

Compliance and Settlement Agreement
By and Between
The Bay Area Air Quality Management District
and

Gold Bond Building Products, LLC
(Notices of Violation A58705, A58801, A61728, A61729, A61730, A61733, A61751, A61752, A62075, A62076, A62077, A62731, and A66232)

1. The Bay Area Air Quality Management District (“Air District”) is the regional governmental agency charged with the primary responsibility for maintaining healthy air quality in the San Francisco Bay Area.

2. Gold Bond Building Products, LLC (“Gold Bond”) owns and operates a gypsum wallboard manufacturing facility located at 1040 Canal Boulevard, Richmond, California.

3. The Air District alleges that Gold Bond was subject to Air District regulations at all relevant times, and that Gold Bond violated certain Air District regulations as described in Notices of Violation (“NOVs”) A58705, A58801, A61728, A61729, A61730, A61733, A61751, A61752, A62075, A62076, A62077, A62731, and A66232, which are, by this reference, incorporated into this Settlement Agreement.

4. The Parties agree to settle NOVs A58705, A58801, A61728, A61729, A61730, A61733, A61751, A61752, A62075, A62076, A62077, A62731, and A66232, which collectively include all of the violations the Air District is aware of through the Effective Date, for (i) payment by Gold Bond to the Air District of a civil penalty in the amount of **One-Hundred and Eighty-Eight Thousand Five-Hundred Dollars (\$188,500)**, and (ii) implementation of the remedial measures set forth in Paragraphs 7-12 below.

5. Gold Bond shall pay the \$188,500 civil penalty specified in Paragraph 4 above either within (i) sixty (60) calendar days after the Effective Date of this Settlement Agreement or (ii) thirty (30) calendar days after the Air District provides a completed Internal Revenue Service Form W-9 (“W-9”) to Gold Bond and wire transfer instructions, whichever is later. Gold Bond shall make the payment in accordance with the payment provisions set forth in Paragraph 6 below. If Gold Bond fails to pay the full penalty by the due date, Gold Bond shall pay the Air District a stipulated penalty of Two Thousand Dollars (\$2,000) for each day after the due date on which the Air District has not received full payment.

6. Gold Bond shall pay the \$188,500 civil penalty specified in Paragraph 4, and any

1 stipulated penalties owed under this Settlement Agreement, by wire transfer, according to wire transfer
2 instructions provided by the Air District. Gold Bond shall either include one NOV or “Gold Bond 2026
3 Settlement” in the title or description of the wire transfer.

4 Upon initiating the wire transfer, Gold Bond shall notify the Air District via email at
5 mraymond@baaqmd.gov, and shall attach with the email a completed W-9 for Gold Bond. Gold Bond
6 shall be responsible for all payment processing and other fees and costs associated with making penalty
7 payments under this Paragraph 6. Gold Bond shall resubmit the payment upon notice that the Air
8 District has not received it.

9 7. Reclaim Pile Enclosure.

- 10 a. By December 31, 2027, Gold Bond shall construct a permanent reclaim pile
11 enclosure that will encompass the entire reclaim pile of the facility.
- 12 b. Gold Bond shall submit all necessary permit applications and obtain all permits
13 required to construct the permanent reclaim pile enclosure from the City of
14 Richmond and all other applicable governmental and regulatory agencies.
- 15 c. Gold Bond shall obtain an Air District Authority to Construct the permanent
16 reclaim enclosure and shall complete all the required conditions to obtain a Permit
17 to Operate within the required timeline. The timeframe for this requirement may
18 be revised with the approval of the Air District.
- 19 d. While Gold Bond is obtaining permits for the construction of the permanent
20 reclaim pile enclosure and during construction of the permanent reclaim
21 enclosure, Gold Bond shall notify the Air District in writing within 30 days of the
22 execution of this Settlement Agreement of all interim dust mitigation measures
23 applicable to the reclaim pile that Gold Bond will implement prior to the
24 installation completion date of the permanent reclaim pile enclosure. Such
25 measures will require the Air District approval.
- 26 e. Every month until the reclaim pile enclosure is complete, Gold Bond shall
27 provide monthly increments of progress to the Air District (by the end of the last
28 working day of the month) with the first report due that states the status of the

1 construction/installation of the permanent reclaim pile enclosure and of any
2 associated control devices. These reports shall be submitted until installation and
3 commissioning of all devices identified in the corresponding Authority to
4 Construct has been completed.

