

STATE OF MICHIGAN
DEPARTMENT OF ENVIRONMENTAL QUALITY
OFFICE OF THE DIRECTOR

In the matter of administrative proceedings) against R. WELLS CONTRACTING) CORPORATION , a corporation organized) under the laws of the State of Michigan and) doing business at 7768 Lake Bluff 19.4 Road,) in the City of Gladstone, County of Delta,) State of Michigan.)	AQD No. 6-2010 SRN: N6667, N7162, N7676
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STIPULATION FOR ENTRY OF FINAL ORDER
BY CONSENT

This proceeding resulted from allegations by the Michigan Department of Environmental Quality ("MDEQ") Air Quality Division ("AQD") against R. Wells Contracting Corporation, ("Company"), a Michigan corporation located at 7768 Lake Bluff 19.4 Road in the City of Gladstone, County of Delta, State of Michigan, with State Registration Number ("SRN") N6667, N7162, and N7676. The MDEQ alleges that the Company is in violation of the Part 55, Air Pollution Control, of the Natural Resources and Environmental Protection Act, 1994 PA 451, as amended (Act 451), Article II, Pollution Control, Chapter 1: Point Source Pollution Control and Air Resources Protection, and the Michigan Administrative Code ("MAC"), 2003 AACS, R 336.1201 ("Rule 201") for failure to obtain a permit prior to installation, operation and relocation of process equipment. The MDEQ alleges that the Company is in violation of 40 Code of Federal Regulations ("CFR") Part 60, Subpart OOO, Standards of Performance for Nonmetallic Mineral Processing Plants ("NSPS OOO") for failure to obtain a permit for and conduct testing, label and maintain emission controls on the equipment, and submit or timely submit relocation notices. The MDEQ alleges that the Company is in violation of Act 451, 1986 AACS, R 336.202 ("Rule 2") for failure to timely submit Michigan Air Emissions Reporting System ("MAERS") reports and failure to pay annual air quality fees. The aforementioned violations were cited in letters of violation and notification dated August 3, 2001; August 18, 2004; April 2, 2007 (two letters); June 4, 2007 (two letters); October 1, 2007; April 10, 2008 (two letters); and June 2, 2008 (three letters). The Company and MDEQ stipulate to the termination of this proceeding by entry of a Stipulation for Entry of a Final Order by Consent ("Consent Order").

The Company and MDEQ stipulate as follows:

1. The Natural Resources and Environmental Protection Act, 1994 PA 451, ("Act 451"), MCL 324.101 et seq. is an act that controls pollution to protect the environment and natural resources in the State.
2. Article II, Pollution Control, Part 55 of Act 451 ("Part 55"), MCL 324.5501 et seq. provides for air pollution control regulations in this State.
3. The Michigan Department of Natural Resources ("MDNR") is authorized pursuant to Section 5503 of Part 55 to administer and enforce all provisions of Part 55. Section 301 of Part 3 provides the authority to the Director of the MDNR to delegate powers and duties.
4. The MDEQ was created as a principal department within the Executive Branch of the State of Michigan pursuant to Executive Order 1995-18. All statutory authority, powers, duties, functions and responsibilities of the MDNR AQD were transferred to the Director of the MDEQ ("Director").
5. The Director has delegated authority to the Chief of the AQD ("AQD Chief") to enter into this Consent Order.
6. The termination of this matter by a Consent Order pursuant to Section 5528 of Part 55 is proper and acceptable.
7. The Company and the MDEQ agree that the signing of this Consent Order is for settlement purposes only and does not constitute an admission by the Company that the law has been violated.
8. This Consent Order becomes effective on the date of execution ("effective date of this Consent Order") by the AQD Chief.
9. The Company shall achieve compliance with the aforementioned regulations in accordance with the requirements contained in this Consent Order.

COMPLIANCE PROGRAM AND IMPLEMENTATION SCHEDULE

10. A. Permits to Install

1. The Company, during the course of this enforcement action, submitted to the AQD, pursuant to the administrative rules of Part 55, plans and specifications, and a complete application for an installation permit for each crushing operation or batch plant to obtain compliance with Part 55 and the administrative rules promulgated thereunder. For each crushing operation this application was required to include a description of the equipment, as identified by number and type of equipment; the air pollution control devices and/or other water control equipment to be used to control the particulate matter and

and opacity emissions from the NSPS OOO crushing equipment; the permanent or home location of the equipment; and identifying prior owner, permit number(s), and the installation and emissions test certification dates. This is information necessary to obtain compliance with Part 55 and the administrative rules promulgated thereunder.

