. The bond or deposit is intended to pay valid claims up to $12,000 that you and other customers, suppliers, subcontractors, or taxing authorities may have.

FOR GREATER PROTECTION YOU MAY WITHHOLD A PERCENTAGE OF YOUR CONTRACT.

You may withhold a contractually defined percentage of your construction contract as retainage for a stated period of time to provide protection to you and help insure that your project will be completed as required by your contract.

YOUR PROPERTY MAY BE LIENED.

If a supplier of materials used in your construction project or an employee or subcontractor of Lakeside Industries, Inc. or its subcontractors is not paid, your property may be liened to force payment and you could pay twice for the same work.

FOR ADDITONAL PROTECTION, YOU MAY REQUEST LAKESIDE INDUSTRIES, INC. TO PROVIDE YOU WITH ORIGINAL "LIEN RELEASE" DOCUMENTS FROM EACH SUPPLIER OR SUBCONTRACTOR ON YOUR PROJECT.

Lakeside Industries, Inc. is required to provide you with further information about lien release documents if you request it. General information is also available from the state Department of Labor and Industries.

Certificate of Service

The undersigned certifies that the original of the attached **CONSENT AGREEMENT AND FINAL ORDER, In the Matter of: Sierra Pacific Industries, Docket No.: EPCR-10-2013-0052** was filed with the Regional Hearing Clerk and served on the addressees in the following manner on the date specified below:

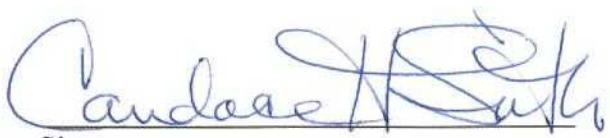
The undersigned certifies that a true and correct copy of the document was delivered to:

Shirin Venus, Esquire
U.S. Environmental Protection Agency
1200 Sixth Avenue, ORC-158
Suite 900
Seattle, Washington 98101

Further, the undersigned certifies that a true and correct copy of the aforementioned document was placed in the United States mail certified/return receipt to:

George Emmerson, President
Sierra Pacific Industries
301 Hagara Street
Aberdeen, Washington 98520

DATED this 5th day of February, 2013



Signature

Candace H. Smith
Regional Hearing Clerk
EPA Region 10