5 f. The Permit to Operate for the permanent reclaim pile enclosure shall include the
6 following conditions:

- 7 i. Gold Bond shall ensure the permanent reclaim pile enclosure is
8 maintained under negative air pressure when any materials are being
9 processed (loaded, unloaded, moved, or otherwise handled) in the
10 reclaim pile enclosure.
- 11 ii. Gold Bond shall ensure, to the maximum extent feasible that the entire
12 air volume contained within the permanent reclaim pile enclosure is
13 sufficiently vented to an appropriately sized baghouse. The proposed
14 baghouse shall be designed to maximize particle capture efficiency
15 and efficacy. The proposed baghouse shall have a differential pressure
16 gauge(s) such that they can be used to reliably indicate proper
17 operation, maintenance, calibration and general condition of the
18 equipment.
- 19 iii. Gold Bond shall install and operate a mist dust suppression system at
20 all entry and exit points to the permanent reclaim pile enclosure so that
21 all fugitive dust from either processing of the reclaim material or from
22 associated shipping operations is mitigated to the best extent possible.
- 23 iv. Gold Bond shall conduct Air District-approved source test of the
24 permanent reclaim pile enclosure and baghouse, utilizing methods
25 within NSPS OOO and Methods 5, Method 201A, Method 202, and
26 Method 204 to verify it is being maintained under negative air pressure
27 within 90 days of the completion of the permanent reclaim pile. Gold
28 Bond shall notify the Air District's Source Test Section, in writing, of

the source test protocols and projected test dates at least 7 days prior to testing.

v. Gold Bond shall submit the Air District-approved source test in Paragraph 7(f)(iv) to the Air District once annually thereafter.

vi. Gold Bond shall ensure that the test is conducted in accordance with all the requirements specified by the Air District and shall produce test results in a report consistent with Air District requirements.

8. Baghouses.

Upon execution of this Settlement Agreement, and until such activities may be terminated under this Settlement Agreement or are governed by subsequent permits issued by the District, whichever occurs first, Gold Bond shall do the following:

a. Ensure that all baghouses and dust control abatement devices differential pressure gauge(s) are installed at eye level for daily visual inspection. All baghouse and dust control abatement differential pressure gauges shall be marked such that when the baghouse is operational, the pressure differential indicator is within the marked range. If Gold Bond staff upon inspection notice that the pressure differential indicator is outside of the marked range or any other abnormal condition, Gold Bond shall immediately cease operation of the corresponding source while appropriate corrective action/repairs is performed.

b. Complete daily visual and differential pressure checks for each dust control abatement device.

i. Gold Bond shall visually inspect the exhaust and the housing for each dust abatement device for evidence of any particulate breakthrough.

ii. These visual observations shall be for the full duration of the dust abatement devices cleaning cycle to ensure no particulate breakthrough is occurring.

iii. If breakthrough is noted through plume observations or from dust build-up near the stack outlet/housing, the cause of the particulate

breakthrough must be promptly investigated, and the source of the particulate breakthrough must be secured within 15 minutes of the discovery of particulate breakthrough.

iv. If the discovery of particulate breakthrough requires Gold Bond to secure the dust control abatement device, that system shall not commence operations again until proper repairs have been made.

v. Gold Bond shall complete and maintain a corrective action report for each particulate breakthrough that is noted during these daily inspections. Gold Bond shall maintain records of these inspections and any corrective actions on-site for 5 years, and Gold Bond shall ensure these records are available to Air District staff upon request.

c. Gold Bond shall ensure that there is at least a 10% spare supply of bag filters and filter bag cages for each dust control abatement device and for other associated components on-site at all times.

d. Gold Bond shall inspect the seals around ductworks leaving the building and inside the building, and the connections between each source and its dust control abatement device on a weekly basis to ensure that no fugitive emissions are occurring from failures to the seals or from these connection points. Gold Bond shall ensure these records are available to Air District staff upon request.

e. Gold Bond shall equip all new baghouses with a photohelic pressure gauge integrated into the PLC system. In addition, within 120 days of execution of this Settlement Agreement, Gold Bond will install a Baghouse Leak Detection System (“BLDS”) on Baghouse A-2 and Baghouse A-29 (previously listed as Baghouse A-26).

