

1 SETTLEMENT AGREEMENT  
2 BETWEEN  
3 THE BAY AREA AIR QUALITY MANAGEMENT DISTRICT  
4 AND  
5 RADIUS RECYCLING, INC.  
6 (FORMERLY SCHNITZER STEEL INDUSTRIES, INC.)

7 1. The BAY AREA AIR QUALITY MANAGEMENT DISTRICT (“AIR DISTRICT”) and  
8 RADIUS RECYCLING, INC. (formerly SCHNITZER STEEL INDUSTRIES, INC.) (“RADIUS  
9 RECYCLING”) (collectively, the “PARTIES”) knowingly and of their own free will enter into this  
10 Settlement Agreement.

11 2. The PARTIES have had the opportunity to consult about the terms of this Settlement  
12 Agreement with their separate and individual counsel.

13 3. The settlement of the matters addressed in this Settlement Agreement, which include the  
14 allegations in AIR DISTRICT Notices of Violation (“NOVs”) 61138, 61139, 61140, 61146, 61582,  
15 62733, 62735, and 62740 (“Subject NOVs”) and penalties that are claimed to be outstanding pursuant to  
16 a September 22, 2020, Compliance and Settlement Agreement between the PARTIES (“2020  
17 Agreement”), without further litigation is fair, reasonable, and in the interests of the PARTIES and the  
18 public.

19 4. The Subject NOVs (with the exception of NOV 61582) and the 2020 Agreement relate to  
20 RADIUS RECYCLING’s installation and operation at the metal recycling facility that it owns and  
21 operates at 1101 Embarcadero West, Oakland, California, 94607, of air pollution abatement equipment  
22 consisting of two regenerative thermal oxidizers, designated A-15 and A-16 (“RTOs”), and two packed  
23 bed acid gas scrubbers, designated A-17 and A-18 (“AGSs”), to abate emissions of precursor organic  
24 compounds (“POCs”) from its shredder, designated S-6. RADIUS RECYCLING installed and has been  
25 operating the RTOs and AGSs pursuant to an Authority to Construct issued by the Air District  
26 authorizing installation and initial operation of this equipment. The Air District alleges that the new  
27 equipment had certain problems when it was first installed, as alleged in several of the Subject NOVs.  
28 None of the Subject NOVs relates to the control of POC emissions from the shredder, and the PARTIES  
agree that the new abatement equipment is very effective at reducing emissions of POCs and toxic air  
contaminants from the shredder. The AIR DISTRICT is currently evaluating the issuance of a Permit to

1 Operate to authorize long-term operation of the RTOs and AGSs under application number 30009. NOV  
2 61582 relates to certain vapor control equipment at RADIUS RECYCLING's "Pick-N-Pull" auto parts  
3 store and salvage yard operation at 1065 Commercial St, San Jose, CA, 95112.

4 5. In consideration of the foregoing, and of the promises set forth herein, the PARTIES  
5 desire to settle and resolve all claims, disputes, and obligations relating to the Subject NOV's and the  
6 penalty provisions of the 2020 Agreement, and voluntarily agree to resolve these matters by means of  
7 this Settlement Agreement, without adjudication of any issue of fact or law. RADIUS RECYCLING  
8 does not admit liability for any of the violations alleged herein and denies that any additional penalties  
9 are contractually owed to the AIR DISTRICT under the 2020 Agreement. However, in order to resolve  
10 the alleged violations and contractual obligations described herein, RADIUS RECYCLING agrees to  
11 take the actions enumerated below, and the AIR DISTRICT accepts this Settlement Agreement in  
12 termination and full settlement of this matter (subject to the limitations and reservations of rights  
13 expressly provided in this Agreement):

14 a. RADIUS RECYCLING shall pay, pursuant to instructions provided by the AIR  
15 DISTRICT, a civil penalty in the amount of Five Hundred Seventy-Five Thousand Dollars (\$575,000).  
16 The AIR DISTRICT shall provide payment instructions within five (5) days of the Effective Date, and  
17 RADIUS RECYCLING shall provide full payment within thirty (30) days of the Effective Date.

