

STATE OF MICHIGAN
DEPARTMENT OF ENVIRONMENTAL QUALITY
OFFICE OF THE DIRECTOR

In the matter of administrative proceedings)
against **OAKLAND TRANSPORTATION,**)
INC , a corporation organized under the laws)
of the State of Michigan and doing business)
at 3943 Airport Road, in the City of)
Waterford, County of Oakland, State of)
Michigan)

AQD No 27-2008

SRN: B8526

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 Oakland Transportation, Inc., ("Company"), a Michigan corporation located at 3943 Airport Road, in the City of Waterford, County of Oakland, State of Michigan, with State Registration Number ("SRN") B8526. The MDEQ alleges that the Company is in violation of Part 55, Air Pollution Control, of the Natural Resources and Environmental Protection Act, 1994 PA 451, as amended Rule 136.1607 subrules (3), (4), (5) & (6), and R336.1608 subrules (3), (4), (5), and (6). Specifically, the MDEQ alleges that the Company has failed to use an approved vapor balance or equivalent control system while loading gasoline from a delivery vessel into a stationary vessel and while loading gasoline from a stationary vessel into any delivery vessel. In addition, the Company failed to develop written procedures for the operation of all the control measures as cited herein and in the Letters of Violation ("LOV") dated May 20, 2005, July 13, 2005, June 13, 2006, June 22, 2006, July 31, 2007, and November 20, 2007. 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. On and after the effective date of this Consent Order, the Company shall not load or allow the loading of gasoline from a delivery vessel into any new or existing stationary vessel of more than 2,000-gallon capacity located at this facility unless the facility is in compliance with the requirements of Michigan Administrative Rules R336.1607 (Rule 607) or R336.1704 (Rule 704).

11. On and after the effective date of this Consent Order, the Company shall not load or allow the loading of gasoline from a delivery vessel into any new or existing stationary vessel of more than 2,000-gallon capacity located at this loading facility unless the stationary vessel is equipped with a permanent submerged fill pipe.

12. On and after the effective date of this Consent Order, the Company shall not load or allow the loading of gasoline from a delivery vessel into any new or existing stationary vessel of more than 2,000-gallon capacity located at this facility, unless the stationary vessel is controlled by a vapor balance system or an equivalent control system approved by the department.

13 On and after the effective date of this Consent Order, the vapor balance system shall capture displaced gasoline vapor and air by means of a vapor-tight collection line and shall be designed to return not less than 90% by weight of the displaced gasoline vapor from the stationary vessel to the delivery vessel

14 Any stationary vessel which requires a vapor balance system pursuant to Rule 607(3) or Rule 704(2) shall be equipped, maintained, or controlled with all of the following:

(a) An interlocking system or procedure to ensure that the vapor-tight collection line is connected before any gasoline can be loaded.

(b) A device to ensure that the vapor-tight collection line shall close upon disconnection so as to prevent release of gasoline vapor.

(c) Pressure-vacuum relief valves on aboveground stationary vessels that have a minimum pressure valve setting of 8 ounces, if such setting does not exceed the container's maximum pressure rating

15 Any delivery vessel subject to Rule 607 Subrule (3) or Rule 704 Subrule (2) shall be vapor-tight.

16 On and after the effective date of this Consent Order, the Company shall not load or allow the loading of gasoline from a stationary vessel into any delivery vessel located at this facility unless the facility is in compliance with the requirements of Michigan Administrative Rules R336.1608 (Rule 608) or R336.1705 (Rule 705).

17 On and after the effective date of this Consent Order, the Company shall not load or allow the loading of gasoline from a stationary vessel into any delivery vessel located at this loading facility unless the delivery vessel is equipped with a permanent submerged fill pipe

18 On and after the effective date of this Consent Order, the Company shall not load or allow the loading of gasoline from a stationary vessel into any delivery vessel located at this facility, unless the delivery vessel is controlled by a vapor balance system or an equivalent control system approved by the department

19 On and after the effective date of this Consent Order, the vapor balance system shall capture displaced gasoline vapor and air by means of a vapor-tight collection line and shall be designed

to return not less than 90% by weight of the displaced gasoline vapor from the delivery vessel to the stationary vessel.