f. Gold Bond shall install a BLDS on all new baghouses with a fabric filter area greater than 7,500 square feet. Upon receiving an alarm, Gold Bond shall take immediate action within 15 minutes to alleviate the malfunction. If applicable, Gold Bond shall submit a reportable compliance activity (“RCA”) to the Air

District for any such events within 24 hours.

g. Within 10 days of execution of this Settlement Agreement, Gold Bond shall calibrate the differential pressure gauges for each dust control abatement device on an annual basis. These calibrations shall be completed per the manufacturer's specifications for each differential pressure gauge. Gold Bond shall maintain records of these calibrations on-site for 5 years, and Gold Bond shall ensure these records are available to Air District staff upon request.

h. Within 30 days of the execution of this Settlement Agreement, Gold Bond shall ensure that all baghouses and dust control abatement devices on site are equipped with properly calibrated and maintained differential pressure gauge(s) such that they can be used to reliably indicate proper operation, maintenance, and general condition of the equipment.

i. Within 120 days of execution of this Settlement Agreement, Gold Bond will replace all existing magnahelic gauges on the current existing baghouses with more accurate photohelic gauges, which will be directly wired into the facility's programmable logic controller ("PLC") network. Each photohelic gauge will have defined pressure drop limits programmed into the Programmable Logic Computer ("PLC") to verify proper operation. Gold Bond will seek to continuously monitor each baghouse, confirm accurate operation at all times, and set up alarms to immediately alert personnel when the gauges are out of the approved ranges.

9. Loading/Offloading Gypsum/Processing Gypsum.

Upon execution of this Settlement Agreement, Gold Bond shall do the following:

a. Operate the mist dust suppression system on the hopper and gypsum conveying system when receiving raw gypsum material from vessels. If fugitive emissions are generated from this process that may impact adjacent properties, Gold Bond shall propose and install mutually agreed upon additional dust suppression and/or dust control devices to control emissions generated from the loading

1 and/or offloading or gypsum.

2 b. Gold Bond shall ensure gypsum material is actively captured or controlled and
3 any dust associated with the transfer of gypsum material is properly abated
4 during the loading and offloading process. “Actively captured or controlled”
5 shall mean the continuous use of engineered control systems or mechanical
6 equipment—such as enclosed conveyors, dust suppression systems, vacuum
7 systems, hoods, baghouses, ducted enclosures, or equivalent dust collection
8 devices—that are specifically designed, operated, and maintained to capture,
9 contain, or remove particulate emissions during material handling, transfer, or
10 processing activities.

11 c. Address any instances of gypsum fallout in neighboring business and residential
12 areas within 15 minutes of notification to Gold Bond or Gold Bond’s self-
13 discovery that gypsum fallout is affecting neighboring business and residential
14 areas. Gold Bond shall notify the Air District of the instance of gypsum fallout
15 within 24 hours of notification to Gold Bond or Gold Bond’s self-discovery of
16 the fallout.

17 d. Within 60 days of execution of this Settlement Agreement, Gold Bond shall
18 submit a housekeeping plan to the Air District to establish procedures to
19 minimize and control the accumulation of gypsum dust in the facility and to
20 prevent any migration of gypsum dust causing potential public nuisances. The
21 plan shall consist of the following:

- 22 • Objectives: States the goals of the housekeeping plan
- 23 • Roles and Responsibilities
- 24 • Housekeeping Procedures (process controls, capture, ventilation)
- 25 • Inspection and Monitoring
- 26 • Training
- 27 • Emergency Procedures (Release into the atmosphere)
- 28 • Review and Revisions to the housekeeping plan

The plan shall be reviewed and approved by the Air District within 30 days of receipt by the Air District. If any disagreements occur during the review process, the Air District and Gold Bond shall meet and confer in accordance with Paragraph 19. The plan is deemed accepted if no response is provided to Gold Bond after thirty (30) calendar days, except that if either Party initiates the meet and confer process under Paragraph 19, the Air District's deadline to review the plan shall be extended until the conclusion of the dispute resolution process.

e. Within 90 days of execution of this Settlement Agreement, Gold Bond shall do the following:

- i. Gold Bond shall ensure that all conveyor casings fully enclose the conveyor belts at all times during operation, except when repairs to the casings are being performed.
- ii. Gold Bond shall enclose and maintain all drop points that generate fugitive particulate emissions using either green construction dust screening or a comparable dust control device designed to control/eliminate any fugitive particulate matter emissions at these drop points.
- iii. Gold Bond shall implement and maintain effective dust control measures to prevent gypsum fallout from its facility.