2. Permit to Install No. 382-99 for SRN: N6667 is owned and operated by the Company, attached hereto as Exhibit A, incorporated by reference, and made an enforceable part of this Consent Order.

3. Permit to Install No. 174-02 for SNR: N7162 is owned and operated by the Company, attached hereto as Exhibit B, incorporated by reference, and made an enforceable part of this Consent Order.

4. On November 6, 2008, Permit to Install No. 286-06 for SRN: N7676 was voided based upon the Company's September 25, 2008 letter stating that this facility has been sold to a company operating in Canada.

B. Control Program and Installation Schedule

1. No less than 21 days prior to startup of each non-metallic mineral processing plant in 2010, the Company shall submit to the AQD Upper Peninsula District Supervisor notification, in writing, of the intended date(s) of startup of each non-metallic mineral processing plant.

2. On the date of startup in the Spring of each year, commencing in 2010, the Company shall have sufficient equipment to provide water spray and to otherwise achieve and maintain emission control at each non-metallic mineral processing plant as required under Part 55, the NSPS OOO and the Exhibits of this Consent Order.

C. Final Emission Limitations

On and after the effective date of this Consent Order, the particulate matter and opacity emissions rate from the each non-metallic mineral processing plant shall not exceed the limitations specified in Part 55, the NSPS OOO and the Exhibits of this Consent Order.

D. Operating Conditions

On and after the effective date of this Consent Order, the Company shall not operate a non-metallic mineral processing plant unless an AQD approved Fugitive Dust Control Plan for the plant is implemented.

E. Visible Emissions Certification

On and after the effective date of this Consent Order, while it remains in effect, the Company shall have one staff member who is normally on site at one of the Company's active non-metallic mineral processing plants, maintain current visible emissions certification, through an authorized certification training and certification center.

TESTING

11. The Company shall conduct visible testing on the non-metallic mineral processing plants in accordance with methods and procedures approved by the AQD Upper Peninsula District Supervisor to demonstrate compliance with the emission limitations specified in paragraph 10.A. of this Consent Order. If not completed prior to the effective date of this Consent Order, for each non-metallic mineral processing plant, testing shall be conducted in accordance with the following schedule:

A. Within 30 days following the date of startup of operations of each non-metallic mineral processing plant in 2010, but not later than July 15, 2010, the Company shall have completed the visible emissions testing at each non-metallic mineral processing plant.

B. Not less than seven (7) days prior to the visible emissions testing, the Company or his authorized agent, shall notify the AQD Upper Peninsula District Supervisor, in writing, of the time and place of the tests and who shall conduct them. A representative of the AQD shall have the opportunity to witness the tests.

C. Within 10 days following the test date at each non-metallic mineral processing plant, but not later than July 30, 2010, the Company shall submit to the AQD Upper Peninsula District Supervisor a test report, which includes the test data and results.

GENERAL PROVISIONS

12. On and after the effective date of this Consent Order, except as otherwise provided by the administrative rules of Part 55, the Company shall not install, construct, reconstruct, relocate, alter, or modify any process or process equipment including control equipment pertaining thereto, which may emit an air contaminant, unless a permit to install which authorizes such action is issued by the MDEQ pursuant to Rule 201, the Company is issued a waiver pursuant to Rule 202, or the change is exempt from the requirements of Rule 201.

13. This Consent Order in no way affects the Company's responsibility to comply with any other applicable state and federal, or local laws or regulations, including without limitation, any amendments to the federal Clean Air Act, 42 USC 7401 et seq., Act 451, Part 55 or their rules and regulations, or to the State Implementation Plan.

14. This Consent Order constitutes a civil settlement and satisfaction as to the resolution of the violations specifically addressed herein; however, it does not resolve any criminal action that may result from these same violations.

