

Enclosure

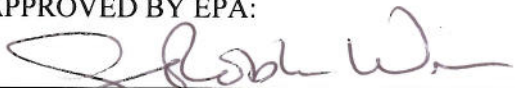
CLEAN AIR ACT MOBILE SOURCE EXPEDITED SETTLEMENT AGREEMENT


DOCKET NO. CAA-13-8040

Respondent: Gary Goodwin, President
USA Motortoys, LLC
1459 West 40 South
Lindon, UT 84042

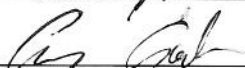
1. The parties enter into this Clean Air Act Mobile Source Expedited Settlement Agreement (Agreement) in order to settle the civil violations discovered as a result of the inspection specified in Table 1, attached, incorporated into this Agreement by reference. The civil violations that are the subject of this Agreement are described in Table 2, attached, incorporated into the Agreement by reference, regarding the vehicles/engines specified therein.
2. Respondent admits being subject to the Clean Air Act (CAA) and its associated regulations and that the United States Environmental Protection Agency (EPA) has jurisdiction over the Respondent and the Respondent's conduct described in Table 2. Respondent does not contest the findings detailed therein, and waives any objections Respondent may have to EPA's jurisdiction.
3. Respondent consents to the payment of a penalty in the amount of \$2,000, further described in Table 3, attached, incorporated into this Agreement by reference. Respondent agrees to follow the instructions in "CAA Mobile Source Expedited Settlement Agreement Instructions," attached, incorporated into this Agreement by reference. Respondent certifies that the required remediation specified in Table 3, incorporated into this Agreement by reference, has been carried out.
4. By its first signature below, EPA approves the findings resulting from the inspection and alleged violations set forth in Table 1 and Table 2. Upon signing and returning this Agreement to EPA, Respondent consents to the terms of this Agreement without further notice. Respondent acknowledges that this Agreement is binding on the parties signing below, and becomes effective on the date of the EPA Air Enforcement Division Director's ratifying signature.

APPROVED BY EPA:


for Phillip A. Brooks, Director, Air Enforcement Division

Date: 4/12/13


APPROVED BY RESPONDENT:

Name (print): Gary Goodwin
Title (print): Owner / member
Signature: 

Date: 4-18-2013

RATIFIED BY EPA:


Phillip A. Brooks, Director, Air Enforcement Division

Date: 5/9/2013

Table 1 - Inspection Information

| | | | |
|-------------------------------------|------------------|-----------------------------------|--|
| Entry/Inspection Date(s): | | Docket Number: | |
| November 6, 2012 / November 2, 2012 | | C A A - 1 3 - 8 0 4 0 | |
| Inspection Location: | | Entry/Inspection Number(s) | |
| Bobac C.F.S. Corp. | | G Q 9 - 1 2 0 3 1 9 4 - 1 | |
| Address: | | | |
| 300 A Avenue | | | |
| City: | | Inspector(s) Name(s): | |
| Alameda | | Joseph Lapka | |
| State: | Zip Code: | EPA Approving Official: | |
| CA | 94501 | Phillip A. Brooks | |
| Respondent: | | EPA Enforcement Contact: | |
| USA Motortoys, LLC | | Joseph Lapka, (415) 947-4226 | |

Table 2 - Description of Violations and Vehicles/Engines

The 21 off-highway motorcycles with model name XJR (or XJR 50 SS) and the 10 off-highway motorcycles with model name MX110 imported by USA Motortoys, LLC (altogether, the Subject Vehicles) were found to be uncertified because they were not covered by a valid EPA-issued Certificate of Conformity and they failed to conform to the design specifications for an approved competition exemption allegedly covering the vehicles. Specifically, the MX110 model had a spark arrester, functional seat, and suspension travel less than 10 inches; and the XJR 50 SS model had a functional seat, engine displacement less than 50 cubic centimeters, and suspension travel less than 10 inches. As a result, importation of the vehicles into the United States is prohibited by EPA's regulations at 40 C.F.R. § 1068.101(a)(1) and (b)(5), and by section 203(a)(1) of the Clean Air Act.

| Subject Vehicles | Engine Family | Manufacturer | Model Year | Quantity |
|--|-----------------------|---------------------------------------|------------|----------|
| Gasoline powered off-highway motorcycle: XJR/XJR 50 SS | None – claimed exempt | Jinyun Kayo Motor Machinery Co., LTD. | 2013 | 21 |
| Gasoline powered off-highway motorcycle: MX110 | | | | 10 |

Table 3 - Penalty and Required Remediation

| | |
|----------------------|--|
| Penalty | \$2,000 |
| Required Remediation | USA Motortoys, LLC must export the Subject Vehicles to a country other than Canada or Mexico and must provide EPA with a report documenting the exportation. |