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STATE OF MICHIGAN
CIRCUIT COURT FOR THE 6TH JUDICIAL CIRCUIT
OAKLAND COUNTY

MICHIGAN DEPARTMENT OF
ENVIRONMENTAL QUALITY,

Plaintiff,

No. 14- 142024 -CE

v

HON. JUDGE COLLEEN OBRIEN

KNIGHT ENTERPRISES, Inc., a Michigan
Corporation

Defendant.

Celeste R. Gill (P52484)
Attorney for Plaintiff
Assistant Attorney General
Environment, Natural Resources, and
Agriculture Division
P.O. Box 30755
Lansing, Michigan 48909
(517) 373-7540

There is no other pending or resolved civil action
arising out of the transaction or occurrence alleged in the complaint.

COMPLAINT

Plaintiff Michigan Department of Environmental Quality (MDEQ), by its
attorneys, Bill Schuette, Attorney General of the State of Michigan, and Celeste R.
Gill, Assistant Attorney General, says:

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STATEMENT OF CASE

1. This civil action is being brought pursuant to Part 213, Leaking Underground Storage Tanks, of the Natural Resources and Environmental Protection Act (NREPA), 1994 PA 451, as amended, MCL 324.21301 *et seq.*

2. Part 213 provides remedies for sites posing a threat to public health, safety, or welfare, or the environment, as a result of releases of regulated substances from underground storage tank systems.

3. There have been releases of regulated substances at the Knight K-23 site located at 24045 W. Warren Street, Dearborn Heights, Wayne County, Michigan, and these releases have contaminated the soil and groundwater.

4. Pursuant to MCL 324.21323(1)(a), the MDEQ is seeking a permanent injunction requiring the Knight Enterprises, Inc., (Defendant) to perform corrective actions consistent with the requirements of Part 213 of the NREPA at and in the vicinity of the Knight K-23 site. MDEQ also seeks administrative penalties pursuant to MCL 324.21313a for violations by Knight Enterprises, Inc. of MCL 324.21311a, civil fines pursuant to MCL 324.21323(1)(e) for other violations of Part 213, recovery of corrective action costs already incurred pursuant to MCL 324.21323(1)(b), declaratory judgment on liability for future corrective action costs pursuant to MCL 324.21323(1)(d), and any interest, attorney fees, witness fees, and costs of litigation MDEQ is entitled to pursuant to MCL 323.21323b(3).

JURISDICTION AND VENUE

5. The Court has personal jurisdiction over the Defendant pursuant to MCL 600.711.

6. This Court has jurisdiction over the subject matter of this action pursuant to MCL 324.21323(1), MCL 324.21323(2), and MCL 600.605.

7. Venue is proper in this Court pursuant to MCL 324.21323(2).

PARTIES

8. Plaintiff MDEQ is a principal department within the Executive Branch of the State of Michigan created pursuant to Executive Order 2011-1, effective March 13, 2011, and charged with implementing Part 213. Implementation of Part 213 was formerly the responsibility of the Michigan Department of Natural Resources and Environment between January 17, 2010 and March 12, 2011, and the initial Michigan Department of Environmental Quality between October 1, 1995 and January 10, 2010. Throughout this Complaint, for ease of reference, the term "MDEQ" shall mean any of the aforementioned departments named in this Paragraph.

9. Defendant Knight Enterprises, Inc. is a Michigan corporation with its principal place of business at 40600 Grand River Avenue, Novi, Oakland County, Michigan.

10. The Defendant is a "person" within the meaning of MCL 324.301(h).

GENERAL ALLEGATIONS

11. The real property located at 24045 W. Warren Street, Dearborn Heights, Wayne County, Michigan, and legally described in Attachment A, was operated as a gasoline filling station (the real property is referred to herein as Knight K-23).