10. Sweeper.

Upon execution of this Settlement Agreement, Gold Bond shall do the following:

- a. Control trackout of gypsum material onto public roads from vehicles leaving Gold Bond property that exceeds cumulative 25 linear feet and creates fugitive dust visible emissions without cleaning up such trackout within four hours of when Gold Bond identifies such excessive trackout.
- b. Ensure a vacuum sweeper (with water mitigation dust control) is operating on site to remove particulate from the facility's roadways and to minimize track-out from Gold Bond's property.

- c. Utilize a sweeper to ensure that no trackout occurs on paved public roads, which exceeds cumulative 25 linear feet and creates fugitive dust visible emissions without Gold Bond cleaning up such trackout within four hours of when it identifies such excessive trackout.
- d. Maintain operational records for the sweepers and make these records are available to Air District staff upon request.
- e. Upon completion of the Reclaim Pile Enclosure and pavement, but no later than December 31, 2027, Gold Bond shall minimize dust using the vacuum sweeper on the pavement. Thereafter, Gold Bond and the Air District shall assess the need for additional track-out controls at the site. If the Air District determines that additional track-out control devices are required, Gold Bond shall work with the Air District to select the proper track-out control devices for the facility and both parties will agree to a manageable installation timeline.

11. Training.

Upon execution of the Settlement Agreement, Gold Bond shall do the following:

- a. Provide semi-annual employee training on the importance of air quality management, adherence to the facility's dust control procedures, and overall best practices related to minimizing fugitive dust from the facility.
- b. Have a California Air Resources Board ("CARB") certified Visible Emissions Evaluation ("VEE") operator on-site during normal business hours 7am to 3pm Monday through Friday. If the facility is still operating outside of normal business hours, Gold Bond shall ensure that there is another certified VEE operator on-site during this period or Gold Bond shall obtain the Air District's approval for an alternative method for monitoring emissions when the VEE operator is not on the site. Gold Bond shall provide the Air District with a list of the facility's VEE certified operators on a biannual basis.

12. Permit Application.

Upon execution of this Settlement Agreement, Gold Bond shall do the following:

- a. Submit to the Air District a permit application for any new, modified, or altered source. In addition, Gold Bond shall identify all unpermitted sources and dust control abatement devices (if any) at the facility. If Gold Bond identifies any unpermitted sources and dust control abatement devices, Gold Bond shall submit an Air District permit application within 10 days for each source and dust control abatement devices identified. This requirement includes any sources and dust control abatement devices that can be potentially exempt.
- b. Submit an Air District permit application for the production of any new products within 10 calendar days of the start of said new production of products.

13. Future Permit Conditions. Within a year of the full execution of the settlement agreement, the Air District shall incorporate the specified compliance measures into the Facility's Permit to Operate as binding and enforceable permit conditions.

14. Stipulated Penalties.

- a. The Parties acknowledge and agree that if Gold Bond fails to comply with the obligations in Paragraphs 7-12 of this Settlement Agreement, Gold Bond may be liable to the Air District for a stipulated penalty as set forth in this Paragraph 14. If the Air District contends that Gold Bond has failed to comply with an obligation in Paragraphs 7-12, the Air District shall provide written notice to Gold Bond within two (2) business days of the Air District discovering the facts giving rise to the alleged noncompliance with Paragraphs 7-12. Upon receipt of such notice, Gold Bond shall have forty-five (45) calendar days to cure the alleged noncompliance. For the sake of clarity, the Parties agree that Gold Bond may cure any alleged noncompliance related to fugitive dust emissions or fallout impacting the adjacent business or residential areas by taking reasonable steps to control such emissions, including proposing and installing reasonable additional dust suppression and/or dust control devices to control emissions. Further, if the cure of the alleged noncompliance requires a permit from the Air District or another government entity, the

1 alleged noncompliance shall be deemed cured upon Gold Bond's submission
2 of a complete permit application. Nothing in this provision shall authorize
3 Gold Bond to operate any new, modified, or altered unpermitted source,
4 equipment, or abatement device, or otherwise excuse any continued operation
5 or use of a new, modified, or altered unpermitted source, equipment, or
6 abatement device.