15. Within thirty (30) days after the effective date of this Consent Order, the Company shall pay to the General Fund of the State of Michigan, in the form of a check made payable to the "State of Michigan" and delivered to the Michigan Department of Environmental Quality, Financial and Business Services Division, Revenue Control, P.O. Box 30657, Lansing, Michigan 48909-8157, a settlement amount of \$4,500.00, which includes AQD costs for investigation and enforcement. This total settlement amount shall be paid within thirty (30) days of the effective date of this Consent Order. To ensure proper credit, all payments made pursuant to this Consent Order shall include the Agreement Identification No. AQD 3319 on the face of the check. This settlement amount is in addition to any fees, taxes, or other fines that may be imposed on the Company by law.

16. On and after the effective date of this Consent Order, if the Company fails to comply with paragraph 12 of this Consent Order, the Company is subject to a stipulated fine of up to \$10,000.00 per violation. On and after the effective date of this Consent Order, if the Company fails to comply with paragraphs 10.A.2, 10.A.3, 10.B.1, 10.B.2, 10.C, or 11.A of this Consent Order, the Company is subject to stipulated fines of up to \$5,000.00 per violation per day. On and after the effective date of this Consent Order, if the Company fails to comply with paragraphs 10.C or 11.E of this Consent Order, the Company is subject to stipulated fines of up to \$3,000.00 per violation per day. On and after the effective date of this Consent Order, if the Company fails to comply with any other provision of Exhibit A or this Consent Order, the Company is subject to a stipulated fine of up to \$500.00 per violation. The amount of the stipulated fines imposed pursuant to this paragraph shall be within the discretion of the MDEQ. Stipulated fines submitted under this Consent Order shall be by check, payable to the State of Michigan within thirty (30) days of written demand and shall be delivered to the Michigan Department of Environmental Quality, Financial and Business Services Division, Revenue Control, P.O. Box 30657, Lansing, Michigan 48909-8157. To ensure proper credit, all payments shall include the Agreement Identification No. AQD 3319S on the face of the check. Payment of stipulated fines shall not alter or modify in any way the Company's

alter or modify in any way the Company's obligation to comply with the terms and conditions of this Consent Order.

17. The AQD, at its discretion, may seek stipulated fines or statutory fines for any violation of this Consent Order which is also a violation of any provision of applicable federal and state law, rule, regulation, permit, or MDEQ administrative order. However, the AQD is precluded from seeking both a stipulated fine under this Consent Order and a statutory fine for the same violation.

18. To ensure timely payment of the settlement amount assessed in paragraph 15 and any stipulated fines assessed pursuant to paragraph 16 of this Consent Order, the Company shall pay an interest penalty to the State of Michigan each time it fails to make a complete or timely payment under this Consent Order. The interest penalty shall be determined at a rate of twelve percent (12%) per year compounded annually, using the full increment of amount due as principal, calculated from the due date specified in this Consent Order until the date that delinquent payment is finally paid in full. Payment of an interest penalty by the Company shall be made to the State of Michigan in accordance with paragraph 15 of this Consent Order. Interest payments shall be applied first towards the most overdue amount or outstanding interest penalty owed by the Company before any remaining balance is applied to subsequent payment amount or interest penalty.

19. The Company agrees not to contest the legal basis for the settlement amount assessed pursuant to paragraph 15. The Company also agrees not to contest the legal basis for any stipulated fines assessed pursuant to paragraph 16 of this Consent Order, but reserves the right to dispute in a court of competent jurisdiction the factual basis upon which a demand by MDEQ of stipulated fines is made. In addition, the Company agrees that said fines have not been assessed by the MDEQ pursuant to Section 5529 of Part 55 and therefore are not reviewable under Section 5529 of Part 55.

20. This compliance program is not a variance subject to the 12 month limitation specified in Section 5538 of Part 55.

21. This Consent Order shall remain in full force and effect for a period of at least five (5) years. Thereafter, the Consent Order shall terminate only upon written notice of termination issued by the AQD Chief. Prior to issuance of a written notice of termination, the Company shall submit a request, to the AQD Chief at the Michigan Department of Environmental Quality, Air Quality Division, P.O. Box 30260, Lansing, Michigan 48909-7760, consisting of a written certification that the Company has fully complied with all the requirements of this Consent Order and has made all payments including all stipulated fines required by this Consent Order. Specifically, this certification shall include: (i) the date of compliance

of compliance with each provision of the compliance program and the date any payments or stipulated fines were paid; (ii) a statement that all required information has been reported to the AQD Upper Peninsula District Supervisor; (iii) confirmation that all records required to be maintained pursuant to this Consent Order are being maintained at the facility; and, (iv) such information as may be requested by the AQD Chief.