12. Upon information and belief, in 1985, Knight Enterprises, Inc., acquired an ownership interest in Knight K-23.

13. On May 5, 1986, Knight Enterprises, Inc. notified the State Police Fire Marshal that it was the owner of one 10,000 gallon underground storage tank (UST) and four 4,000 gallon USTs located at Knight K-23. A copy of the Notification is attached as Attachment B.

14. On March 16, 1993, a release of waste oil and fuel oil was confirmed by Knight Enterprises, Inc.'s consultant, Consolidated Environmental Services, Inc., based upon visual evidence, odors, and high photo ionization detector (PID) readings observed during UST removal activities (Release No. C-352-93). A copy of the Release Report Form is attached as Attachment C.

15. Part 213, "Leaking Underground Storage Tanks," of the NREPA, 1994 PA 451, as amended, MCL 324.21301 *et seq.* was amended pursuant to 1995 PA 22 adding the requirement in MCL 324.21311a for a final assessment report (FAR).

16. Under MCL 324.21301, the amendments to Part 213 were made retroactive and a FAR was required to be submitted for the 1993 release by October 1, 1996.

17. A FAR was submitted for the 1993 release on March 25, 1997, but according to MDEQ it does not appear to have been implemented.

18. On September 11, 2007, the MDEQ was notified by the Dearborn Heights Fire Department that the Fire Department had received and responded to a complaint of a "gasoline smell in the storm sewer system" in the area near Knight K-23. The Fire Department confirmed that gasoline was present in the sewer system, and it was traced back to Knight K-23. According to the Fire Department, the discharge of gasoline into the sewer system appeared to be ongoing and to have been occurring for "several days," as it had been receiving complaints of a "gasoline smell" in the area "as far back as August 30th." See attachment F.

19. During this time, the Detroit Water and Sewerage Department also conducted an investigation based on complaints it received from neighboring businesses regarding gasoline odors and concluded that Knight K-23 "is a possible source for the gas odors and LEL [lower explosive limit] readings." A copy of the Detroit Water and Sewerage Department Industrial Waste Control Emergency Response Report is attached as Attachment D.

20. On September 12, 2007, the MDEQ conducted a Suspected Release Investigation at Knight K-23 for compliance with Part 211, Underground Storage Tank Regulations, of the NREPA, MCL 324.211001 *et seq.*, the Michigan Underground Storage Tank Rules (MUSTR), Mich Admin Code R 29.2101 *et seq.*, and applicable sections of the rules for Storage and Handling of Flammable and Combustible Liquids, Mich Admin Code R 29.5101, *et seq.*, and determined there

were numerous violations of the rules related to the operation of the underground storage tank systems. The Inspector also suspected that a release had occurred due to the strong petroleum odor at the submersible pump and directed Knight Enterprises, Inc., to investigate for possible leaks and to call in a suspected release report. A copy of the Facility Inspection Report is attached as Attachment E.

21. On September 12, 2007, placards (red tags) were also placed on the underground storage tank system pursuant to the MUSTR, prohibiting the delivery of regulated substances to Knight K-23 until proof of compliance was provided. See Mich Admin Code R 29.2103(e).

22. On September 20, 2007, Mr. Dirk Mammen with Environmental Consulting and Technology, Inc. (ECT), Knight Enterprises, Inc.'s consultant, called Jeanne Schlaufman, the MDEQ project manager for the Knight K-23 site and advised her that measurable free product (i.e. petroleum product floating on the groundwater) had been found in two monitoring wells associated with Knight K-23, and MDEQ advised him to report the findings as a confirmed release.

23. Under Rule 55 of MUSTR, if contaminated soil, contaminated groundwater, or free product is discovered at an underground storage tank site, the owners and operators are required to report a confirmed release and begin corrective action in accordance with MUSTR and Part 213 of the NREPA. See, Mich Admin Code R 29.2155(b).