18 b. RADIUS RECYCLING shall provide complete, substantive responses to any  
19 questions or information requests regarding application number 30009 within seven (7) calendar days,  
20 unless doing so would be impracticable, in which case RADIUS RECYCLING shall provide such  
21 responses as soon as is practicable. As of the date of this Settlement Agreement, there are no outstanding  
22 information requests relating to the permit to operate for the RTOs and AGSs.

23 c. RADIUS RECYCLING shall take all reasonable steps to facilitate a prompt  
24 decision on application number 30009.

25 6. If RADIUS RECYCLING fails to comply with paragraph 5, sections (a)-(b), the AIR  
26 DISTRICT shall notify RADIUS RECYCLING and, within thirty (30) days of receiving the  
27 notification, RADIUS RECYCLING shall pay, pursuant to instructions provided by the AIR  
28 DISTRICT, stipulated penalties, as applicable, as laid out below.

1           a.       If RADIUS RECYCLING fails to pay the civil penalty in accordance with  
2 Paragraph 5, section (a), RADIUS RECYCLING shall accrue \$500 per day in penalties for each day the  
3 payment is delayed.

4           b.       If RADIUS RECYCLING fails to timely respond to an inquiry from the AIR  
5 DISTRICT in accordance with Paragraph 5, section (b), RADIUS RECYCLING shall accrue \$1,000 per  
6 day in penalties for each day its response is delayed.

7           7.       RADIUS RECYCLING shall not be required to pay stipulated penalties as outlined in  
8 Paragraph 6 for any delay that is caused by, or results directly or indirectly from, an event that is beyond  
9 the reasonable control of RADIUS RECYCLING (“Force Majeure Event”), provided RADIUS  
10 RECYCLING complies with the provisions of this Paragraph. Such Force Majeure Events include the  
11 following: acts of God, enemy or hostile governmental action, or civil commotion; strikes, lockouts, or  
12 other labor disputes; fires or other casualties; judicial orders, or governmental controls, regulations or  
13 restrictions; inability to timely obtain required permits, including a permit to operate for the RTOs and  
14 AGSs, where the delay is attributable to the AIR DISTRICT or other permitting agency; delay in the  
15 delivery of equipment that is not attributable in any manner to action or inaction by RADIUS  
16 RECYCLING; and delivery of damaged or off-specification equipment, all through no fault of RADIUS  
17 RECYCLING. Financial hardship to RADIUS RECYCLING, by itself, shall not be considered a Force  
18 Majeure Event. To avoid a determination of default, RADIUS RECYCLING must notify the AIR  
19 DISTRICT of the Force Majeure Event within fifteen calendar days of its discovery or notification of  
20 the Force Majeure Event, and must demonstrate to the satisfaction of the AIR DISTRICT that it has  
21 taken or is taking all reasonable action to mitigate any adverse consequences resulting from the delay to  
22 perform. RADIUS RECYCLING shall not be deemed in default for the length of time equal to the  
23 length of the Force Majeure Event only. Delays that are due to RADIUS RECYCLING’s own action or  
24 inaction are not deemed Force Majeure Events.

25           8.       The provisions of this Settlement Agreement shall be in full and final settlement of the  
26 violations identified or alleged in the Subject NOVs, as well as of any and all claims that have been,  
27 could have been, or could be asserted by the AIR DISTRICT arising out of:

28           a.       RADIUS RECYCLING’s operation of the shredder, RTOs, and AGSs prior to the

1 Effective Date of this Settlement Agreement in violation of (i) the NOx limits in condition #27348, part  
2 10; (ii) the minimum fan amperage limit in condition #27410, part 2; and (iii) the PM<sub>10</sub> limits in  
3 condition #27410, part 3;