22. In the event R. Wells Contracting Corporation sells or transfers the current facilities, with SRN: N6667, and/or SRN: N7676, it shall advise any purchaser or transferee of the existence of this Consent Order in connection with such sale or transfer. Within thirty (30) calendar days, the Company shall also notify the AQD Upper Peninsula District Supervisor, in writing, of such sale or transfer, the identity and address of any purchaser or transferee, and confirm the fact that notice of this Consent Order has been given to the purchaser and/or transferee. As a condition of the sale, the R. Wells Contracting Corporation must obtain the consent of the purchaser and/or transferee, in writing, to assume all of the obligations of this Consent Order. A copy of that agreement shall be forwarded to the AQD Upper Peninsula District Supervisor within thirty (30) days of assuming the obligations of this Consent Order.

23. Prior to the effective date of this Consent Order and pursuant to the requirements of Sections 5511 and 5528(3) of Part 55, the public was notified of a 30-day public comment period and was provided the opportunity for a public hearing.

24. Section 5530 of Part 55 may serve as a source of authority but not a limitation under which the Consent Order may be enforced. Further, Part 17 of Act 451 and all other applicable laws and any other legal basis or applicable statute may be used to enforce this Consent Order.

25. The Company hereby stipulates that entry of this Consent Order is a result of an action by MDEQ to resolve alleged violations of its facility located at 7768 Lake Bluff 19.4 Road in the City of Gladstone, Michigan. The Company further stipulates that it will take all lawful actions necessary to fully comply with this Consent Order, even if the Company files for bankruptcy in the future. The Company will not seek discharge of the settlement amount and any stipulated fines imposed hereunder in any future bankruptcy proceedings, and the Company will take necessary steps to ensure that the settlement amount and any future stipulated fines are not discharged, including requesting an order from the pertinent U.S. Bankruptcy Court designating the settlement amount and any future stipulated fines as exceptions to discharge pursuant to 11 U.S. Code Section 523(a)(7). The Company, during and after any

future bankruptcy proceedings, will ensure that the settlement amount and any future stipulated fines remain an obligation to be paid in full by the Company to the extent allowed by applicable bankruptcy law.

The undersigned certifies that he/she is fully authorized by the Company to enter into this Consent Order and to execute and legally bind the Company to it.

R. WELLS CONTRACTING CORPORATION


Rodney D. Wells

Date: 2/3/10

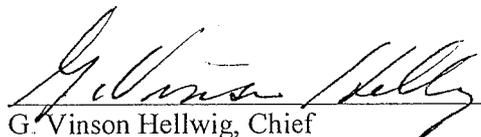
The above signatory subscribed and sworn to before me this 3 day of Feb., 2010.

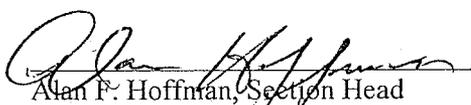
CYNTHIA L. CARLSON
NOTARY PUBLIC-STATE OF MICHIGAN
COUNTY OF DELTA
MY COMMISSION EXPIRES MAY 1, 2011
ACTING IN COUNTY OF DELTA


Notary Public

Approved as to Content:

Approved as to Form:


G. Vinson Hellwig, Chief
AIR QUALITY DIVISION
DEPARTMENT OF
ENVIRONMENTAL QUALITY


Alan F. Hoffman, Section Head
ENVIRONMENTAL REGULATION SECTION
ENVIRONMENT, NATURAL RESOURCES,
AND AGRICULTURE DIVISION
DEPARTMENT OF ATTORNEY GENERAL

Dated: 2/11/10

Dated: 2/10/10

FINAL ORDER

The Chief of the Air Quality Division having had opportunity to review the Consent Order and having been delegated authority to enter into Consent Orders by the Director of the Michigan Department of Environmental Quality pursuant to the provisions of Part 55 of Act 451 and otherwise being fully advised on the premises,

HAS HEREBY ORDERED that the Consent Order is approved and shall be entered in the record of the MDEQ as a Final Order.

MICHIGAN DEPARTMENT OF ENVIRONMENTAL QUALITY


G. Vinson Hellwig, Chief
Air Quality Division

Dated: 2/11/10