24. On September 20, 2007, despite the reporting requirements under MUSTR and the consultation with MDEQ, ECT reported a suspected release from

one of the USTs at Knight K-23 on behalf of Knight Enterprises, Inc. based upon on-site well sampling that revealed impacts and light non-aqueous phase liquid (LNAPL) (also known as free product) in monitoring wells present at Knight K-23 instead of a confirmed release. See Attachment G for information regarding the discovery of the release.

25. On September 28, 2007, MDEQ sent a formal notice to Knight Enterprises, Inc. that it was out of compliance with Part 213 for failure to timely report a suspected release, and failure to upgrade the suspected release to a confirmed release; for failure to report the discovery of free product within 24 hours of discovery; and for failure to conduct initial response actions required pursuant to MCL 324.21307. The notice also informed Knight Enterprises, Inc. that it was required to immediately and expeditiously conduct initial response actions pursuant to MCL 324.21307(2) and that the red tags would remain in place until proof was provided that the off-site migration of free product had been abated. A copy of the letter is attached as Attachment F.

26. On October 10, 2007, a release was confirmed by the MDEQ after the Defendant failed to upgrade the suspected release to a confirmed release. The MDEQ-Waste and Hazardous Material Division's Storage Tank Unit sent a letter transmitting the confirmed release report to Knight Enterprises, Inc. and advising of its responsibility to hire a qualified underground storage tank consultant to conduct all appropriate corrective actions at Knight K-23. A copy of the Storage Tank Unit letter with the confirmed release report is attached as Attachment G.

27. On October 10, 2007, the MDEQ Remediation and Redevelopment Division (RRD) also sent a letter to Knight Enterprises, Inc., by certified mail, return receipt requested pursuant to MCL 324.21313a and MCL 324.21323. The October 10, 2007 RRD letter corrected the release report, including correcting the date the release was confirmed to September 11, 2007 (the date the release was initially discovered), and warning that Knights Enterprises, Inc. may be subject to penalties if it did not meet the reporting requirements outlined in Part 213. A copy of the RRD letter is attached as Attachment H.

28. On December 5, 2007, Knight Enterprises, Inc. signed a letter agreement with MDEQ to have the red tags removed. The agreement conditioned removal of the red tags on the parties entering into a Fast Track Administrative Order on Consent (FTO) by December 10, 2007 that would address compliance issues at Knight K-23.

29. On March 20, 2008, the red tags were reaffixed to the underground storage tank system at Knight K-23 because Knight Enterprises, Inc. failed to maintain compliance with Part 213 and enter into the FTO.

30. Knight Enterprises, Inc. removed the underground storage tank system in September 2010, without achieving compliance with Part 213.

31. According to MCL 324.21311a(1), a FAR for the 2007 release was required to be completed and submitted to MDEQ within 365 days after the release was discovered, September 11, 2008.

32. Knight Enterprises, Inc. did not submit a FAR within the time required by MCL 324.21311a.

33. On April 27, 2010, MDEQ sent Knight Enterprises, Inc. a Violation Notice explaining that an audit performed by MDEQ revealed that Knight Enterprises, Inc. was not in compliance with Part 213 including the reporting requirements of Part 213 because the statutorily required FAR for the 2007 Release was overdue. A copy of the Violation Notice is attached as Attachment I.

34. On May 13, 2010, MDEQ notified Knight Enterprises, Inc. that it was subject to the assessment of penalties for failing to comply with the reporting requirements of Part 213 for the 2007 Release and penalties would begin to accrue upon receipt of the letter. A copy of the letter is attached as Attachment J.

35. On November 5, 2010, MDEQ assessed a Leaking Underground Storage Tank administrative Late Report Penalty (LRP) in the amount of \$116,200.00, pursuant to MCL 324.21313a, against Knight Enterprises, Inc., based upon its failure to comply with MCL 324.21311a, in regards to the 2007 Release. The LRP imposed upon Knight Enterprises, Inc. was calculated for 127 days of violation. A copy of the late report penalty assessment letter with return receipt is attached as Attachment K.