7 b. If Gold Bond fails to cure the alleged noncompliance, the Air District may
8 assess a stipulated penalty of Five Hundred Dollars (\$500) per an alleged
9 violation for each day Gold Bond remains in noncompliance, unless Gold
10 Bond's noncompliance is excused under Paragraph 15. If the Air District
11 alleges noncompliance with a single obligation in Paragraphs 7-12, any per day
12 penalty shall not exceed Five Hundred Dollars (\$500). If the Air District
13 alleges noncompliance with multiple obligations in Paragraphs 7-12, the
14 following schedule provides the maximum per day penalty that the District
15 may impose:

- 16 • \$500 per day for the first ten days of alleged noncompliance;
- 17 • \$1,000 per day for the 11th through 30th days of alleged
18 noncompliance;
- 19 • \$1,500 per day for the 31st through 60th days of alleged
20 noncompliance; and
- 21 • \$2,500 per day for each day of alleged noncompliance thereafter.

22 c. All penalties shall be tolled and shall not accrue during the forty-five (45) day
23 cure period and during any dispute resolution process under Paragraph 19.

24 d. The Air District agrees to meet and confer with Gold Bond prior to any final
25 determination of noncompliance, cure, or excuse, and the dispute resolution
26 procedures in Paragraph 19 of this Settlement Agreement shall apply to any
27 dispute or challenge that arises under or is related to stipulated penalties under
28

1 this paragraph, including, but not limited to, disputes regarding Gold Bond's
2 alleged noncompliance, cure, or excuse.

3 e. Gold Bond shall pay any stipulated penalties owed under this Settlement
4 Agreement to the Air District within ten (10) business days of the Air District
5 providing wire transfer instructions and a completed W-9 to Gold Bond. Gold
6 Bond shall pay the Air District by wire transfer, according to wire transfer
7 instructions provided by the Air District. Upon initiating the wire transfer,
8 Gold Bond shall notify the Air District via email at mraymond@baaqmd.gov,
9 mvinluanChan@baaqmd.gov, and jpan@baaqmd.gov, and shall attach with the
10 email a completed W-9 for Gold Bond. Gold Bond shall be responsible for all
11 payment processing, check cancellation, and other fees and costs associated
12 with making any stipulated penalty payments required under this paragraph.

13 15. Noncompliance shall not include an event arising from causes beyond Gold Bond's direct
14 control that delays or prevents the performance of any obligation under Paragraphs 7-12 of this
15 Settlement Agreement despite Gold Bond's reasonable best efforts to fulfill the obligation. The
16 requirement that Gold Bond exercise "reasonable best efforts to fulfill the obligation" includes using
17 reasonable best efforts to reasonably anticipate any event that may delay or prevent performance and
18 reasonable best efforts to address the effects of any event that may delay or prevent performance of any
19 obligation under Paragraphs 7-12 (i) as it is occurring, and (ii) following such event, such that the delay
20 and any adverse effects of the delay are minimized. An event outside of Gold Bond's direct control shall
21 not include Gold Bond's financial inability to perform any obligation under Paragraphs 7-12 of this
22 Settlement Agreement. If any event occurs or has occurred that may delay the performance of any
23 obligation under Paragraphs 7-12 of this Settlement Agreement, whether or not caused by an event
24 beyond Gold Bond's direct control, Gold Bond shall provide notice in accordance with Paragraph 21
25 within five (5) business days of when Gold Bond first knew that an event might cause a delay and a
26 written explanation and description of the reasons for the delay.

27 16. Gold Bond's full payment of the \$188,500 civil penalty specified in Paragraph 4 above
28 and complete satisfaction of all of its other obligations under this Settlement Agreement will fully and

1 finally settle, conclude and resolve all claims that have been or could have been asserted between the Air
2 District and Gold Bond arising out of or related to all alleged the violations that the Air District is aware
3 of through the Effective Date, including the allegations and conduct that are the basis for NOVs
4 A58705, A58801, A61728, A61729, A61730, A61733, A61751, A61752, A62075, A62076, A62077,
5 A62731, and A66232.

6 17. Two (2) years after the Effective Date, Gold Bond's obligation under Paragraphs 7-12 of
7 this Settlement Agreement shall terminate automatically and no longer be in effect. As set forth in
8 Paragraph 13, the Air District shall incorporate the compliance measures specified in Paragraphs 7-12
9 into the Facility's Permit to Operate as binding and enforceable permit conditions within a year of the
10 full execution of the settlement agreement, and nothing in this Paragraph 17 shall limit Gold Bond's
11 obligations to comply with the conditions included in any Authority to Construct, Permit to Operate, or
12 other permit issued by the District to Gold Bond.