20. Any delivery vessel which requires a vapor balance system pursuant to Rule 608(3) or 705(2) shall be equipped, maintained, or controlled with all of the following:

(a) An interlocking system or procedure to ensure that the vapor-tight collection line is connected before any gasoline can be loaded

(b) A device to ensure that the vapor-tight collection line shall close upon disconnection so as to prevent release of gasoline vapor

(c) A device or procedure to accomplish complete drainage before the loading device is disconnected or to prevent liquid drainage from the loading device when not in use

(d) Pressure-vacuum relief valves that are vapor-tight and set to prevent the emission of displaced gasoline vapor during the loading of the delivery vessel, except under emergency conditions.

(e) Hatch openings that are kept closed and vapor-tight during the loading of the delivery vessel

21 Any stationary vessel subject to Rule 608 (3) or 705(2) shall be vapor-tight.

22 A person responsible for the operation of all control measures required by Rule 607, Rule 704, Rule 608 or Rule 705 shall develop written procedures for the operation of all control measures specified in Rule 607, Rule 704, Rule 608, or Rule 705, and the procedures shall be posted in an accessible, conspicuous location near the stationary vessel and the loading device

23 On and after the effective date of this Consent Order, the Company shall keep records of its daily gasoline throughput to the storage tank.

24. On and after the effective date of this Consent Order, the Company shall submit a quarterly report of its gasoline throughput. The report shall be sent to the Air Quality Division, Southeast Michigan District supervisor for one year following the effective date of this Consent Order

25 On and after the effective date of this Consent Order, the Company shall keep records of the capacities of each storage tank and identify the material stored in each tank. The records shall be kept at the facility and available for review by the Air Quality Division; if requested.

26. On and after the effective date of this Consent Order, the Company shall maintain the vapor balance system in proper operating condition.

27 On and after the effective date of this Consent Order, the Company shall have a responsible employee available at all operating times to assist the MDEQ representative in compliance inspections.

28 On and after the effective date of this Consent Order, the Company shall conduct training sessions for all its tanker truck drivers who deliver gasoline to gasoline dispensing stations on a semi-annual basis. All new drivers will finish the training prior to their first delivery.

29 The training sessions shall explain the following requirements of Michigan Administrative Rule 606 (R336.1606) and Rule 703 (R336.1703) which details proper control technologies while loading (dropping) of gasoline from tanker trucks to gasoline storage tanks

(a) A person shall not load or allow the loading of gasoline from a delivery vessel into any stationary vessel of more than 2,000-gallon capacity located at a gasoline dispensing facility which has a throughput of 250,000 or more gallons per year, unless such stationary vessel is equipped with a permanent submerged fill pipe

(b) A person shall not load or allow the loading of gasoline from a delivery vessel into any existing stationary vessel of more than 2,000-gallon capacity located at a gasoline-dispensing facility which has a throughput of 250,000 or more gallons per year, unless such stationary vessel is controlled by a vapor balance system or an equivalent control system approved by the department. The vapor balance system shall capture displaced gasoline vapor and air by means of a vapor tight collection line and shall be designed to return not less than 90%, by weight, of the displaced gasoline vapor from the stationary vessel to the delivery vessel.

(c) Any stationary vessel that is subject to the vapor balance requirements of R336.1606 or R336.1703 shall be equipped, maintained, or controlled with both of the following:

(i) An interlocking system or procedure to ensure that the vapor tight collection line is connected before any gasoline can be loaded.

(ii) A device to ensure that the vapor tight collection line shall close upon disconnection so as to prevent the release of gasoline vapor.