36. On March 10, 2011, MDEQ assessed an additional Leaking Underground Storage Tank Late Report Penalty in the amount of \$162,000.00, pursuant to MCL 324.21313a, against Knight Enterprises, Inc., based upon its continued failure to comply with MCL 324.21311a in regards to the 2007 Release.

The administrative penalty imposed upon Knight Enterprises, Inc. was calculated for an additional 162 days of violation. A copy of the letter assessing the additional penalty is attached as Attachment L.

37. The total Leaking Underground Storage Tank Late Report Penalties assessed on November 5, 2010 and March 10, 2011 is \$278,200.00.

38. Knight Enterprises, Inc. has not paid the assessed penalties nor has it appealed the penalty assessments as provided in MCL 324.21332(1)(c).

39. Upon information and belief, LNAPL is present at Knight K-23 and has not been addressed as required by Section 21307 of Part 213, MCL 324.21307.

40. On June 30, 2011, Knight Enterprises, Inc. finally submitted a FAR including a Corrective Action Plan (CAP) to the MDEQ for the 2007 Release, almost three (3) years late.

41. Pursuant to MCL 324.21315, MDEQ audited the FAR and on October 11, 2011, MDEQ notified Knight Enterprises, Inc. that the FAR/CAP was incomplete, the corrective actions conducted thus far were not in compliance with Part 213, and the proposed corrective actions were not adequate to address all the contamination both on and off the property or all affected media (soil and groundwater). A copy of the audit letter is attached as Attachment M.

42. Knight Enterprises, Inc. has not submitted a statutorily complete FAR containing a statutorily complete CAP for the 2007 Release, nor has it appealed the audit pursuant to MCL 324.21332(1)(d).

43. Regulated substances from Knight K-23 remain in the soil and groundwater and pose a threat to the public health, safety, welfare, and the environment.

COUNT I

Liability under Part 213

Paragraphs 1 through 43 of this Complaint are re-alleged and incorporated herein by reference.

44. Under MCL 324.21303(b), an “[o]perator means a person who is presently, or was at the time of a release, in control of, or responsible for, the operation of an underground storage tank system.”

45. Under MCL 324.21303(c), an “[o]wner means a person who holds, or at the time of a release who held, a legal, equitable, or possessory interest of any kind in an underground storage tank system or in the property on which an underground storage tank system is located including, but not limited to, a trust, vendor, vendee, lessor, or lessee.”

46. Knight Enterprises, Inc. has been the owner and operator of the underground storage tank system located at Knight K-23 since at least May 5, 1986.

47. Knight Enterprises, Inc. has been the owner and operator of Knight K-23 since December 6, 1985.

48. Under MCL 324.21323a(1)(a), an owner or operator is liable if the owner or operator are responsible for an activity causing a release or threat of release.

49. There have been "releases" or "threatened releases" at Knight K-23, within the meaning of MCL 324.21303(h) and MCL 324.21303(o).

50. Knight K-23 is a "Property" as defined by MCL 324.21303(d).

51. Knight K-23 is a "Site" as defined by MCL 324.21303(l).

52. Knight Enterprises, Inc. was the owner and operator of both the UST system and Knight K-23 at the time of the 1993 and 2007 Releases, and is responsible for an activity causing the releases or threats of releases, and is a liable person under MCL 324.21323a.

53. MCL 324.21311a, provides in part:

(1) Within 365 days after a release has been discovered, an owner or operator that is liable under section 21323a shall complete a final assessment report that includes a corrective action plan developed under section 21309a and submit the report to the department on a form created pursuant to section 21316.

54. Knight Enterprises, Inc. failed to timely submit the statutorily required FAR for the 2007 Release.

55. MCL 324.21313a provided in part:

(1) Beginning on May 1, 2012, except as provided in subsection (6), and except for the confirmation provided in section 21312a(2), if a report is not completed or a required submittal under section 21308a, 21311a, or 21312a(1) is not provided during the time required, the department may impose a penalty according to the following schedule:

(a) Not more than \$100.00 per day for the first 7 days that the report is late.