13 18. Nothing in this Settlement Agreement shall be construed as limiting the ability of the Air
14 District to take future enforcement action arising out of future alleged violations not covered by this
15 Settlement Agreement. Further, the Parties agree that no adjudication of any fact or law has occurred,
16 and Gold Bond does not admit any fact, liability, or violation of law. However, for the purpose of the
17 Parties' compromise and settlement of the disputed claims, the Parties agree that nothing in this
18 Settlement Agreement shall be construed as limiting the rights of the Air District to rely on the
19 violations alleged in NOVs A58705, A58801, A61728, A61729, A61730, A61733, A61751, A61752,
20 A62075, A62076, A62077, A62731, and A66232, and to offer proof thereof, in any such future
21 enforcement action for purposes of demonstrating Gold Bond's frequency of past violations pursuant to
22 Health & Safety Code section 42403(b)(4). Gold Bond reserves all rights to defend against, challenge,
23 or dispute the Air District's use of, or reliance on, the violations alleged in NOVs A58705, A58801,
24 A61728, A61729, A61730, A61733, A61751, A61752, A62075, A62076, A62077, A62731, and
25 A66232. And Gold Bond reserves all rights, defenses, and arguments related to future violations of the
26 law alleged by the Air District.

27 19. Dispute Resolution. If any Party to this Settlement Agreement disputes the other Party's
28 compliance with this Settlement Agreement, the following dispute resolution procedures shall apply:

- 1
- 2 a. The Party asserting noncompliance shall provide the other Party with written
- 3 notice that sets forth all material facts known to the asserting Party, which form
- 4 the basis for the alleged noncompliance within fourteen (14) calendar days of
- 5 knowledge of the alleged noncompliance, and the Parties shall meet and confer
- 6 (virtually, telephonically, or in person) about the alleged noncompliance within
- 7 fourteen (14) calendar days, or such time thereafter as is mutually agreed upon
- 8 by the Parties, to attempt to resolve the dispute in good faith.
- 9 b. After the initial meet and confer, the Parties will have thirty (30) calendar days
- 10 to resolve the dispute, or such time thereafter as is mutually agreed upon in
- 11 writing. Nothing herein prevents the Parties from agreeing to a longer meet and
- 12 confer period if agreed to by the Party that disputed the other Party's
- 13 compliance in writing.
- 14 c. If the Parties are unable to resolve the dispute, a Party may, upon written notice,
- 15 take action to enforce the terms and obligations of this Settlement Agreement.

16 20. Gold Bond's failure to cure any noncompliance with the terms or conditions of this

17 Settlement Agreement within forty-five (45) calendar days of the Air District providing written notice of

18 such noncompliance will render Gold Bond in violation of this Settlement Agreement, and the Air

19 District may, at its sole discretion, initiate the dispute resolution procedures set forth in Paragraph 19.

20 The failure by a Party to enforce any provision of this Settlement Agreement shall not be construed as a

21 waiver of such provision, nor shall it prevent the Party thereafter from enforcing such provision or any

22 other provision of this Settlement Agreement. The rights and remedies granted to each Party herein are

23 cumulative, and the election of one right or remedy by a Party shall not constitute a waiver of such

24 Party's right to assert all other remedies available to it under this Settlement Agreement or as otherwise

25 provided by law.

26 21. Unless otherwise specified in this Settlement Agreement, whenever one Party is required

27 to provide notice to the other Party under this Settlement Agreement, the notice shall be provided in

28 writing by delivery service requiring a signature and/or email addressed as follows:

As to the Air District:

Bay Area Air Quality Management District
 Marcia Raymond
 Assistant Counsel II
 375 Beale Street, Suite 600
 San Francisco, CA 94105
mraymond@baaqmd.gov

As to Gold Bond:

Robert Hines, Esq.
 Farella Braun + Martel LLP
 Counsel for Gold Bond Building Products LLC
 One Bush Street, Suite 900
 San Francisco, CA 94104
rhines@fbm.com

John Ugai, Esq.
 Farella Braun + Martel LLP
 Counsel for Gold Bond Building Products LLC
 One Bush Street, Suite 900
 San Francisco, CA 94104
jugai@fbm.com

with a copy sent to legal@nationalgypsum.com

Either Party may change its contact information for purposes of notices, at any time, by giving notice of such change in conformity with the notice provisions of this paragraph. Notices provided pursuant to this paragraph shall be deemed to be provided and received upon emailing or signature verifying receipt, as applicable.