4           b.       RADIUS RECYCLING's ongoing operation of the shredder, RTOs, and AGSs,  
5 continuing from the Effective Date through the termination of this Settlement Agreement or through  
6 issuance or denial of a permit to operate for the RTOs and AGSs, whichever is earlier, in violation of (i)  
7 the NOx limits in condition #27348, part 10, so long as NOx emissions do not exceed the following  
8 from stacks P-17 and P-18: (A) 50 lbs/MMscf per RTO during periods of operation in standby (preheat  
9 or idle) mode; and (B) 4.23 lbs/hour per stack when feed is entering the shredder; and (ii) the fan  
10 amperage limit in condition #27410, part 2, so long as the average fan amperage is maintained at at least  
11 82 amperes, averaged over a 1-hour period, during shredder operation; and

12           c.       the suspended penalty provision in Paragraph 5(a)(ii) of the 2020 Agreement, and  
13 the penalty provision in Paragraph 5(b) of the 2020 Agreement.

14           9.       If the AIR DISTRICT denies the permit to operate under application number 30009,  
15 RADIUS RECYCLING shall be subject to further enforcement action under applicable law, consistent  
16 with the provisions of Paragraph 8. If the Air District denies the permit to operate, (i) RADIUS  
17 RECYCLING reserves all rights to appeal any such denial to the AIR DISTRICT Hearing Board and to  
18 a court, and the AIR DISTRICT reserves all rights to object to and defend against any such appeal; and  
19 (ii) both PARTIES reserve the right to seek and oppose any and all legally available forms of interim  
20 relief pending the outcome of any such appeal, including any relief that may be necessary to prohibit or  
21 allow RADIUS RECYCLING to continue to operate the shredder, RTOs, and AGSs pending a final  
22 decision on its appeal.

23           10.      Throughout the term of this Settlement Agreement, RADIUS RECYCLING shall remain  
24 in compliance with all applicable AIR DISTRICT regulations and permits, except to the extent  
25 specifically described in Paragraph 8, section (b) of this Settlement Agreement. Any violation of AIR  
26 DISTRICT regulations or permits, except to the extent explicitly addressed in this Settlement  
27 Agreement, is a separate violation, subjecting RADIUS RECYCLING to separate notices of violation  
28 and civil penalties.

11. The AIR DISTRICT reserves the right to take future enforcement actions arising out of violations not covered by this Settlement Agreement. Except as otherwise provided herein, nothing in this Settlement Agreement is intended to excuse RADIUS RECYCLING from liability for penalties or other judicial or administrative remedies, including the imposition of a conditional or unconditional order for abatement. Further, nothing herein shall bar RADIUS RECYCLING from seeking variance relief with respect to any future violation or seeking such other administrative or judicial relief as may be available.

12. The AIR DISTRICT reserves the right to rely upon the alleged violations described in the Subject NOV's and may offer proof thereof in connection with any other administrative or judicial proceeding not related to this proceeding for the purpose of showing a history of violation. In any such case, RADIUS RECYCLING reserves the right to assert any and all legal and equitable defenses, and other mitigating facts and circumstances, relating to the alleged violations.

13. Unless otherwise specified in this Settlement Agreement, whenever notice, submissions, or communications are required by or related to this Settlement Agreement, they shall be submitted in writing to the address or email below, as applicable:

As to the AIR DISTRICT:  
Alexander Crockett  
General Counsel  
375 Beale Street, Suite 600  
San Francisco, CA 94105  
[acrockett@baaqmd.gov](mailto:acrockett@baaqmd.gov)

As to RADIUS RECYCLING:  
Mariano Mandler  
Vice President - Environmental  
Radius Recycling  
1101 Embarcadero West  
Oakland, CA 94607  
[mmandler@rdus.com](mailto:mmandler@rdus.com)

With a copy to:  
Marcia Raymond  
Assistant Counsel  
375 Beale Street, Suite 600  
San Francisco, CA 94105  
[mraymond@baaqmd.gov](mailto:mraymond@baaqmd.gov)

With a copy to:  
Stanley Alpert  
Assistant General Counsel – Environmental  
Radius Recycling  
1101 Embarcadero West  
Oakland, CA 94607  
[salpert@rdus.com](mailto:salpert@rdus.com)

Each of the PARTIES may, by written notice to the other PARTIES, change its designated notice recipient or notice address provided above. Notices submitted pursuant to this section shall be deemed submitted upon emailing or mailing.