(b) Not more than \$500.00 per day for days 8 through 14 that the report is late.

(c) Not more than \$1,000.00 per day for each day beyond day 14 that the report is late.

(2) Subject to subsection (6), for purposes of this section, in computing a period of time, the day of the act, event, or default, after which the designated period of time begins to run, is not included. The last day of the period is included, unless it is a Saturday, Sunday, legal holiday, or holiday, in which event the period runs until the end of the next day that is not a Saturday, Sunday, legal holiday, or holiday.

* * *

(6) A penalty shall not begin to accrue under this section unless the department has first notified the person on whom the penalty is imposed that he or she is subject to the penalties provided in this section.

56. Knight Enterprises, Inc. has failed to pay the \$278,200.00 in administrative penalties assessed on November 5, 2010 and March 10, 2011 for its failure to timely submit the required FAR.

57. Prior to the May 1, 2012 amendments, MCL 324.21313a(6) provided for an appeal of a penalty imposed under that section pursuant to section 631 of the revised judicature act of 1961, Act No. 236 of the Public Acts of 1961, MCL 600.631 and Knight Enterprises, Inc. did not appeal the penalty assessments as provided at the time they were assessed.

58. Knight Enterprises, Inc. is liable for the late report penalties assessed by MDEQ for the Defendant's failure to timely submit the required FAR.

59. Knight Enterprises, Inc. has not implemented a corrective action plan to the extent required under MCL 324.21309a, pertaining to the 1993 Release, and has not developed and implemented a FAR and a corrective action plan to the

extent required under MCL 324.21309a and MCL 324.21311a, pertaining to the 2007 Release.

60. Knight Enterprises, Inc. is not in compliance with Part 213 of the NREPA.

61. MCL 324.21323, provides in part:

1. The attorney general may, on behalf of the department, commence a civil action seeking any of the following:

- a. A temporary or permanent injunction.
- b. Recovery of all costs incurred by the state for taking corrective action.

* * *

- d. Declaratory judgment on liability for future corrective action costs.
- e. Subject to section 21313a, a civil fine of not more than \$10,000.00 for each underground storage tank system for each day of noncompliance with a requirement of this part or a rule promulgated under this part. A fine imposed under this subdivision shall be based upon the seriousness of the violation and any good faith efforts by the violator to comply with the part or rule.

* * *

- g. Recovery of funds provided to the state from the United States environmental protection agency's leaking underground storage tank trust fund.

62. Knight Enterprises, Inc. is liable to the State for civil fines of up to \$10,000.00 for each underground storage tank system for each day of noncompliance with any requirement under Part 213 of the NREPA.

63. MCL 21323b(1)(a) provides that a person who is liable under Section 21323a is liable for “[a]ll costs of corrective action incurred by the state relating to the selection and implementation of corrective action under this part.”

64. MDEQ has incurred and continues to incur costs of corrective action related to the selection and implementation of corrective action at Knight K-23, and Knight Enterprises, Inc. is a liable person under MCL 324.21323a.

65. Knight Enterprises, Inc. is liable to the State for all costs of corrective action incurred by MDEQ in selecting and implementing corrective action at Knight K-23.

RELIEF REQUESTED

Wherefore, the MDEQ respectfully requests that the Court:

A. Order the Defendant to submit statutorily complete FARs that include corrective action plans developed under MCL 324.21309a for the confirmed release(s) and implement the corrective action plans consistent with Part 213 and otherwise comply with Part 213;

B. Order the Defendant to pay the \$278,200.00 in administrative penalties already assessed by MDEQ for failing to comply with MCL 324.21311a;

C. Impose civil fines on Defendant of up to \$10,000.00 per day per UST system for continuing violations of Part 213;

D. Order the Defendant to reimburse the State for any past corrective action costs it has incurred at Knight K-23;

- E. Enter a declaratory judgment against Defendant for any future corrective action costs incurred by the State;
- F. Award MDEQ any interest, attorney fees, witness fees, or cost of litigation it is entitled to; and
- G. Award any further relief as the Court deems just and proper.