(d) Any delivery vessel that is subject to the provisions of the vapor balance requirements of R336.1606 or R336.1703 shall be vapor tight and shall be filled only at a loading facility that is equipped with a system as required by R 336.1608(3) and (4), R 336.1609(2) and (3), R 336.1705(2) and (3), or R 336.1706(2) and (3).

GENERAL PROVISIONS

30. 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.

31. 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.

32. The Company shall pay to the General Fund of the State of Michigan, in the form of checks 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 total settlement amount of \$33,984.00, which includes AQD costs for investigation and enforcement. The total settlement amount sum shall be made in four (4) payments as follows: (1) one payment of \$8,496.00 shall be made on or before (30) thirty days after the effective date of this Consent Order. A second (2nd) payment of \$8,496.00 shall be made on or before (120) one hundred twenty days after the effective date of the Consent Order. A third (3rd) payment of \$8,496.00 shall be made on or before (210) two hundred ten days after the effective date of the Consent Order. A fourth (4th) payment of \$8,496.00 shall be made on or before (365) three hundred sixty five days after the effective date of the Consent Order. The total settlement amount of \$33,984.00 shall be paid within 365 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 1070 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.

33. On and after the effective date of this Consent Order, if the Company fails to comply with paragraph 10, 11, 12, 13, 16, 17, or 18, 28, or 29 of this Consent Order, the Company is subject to stipulated fines of up to \$1,000 per violation per day. On and after the effective date of this Consent Order, if the Company fails to comply with paragraph 14, 19, 20, 26, 27 of this Consent Order, the Company is subject to stipulated fines of up to \$500.00 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 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 1070-S on the face of the check. Payment of stipulated fines shall not alter or modify in any way the Company's obligation to comply with the terms and conditions of this Consent Order.

34. 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.

35. To ensure timely payment of the settlement amount assessed in paragraph 32 and any stipulated fines assessed pursuant to paragraph 33 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 33 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.

36. The Company agrees not to contest the legal basis for the settlement amount assessed pursuant to paragraph 32. The Company also agrees not to contest the legal basis for any stipulated fines assessed pursuant to paragraph 33 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.

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

38. 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 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 Southeast Michigan 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.

39. In the event Oakland Transportation, Inc. sells or transfers the operation of the facility, with SRN B8526, 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 Southeast Michigan 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 Company 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 Southeast Michigan District Supervisor within thirty (30) days of assuming the obligations of this Consent Order.

40. 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.

41. 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.

42. 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 3943 Airport Road, in the City of Waterford. 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 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

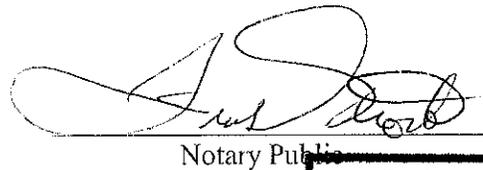
The undersigned certifies that he/she is fully authorized by the Company to enter into this Consent Order and to execute and legally bind the Company to it

Oakland Transportation, Inc

Brent Ford President
Print Name and Title

B A Ford Date: 10-27-08
Signature

The above signatory subscribed and sworn to before me this 27th day of October, 2008



Notary Public

Frank G. Proctor, Notary Public
State of Michigan, County of Oakland
My Commission Expires 2/27/2013
Acting in the County of OAKLAND

Approved as to Content:

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

Dated: 10/31/08

Approved as to Form:

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

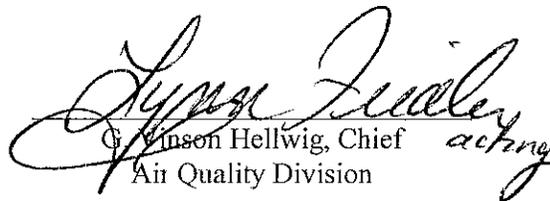
Dated: 10/30/08

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


Lynn Dudley, Chief *acting*
Air Quality Division

Dated: 10/31/08