1           14.     The Effective Date of this Settlement Agreement shall be the day on which it is signed by  
2 both PARTIES. As of the Effective Date, this Settlement Agreement will become final and binding upon  
3 RADIUS RECYCLING and any of its principals, officers, receivers, trustees, and successors and  
4 assignees, and the AIR DISTRICT and any successor agency that may have responsibility for and  
5 jurisdiction over the subject matter of this Settlement Agreement.

6           15.     This Settlement Agreement shall terminate when RADIUS RECYCLING has satisfied all  
7 its obligations under this Settlement Agreement, including but not limited to paying all penalties.

8           16.     Each provision of this Settlement Agreement is severable, and in the event that any  
9 provision, or part thereof, of this Settlement Agreement is held to be illegal, invalid or unenforceable in  
10 any jurisdiction, the remainder of this Settlement Agreement remains in full force and effect.

11           17.     Any rule of construction to the effect that ambiguities are to be resolved against the  
12 drafting party shall not be applied in interpreting this Settlement Agreement.

13           18.     The failure to enforce any provision of this Settlement Agreement shall not be construed  
14 as a waiver of any such provision, nor prevent such PARTY thereafter from enforcing such provision or  
15 any other provision of this Settlement Agreement. The mere passage of time, or failure to act upon a  
16 breach, shall not be deemed as a waiver of any provision or term of this Settlement Agreement. The  
17 rights and remedies granted all PARTIES herein are cumulative and the election of one right or remedy  
18 by a PARTY shall not constitute a waiver of such PARTY's right to assert all other legal remedies  
19 available under this Settlement Agreement or otherwise provided by law.

20           19.     This Settlement Agreement constitutes the entire agreement and understanding between  
21 the PARTIES, and fully supersedes and replaces any and all prior negotiations and agreements of any  
22 kind or nature, whether written or oral, between the PARTIES, concerning the specific matters discussed  
23 in this Settlement Agreement.

24           20.     No agreement to modify, amend, extend, supersede, terminate, or discharge this  
25 Settlement Agreement, or any portion thereof, shall be valid or enforceable unless it is in writing and  
26 signed by the PARTIES.

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

22. This Settlement Agreement may be executed in counterparts. Electronic, facsimile, and photocopied signatures shall be considered as valid signatures.


23. Each of the undersigned expressly represents that he or she is authorized to execute this Settlement Agreement on behalf of the party for whom he or she signs below.

SO AGREED, STIPULATED AND EXECUTED:

BAY AREA AIR QUALITY  
MANAGEMENT DISTRICT

RADIUS RECYCLING, INC.

Signed by:  
  
By: 98506AF9981D4CC...  
Philip M. Fine  
Executive Officer/APCO

  
By: \_\_\_\_\_  
James Matthew Vaughn  
General Counsel

Date: 10/16/2024

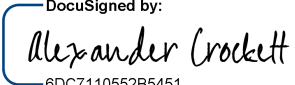
Date: 8 October 2024

APPROVED AS TO FORM BY:

APPROVED AS TO FORM BY:

BAY AREA AIR QUALITY  
MANAGEMENT DISTRICT

PILLSBURY WINTHROP SHAW PITTMAN LLP

DocuSigned by:  
  
By: 6DC7110552B5451...  
Alexander Crockett, Esq.  
General Counsel

  
By: \_\_\_\_\_  
Margaret Rosegay, Esq.

Date: 10/15/2024

Date: October 8, 2024