Respectfully Submitted,

Bill Schuette
Attorney General

/s/ Celeste R. Gill
Celeste R. Gill (P52484)
Assistant Attorney General
Attorney for MDEQ
G. Mennen Williams Bldg., 6th Floor
525 W. Ottawa Street
Post Office Box 30755
Lansing, Michigan 48909
(517) 373-7540

Dated: July 24, 2014

LF: Knight Enterprises (K-23) AG#2012-0025696-A/Complaint - 2014-07-24

Exhibit

A

Handwritten: 12/10

QUIT CLAIM DEED
STATUTORY FORM

66110520



L 22656 448
Philip F. Greco
TITLE COMPANY

KNOW ALL MEN BY THESE PRESENTS That **CARROLL KNIGHT, d/b/a KNIGHT ENTERPRISES,**
and **DARLENE H. KNIGHT, his wife**
whose address is 30785 Grand River, Farmington Hills, Michigan 48024

Quit Claim to **KNIGHT ENTERPRISES, INC.,** a Michigan corporation,
whose address is 30785 Grand River, Farmington Hills, Michigan 48024

The following described premises situated in the City of Dearborn Heights County of Wayne
and State of Michigan, to-wit:

PARCEL 11-A
Lots 236 through 240, inclusive, and the West 18.5 foot of
Lot 241 of CONLEY'S WARREN-TELEGRAPH SUBDIVISION, according
to the plat thereof recorded in Liber 51 of Plats, page 71,
Wayne County Records.

PARCEL 11-B
All that part of Lot 242 and the East 1.5 feet, more or less,
of Lot 241 of CONLEY'S WARREN-TELEGRAPH SUBDIVISION, according
to the plat thereof recorded in Liber 51 of Plats, page 71,
Wayne County Records, which lies 170 feet, more or less,
Westerly of the East line of said Section 8.

together with all and singular the tenements, hereditaments and appurtenances thereto belonging or in anywise appertaining,
for the sum of Exempt pursuant to MCLA 207.505(a)

WAYNE COUNTY MI
85 JUN 27 P 2:01
66110520

Dated this 6th day of December 19 85

Signed in the presence of

Signed by

Daniel A. Roberts
Daniel A. Roberts

Carroll Knight
CARROLL KNIGHT, d/b/a KNIGHT ENTERPRISES

Susan M. Combs
Susan M. Combs

Darlene H. Knight
DARLENE H. KNIGHT

STATE OF MICHIGAN }
COUNTY OF WAYNE }

The foregoing instrument was acknowledged before me this 6th day of December

19 85 by CARROLL KNIGHT, d/b/a KNIGHT ENTERPRISES, and DARLENE H. KNIGHT, his wife,

My Commission expires June 18 19 89
William L. Maynard
Notary Public,
County, Michigan

When Recorded Returns To: Draftor	Send Subsequent Tax Bills To	Drafted by: John A. Hitz, Esq. Business Address 38800 Van Dyke Sterling Heights, MI 48077-7999
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Tax Parcel # _____ Recording Fee _____ Revenue Stamp _____

G-8

Handwritten: 66110520

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Exhibit B

Notification for Underground Storage Tanks

FORM APPROVED
EPA FORM NO. 8610-609
APPROVAL EXPIRES 6-30-89

FOR TANKS IN MI

RETURN COMPLETED FORM TO

Ground Water Quality Division
Department of Natural Resources
Box 30157
Lansing, MI 48909

RECEIVED
MAY 12 1986

STATE USE ONLY
I.D. Number 018516

Date Received

FOR COMPLIANCE

GENERAL INFORMATION

Notification is required by Federal law for all underground tanks that have been used to store regulated substances since January 1, 1974, that are in the ground as of May 8, 1986, or that are brought into use after May 8, 1986. The information requested is required by Section 9002 of the Resource Conservation and Recovery Act, (RCRA), as amended.

