Kathy C.

MICHIGAN DEPARTMENT OF NATURAL RESOURCES AND ENVIRONMENT
REMEDIATION AND REDEVELOPMENT DIVISION

In the matter of:

Murriel E. Miller
Murriel E. Miller Trust
Okemos Cleaners, L.L.C.
Rodney C. Mahaffey
Rodney C. Mahaffey Declaration of Trust

DNRE Reference No. AOC-RRD-10-002

ADMINISTRATIVE ORDER BY CONSENT
FOR PAYMENT OF PAST AND FUTURE RESPONSE ACTIVITY COSTS

A. This Administrative Order by Consent (Order) is entered into voluntarily by and between the Michigan Department of Natural Resources and Environment[1] (DNRE), the Attorney General for the State of Michigan (collectively, "the State"), and Murriel E. Miller, Murriel E. Miller Trust (dated November 23, 1994) ("Miller Trust"), Okemos Cleaners, L.L.C. (Okemos Cleaners), Rodney C. Mahaffey and the Rodney C. Mahaffey Declaration of Trust (dated February 12, 2003) ("Mahaffey Trust") (the latter five collectively, "Settling Parties") under the authority vested in the Attorney General and the DNRE by Part 201, Environmental Remediation of the Natural Resources and Environmental Protection Act, 1994 PA 451, as amended (NREPA), MCL 324.20101, *et seq* ("Part 201"). The State and Settling Parties are collectively referred to herein as the Parties. All terms used in this Order that are defined in Part 201 or its administrative rules, 2002 Michigan Register 24, effective December 21, 2002 (Part 201 Rules), shall have the same meaning in this Order as in the Part 201 Rules.

[1] Pursuant to Executive Order 2009-45, the former Michigan Department of Environmental Quality (MDEQ) was, along with the Michigan Department of Natural Resources (MDNR), merged on January 17, 2010 into a new agency, the Michigan Department of Natural Resources and Environment (DNRE).

B. This Order concerns the settlement between the State and Settling Parties for the State's past and future response activity costs that have been and will continue to be incurred by the State in responding to the release or threat of release of hazardous substances at and emanating from the property commonly referred to as the Former Okemos Cleaners Property ("Property"), which is located at 2153 Hamilton Road, Okemos, Ingham County, Michigan and legally described as follows:

> Lot 4, except the East 6 feet thereof, of Block 6, Village of Okemos, Meridian Township, Ingham County, Michigan, according to the recorded plat thereof.

The Former Okemos Cleaners Facility ("Facility") includes the Property and any associated area, place, or other property where concentrations of hazardous substances exceed the residential cleanup criteria under MCL 324.20120a(1)(a) and (17), and as further defined in the Part 201 Rules, is a "facility" as defined in Section 20101(1)(o) of the NREPA, MCL 324.20101(1)(o), subject to Part 201 regulation.

C. Under Part 201 of NREPA, the State has incurred response activity costs and will continue to incur further costs in responding to the release or threat of a release of hazardous substances at the Facility. Under Section 20126a(1)(a) of the NREPA, MCL 324.20126a(1)(a), a person liable under Section 20126 of the NREPA, MCL 324.20126, is liable for all response activity costs that the State has lawfully incurred. The Parties to this Order intend to resolve claims against the Settling Parties for past and future response activity costs associated with the environmental contamination at and emanating from the Property. Settling these claims is in the public interest and will avoid litigation.

D. By executing this Order, the Settling Parties neither admit liability with respect to any issue covered under this Order, nor admit or deny any findings of fact or legal determinations, whether stated or implied.

E. This Order shall apply to and bind the Settling Parties, their successors, and assigns. No change in the Settling Parties'ownership or corporate status shall alter in any way the Settling Parties' obligations under this Order. The signatories to this Order certify that they are authorized to sign this Order and legally bind the parties they represent.

BASED UPON THESE FACTS AND DETERMINATIONS, THE DNRE, THE ATTORNEY GENERAL, AND THE SETTLING PARTIES AGREE TO THE FOLLOWING:

1. Within ninety (90) days of the effective date of this Order, Settling Parties shall pay to the DNRE Thirty One Thousand Dollars ($31,000.00), in full satisfaction of the Settling Parties' payment obligation under this paragraph to resolve all claims for response activity costs at the Facility. In the event that the Settling Parties fail to pay the amount indicated in this Paragraph within 90 days of the effective date of this Order, the Settling Parties shall pay the DNRE interest on the unreimbursed costs at the rate provided for in Section 20126a(3) of the NREPA. For payments more than 30 days past due, the Settling Parties shall also pay the DNRE stipulated penalties of $100.00 per day for every day of noncompliance with Paragraph 1 of this Order. The Settling Parties are jointly and severally liable for the payment of the $31,000 and any interest or stipulated penalties.

2. For purposes of this Order "past and future response activity costs" means all costs that the State has incurred for response activities to date or will incur in the

future at the Former Okemos Cleaners Facility, resulting from releases of hazardous substances that occurred before this Order's effective date.