22. This Settlement Agreement binds Gold Bond, and any principals, officers, receivers, trustees, successors and assignees, subsidiary and parent corporations, and the Air District and any successor agency that may have responsibility for and jurisdiction over the subject matter of this Settlement Agreement.

23. The Superior Court of California, County of San Francisco, shall hear any dispute between the Parties arising from this Settlement Agreement.

24. This Settlement 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.

25. Both Parties have jointly participated in the drafting and reviewing of this Settlement Agreement. Accordingly, the Parties agree that any rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be applied in interpreting this Settlement Agreement.

1 26. This Settlement Agreement is not a permit, or a modification of any permit, under any
2 federal, State, or local laws or regulations. Gold Bond is responsible for achieving and maintaining
3 compliance with all applicable federal, State, and local laws, regulations, and permits; and Gold Bond's
4 compliance with this Settlement Agreement shall not be a defense to any action commenced pursuant to
5 any such laws, regulations, or permits. The Air District does not, by its execution of this Settlement
6 Agreement, warrant or aver in any manner that Gold Bond's compliance with any aspect of this
7 Settlement Agreement will result in compliance with any provisions of federal, State, or local laws,
8 regulations, or permits.

9 27. The Parties understand and agree that the penalties provided for and payable under this
10 Settlement Agreement are non-dischargeable under United States Code, title 11, section 523(a)(7),
11 which provides that a debt may not be discharged in bankruptcy to the extent such debt is for a fine,
12 penalty, or forfeiture payable to and for the benefit of a governmental unit.

13 28. The settlement of the matters covered by this Settlement Agreement without further
14 litigation is fair, reasonable, and in the interests of the Air District, Gold Bond, and the public. The
15 Parties, and each of them, (i) have participated fully in the review and drafting of this Settlement
16 Agreement; (ii) understand and accept all of the terms of this Settlement Agreement; (iii) enter into this
17 Settlement Agreement freely and voluntarily; (iv) have had an opportunity to consult with legal counsel
18 regarding this Settlement Agreement; (v) are fully informed of the terms and effect of this Settlement
19 Agreement; (vi) have agreed to this Settlement Agreement after independent investigation and agree that
20 it was not arrived at through fraud, duress, or undue influence; and (vii) knowingly and voluntarily
21 intend to be legally bound by this Settlement Agreement.

22 29. Each provision of this Settlement Agreement is severable, and in the event that any
23 provision, or part thereof, of this Settlement Agreement is held to be illegal, invalid or unenforceable in
24 any jurisdiction, the remainder of this Settlement Agreement shall remain in full force and effect.

25 30. This Settlement Agreement constitutes the entire agreement and understanding between
26 the Parties, and it fully supersedes and replaces any and all prior negotiations and agreements of any
27 kind or nature, whether written or oral, between the Parties, concerning the matters covered herein.

28 31. No agreement to modify, amend, extend, supersede, terminate, or discharge this

Settlement Agreement, or any portion thereof, shall be valid or enforceable unless it is in writing and signed by both Parties.

32. This Settlement Agreement may be executed in one or more counterparts, each of which shall have the same force and effect as an original, but all of which together shall constitute one and the same instrument. Electronic, facsimile, and photocopied signatures shall be valid signatures.

33. The Effective Date of this Settlement Agreement shall be the date upon which it is fully executed.

34. Each of the undersigned expressly represents that they are authorized to execute this Settlement Agreement on behalf of, and to bind, the Party for whom they sign below.

* * * * *

So agreed, stipulated and executed:

Bay Area Air Quality Management District
375 Beale Street, Suite 600
San Francisco, California 94105

Gold Bond Building Products, LLC
2001 Rexford Road
Charlotte, North Carolina 28211

Signed by:

By: Philip M. Fine
Executive Officer/APCO

Signed by:

By: Todd D. Broud
President

Date: 9/24/2026

Date: 10/5/2026
Approved as to Form By:

Bay Area Air Quality Management
Office of the General Counsel
Alexander G. Crockett
General Counsel
Marcia Raymond
Assistant Counsel II

Signed by:

By: Alexander G. Crockett
General Counsel

Date: 10/5/2026