3. If payment in full, including any interest and penalties due, has not been received by the DNRE within 120 days after the effective date of this Order, the State may at its discretion void this Order. The Order shall become void upon the State sending the Settling Parties written notice that the Order is void due to nonpayment. Upon voidance of this Order, the State may take any action against the Settling Parties allowed by law.

4. Upon execution of this Order, Murriel E. Miller, as Trustee for Miller Trust, and Rodney C. Mahaffey, as Trustee for the Mahaffey Trust, agree to execute the Grant of Easement (Easement), the exact form of which is attached in Exhibit A, to provide the DNRE with access to the Property for the performance of response activities. In granting this easement, the Settling Parties warrant that this Grant of Easement is not subject to or limited by any existing encumbrances on the chain of title (title) of the Property that may restrict or impede the ability of the DNRE to implement response activities at the Property and the Facility. The Easement shall run with the Property until such time that it is expressly released in writing by the DNRE to the then owner(s) of the Property.

5. As owners of the Property, Murriel E. Miller, as Trustee for the Miller Trust, and Rodney C. Mahaffey, as Trustee for the Mahaffey Trust, agree to execute the Declaration of Restrictive Covenant (Covenant), the exact form of which is attached in Exhibit B, and shall file the Covenant for recording with the Ingham County Register of

Deeds within ninety (90) days after the effective date of this Order. Murriel E. Miller and Rodney C. Mahaffey shall also provide the DNRE with a true copy of the recorded Covenant to the DNRE within ten (10) days of the date that Ms. Miller or Rodney C. Mahaffey receive of a copy of the recorded Covenant from the Ingham County Register of Deeds. Within thirty (30) days of the Covenant being recorded by the Ingham County Register of Deeds, Murriel E. Miller and Rodney C. Mahaffey shall provide notice of the land and resource use restrictions to the zoning authority of the local unit of government within which the Facility is located and provide the DNRE with a copy of the signed notice within ten (10) days of the date when the notice is given to the local unit of government. In the event that the Covenant is executed by Murriel E. Miller and Rodney C. Mahaffey but the consent of the easement holder(s) having an interest in the Property is not obtained prior to the sale of the Property, and the DNRE determines the consent of the easement holder(s) is needed, the applicable requirements contained in Exhibit C shall additionally then apply pursuant to this Order. Should the Exhibit C requirements become applicable, the ninety (90) days allowed for recording of the Covenant subsequent to the effective date of this Order may be extended by the DNRE at its discretion if additional time is requested in writing by the Settling Parties. Additionally, Murriel E. Miller and Rodney C. Mahaffey shall be responsible pursuant to Section 20107a of the NREPA and this Order for informing each non-Settling Party holding an interest in the Property that the Property is a Facility as defined under Part 201, and that persons operating on the Property are required to undertake due care with respect to the hazardous substances at the Facility. This interest holder notice requirement may be satisfied by Murriel E. Miller and Rodney C. Mahaffey by providing

each interest holder with a copy of the Covenant within thirty (30) days after it has been filed with and recorded by the office of the Ingham County Register of Deeds and by providing the DNRE with a copy of the notice provided to each interest holder within ten (10) days after such notice is provided.

6. Payment is to be made by certified check, payable to the "State of Michigan Environmental Response Fund" and sent to:

Revenue Control Unit
Financial and Business Services Division
Michigan Department of Natural Resources and Environment
P.O. Box 30657
Lansing, Michigan 48909-8157

If via courier:

Revenue Control Unit
Financial and Business Services Division
Michigan Department of Natural Resources and Environment
Constitution Hall, 5th Floor, South Tower
525 West Allegan Street
Lansing, Michigan 48933

To ensure proper credit, payments made under this Order must be by certified check referencing the "Former Okemos Cleaners Facility" the DNRE Reference No. AOC-RRD-10-002, and the Remediation and Redevelopment Division Account No. RRD 2258. A copy of the transmittal letter and the certified check shall also be provided to:

DNRE Project Coordinator
Lansing District Office
Remediation and Redevelopment Division
Michigan Department of Natural Resources and Environment
North Tower, 4th floor
P.O. Box 30242
Lansing, Michigan 48909

and:

Ms. Kathleen L. Cavanaugh
Assistant Attorney General
Environment, Natural Resources, and Agriculture Division
Department of Attorney General
P.O. Box 30755
Lansing, Michigan 48909

Costs recovered under this Order shall be deposited in the Environmental Response Fund in accordance with Section 20108(3) of the NREPA, MCL 324.20108(3).

7. In consideration of the payment that the Settling Parties shall make under this Order, the easement to be granted to DNRE pursuant to Paragraph 4 of this Order, and the Covenant to be placed upon the Property and the implementation of the due care requirements pursuant to Paragraph 5 of this Order, the State covenants not to sue or to take further administrative action against the Settling Parties to recover any past and future response activity costs associated with the Former Okemos Cleaners Facility. The State's Covenant Not To Sue shall not take effect until the Settling Parties have (1) remitted any payment due under Paragraph 1, along with any interest that may have accrued under Paragraph 1, and (2) executed and recorded the easement as required by Paragraph 4, and (3) executed and recorded the Covenant and implemented the due care requirements as required by Paragraph 5. This Covenant Not To Sue applies only to the Settling Parties, and shall not extend to any release or threat of release of hazardous substances at the Former Okemos Cleaners Property, nor to any exacerbation of contamination, that occurs on or after the effective date of this Order.

8. The Settling Parties hereby covenant not to sue or to take any civil, judicial or administrative action against the State, its agencies or their authorized representatives for any claims or causes of action against the State that arise from this Order, including, but not limited

to, any direct or indirect claim for reimbursement from the Cleanup and Redevelopment Fund pursuant to Section 20119(5) of the NREPA or any other provision of law.

9. This Order applies to and binds the Settling Parties. Nothing in this Order shall be construed as releasing or discharging any person's liability to the Settling Parties. The Settling Parties specifically reserve their rights against such person, subject to Paragraph 12.

10. The Settling Parties agrees that all applicable statutes of limitation are tolled until the Settling Parties have complied with Paragraph 1 and have executed the easement and the Covenant pursuant to Paragraphs 4 and 5, respectively.

11. The State reserves all of its rights under state and federal law to perform response activities and to take enforcement action, including but not limited to: action to seek injunctive relief; response activity; cost recovery not addressed under this Order; recovering natural resource damages and costs incurred to assess those damages; monetary penalties; punitive damages for any violation of law or this Order; and liability for criminal acts. The State expressly reserves all rights and defenses under any available legal authority to enforce this Order.

12. The State has concluded that the entry of this Order is appropriate based in part on the Settling Parties' representations, information, and documentation that the Settling Parties have provided relating to their financial status. If the DNRE subsequently determines that the financial information or documents that the Settling Parties have provided were substantially inaccurate concerning their financial status at the time this Order became effective, the Covenant Not to Sue in Paragraph 5 shall be void at the time the DNRE provides written notification to the Settling Parties of the DNRE determination.

13. Nothing in this Order shall limit the DNRE's or the State's power and authority under Section 20132(8) of the NREPA, MCL 324.20132(8), to direct or order all appropriate action necessary to protect the public health, safety, or welfare, or the environment; or to prevent, abate, or minimize a release or threatened release of a hazardous substance, pollutant, or contaminant on, at, or from the Property.

14. Under NREPA Section 20129(5) of the NREPA, MCL 324.20129(5), and the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA), Section 113(f)(2), 42 USC 9613(f)(2), the Settling Parties shall not be liable for contribution claims for the matters addressed in Paragraph 7. This Order applies only to the Settling Parties, and entering this Order does not discharge any other person's liability under Section 20126 of the NREPA, MCL 324.20126, or the CERCLA, Sections 107 and 113, 42 USC 9607 and 9613, to the extent allowed by law. Under NREPA Section 20129(9), MCL 324.20129(9), any action by the Settling Parties for contribution from any person not a party to this Order shall be subordinated to the State's rights if the State files an action under Part 201 or other applicable state or federal law.

15. Should the Property be sold, the owners shall have the obligation to disclose the environmental contamination present at the Property, and the land and resource use restrictions placed on the Property within the Covenant, to the prospective purchaser(s) pursuant to this Order and Section 20116 of the NREPA, MCL 324.20116. Such disclosure shall include a notice of the general nature and extent of the release of hazardous substances at the Facility.

16. This Order shall become effective on the date that the DNRE signs it. All dates for performing obligations under this Order shall be calculated from this Order's effective date. For this Order's purposes, "day" means a calendar day unless otherwise noted. This Order may be signed in counterparts, each of which shall constitute an original.

SIGNATORIES

MURRIEL E. MILLER

By: Murriel E Miller

Murriel E. Miller

Dated: 4-12-2010

MURRIEL E. MILLER TRUST

By: Murriel E Miller

Murriel E. Miller, Trustee

Murriel E. Miller Trust

Dated: 4-12-2010

OKEMOS CLEANERS, L.L.C.

By: _____

Murriel E. Miller, Manager

Dated: 4-12-2010

RODNEY C. MAHAFFEY

By: _____

Rodney C. Mahaffey

Dated: 4-12-10

RODNEY C. MAHAFFEY DECLARATION OF TRUST

By: _____

Rodney C. Mahaffey, Trustee

Rodney C. Mahaffey Declaration of Trust

Dated: 4-12-10

THE MICHIGAN DEPARTMENT OF
OF NATURAL RESOURCES AND ENVIRONMENT

By: _____
Lynelle Marolf, Acting Chief
Remediation and Redevelopment Division

Dated: 04/16/10

DEPARTMENT OF ATTORNEY GENERAL

By: _____
Ms. Kathleen L. Cavanaugh (P38006)
Assistant Attorney General
Environment, Natural Resources and Agriculture Division
P.O. Box 30755
Lansing, Michigan 48909

ATTORNEY FOR MICHIGAN DEPARTMENT
OF NATURAL RESOURCES AND ENVIRONMENT

Dated: 4-15-10