The primary purpose of this notification program is to locate and evaluate underground tanks that store or have stored petroleum or hazardous substances. It is expected that the information you provide will be based on reasonably available records, or, in the absence of such records, your knowledge, belief, or recollection.

Who Must Notify? Section 9002 of RCRA, as amended, requires that, unless exempted, owners of underground tanks that store regulated substances must notify designated State or local agencies of the existence of their tanks. Owner means:

(a) in the case of an underground storage tank in use on November 8, 1984, or brought into use after that date, any person who owns an underground storage tank used for the storage, use, or dispensing of regulated substances, and

(b) in the case of any underground storage tank in use before November 8, 1984, but no longer in use on that date, any person who owned such tank immediately before the discontinuation of its use.

What Tanks Are Included? Underground storage tank is defined as any one or combination of tanks that (1) is used to contain an accumulation of "regulated substances," and (2) whose volume (including connected underground piping) is 10% or more beneath the ground. Some examples are underground tanks storing: 1. gasoline, used oil, or diesel fuel, and 2. industrial solvents, pesticides, herbicides or fumigants.

What Tanks Are Excluded? Tanks removed from the ground are not subject to notification. Other tanks excluded from notification are:

1. farm or residential tanks of 1,100 gallons or less capacity used for storing motor fuel for noncommercial purposes;
2. tanks used for storing heating oil for consumptive use on the premises where stored;
3. septic tanks;

4. pipeline facilities (including gathering lines) regulated under the Natural Gas Pipeline Safety Act of 1968, or the Hazardous Liquid Pipeline Safety Act of 1979, or which is an intrastate pipeline facility regulated under State laws;

5. surface impoundments, pits, ponds, or lagoons;

6. storm water or waste water collection systems;

7. flow-through process tanks;

8. liquid traps or associated gathering lines directly related to oil or gas production and gathering operations;

9. storage tanks situated in an underground area (such as a basement, cellar, mineworking, drift, shaft, or tunnel) if the storage tank is situated upon or above the surface of the floor.

What Substances Are Covered? The notification requirements apply to underground storage tanks that contain regulated substances. This includes any substance defined as hazardous in section 101 (14) of the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (CERCLA), with the exception of those substances regulated as hazardous waste under Subtitle C of RCRA. It also includes petroleum, e.g., crude oil or any fraction thereof which is liquid at standard conditions of temperature and pressure (60 degrees Fahrenheit and 14.7 pounds per square inch absolute).

Where To Notify? Completed notification forms should be sent to the address given at the top of this page.

When To Notify? 1. Owners of underground storage tanks in use or that have been taken out of operation after January 1, 1974, but still in the ground, must notify by May 8, 1986. 2. Owners who bring underground storage tanks into use after May 8, 1986, must notify within 30 days of bringing the tanks into use.

Penalties: Any owner who knowingly fails to notify or submits false information shall be subject to a civil penalty not to exceed \$10,000 for each tank for which notification is not given or for which false information is submitted.

INSTRUCTIONS

Please type or print in ink all items except "signature" in Section V. This form must be completed for each location containing underground storage tanks. If more than 5 tanks are owned at this location, photocopy the reverse side, and staple continuation sheets to this form.

Indicate number of continuation sheets attached

I. OWNERSHIP OF TANK(S)

Owner Name (Corporation, Individual, Public Agency, or Other Entity)

KANSAS ENTERPRISES INC.

Street Address

6025 GRAND RIVER SOUTH 101

County

Oakland

City

FRANKLIN

State

MI

ZIP Code

48004

Area Code

313

Phone Number

478-3600

Type of Owner (Mark all that apply)

Current

State or Local Gov't

Private or Corporate

Former

Federal Gov't

Ownership uncertain

(GSA facility I.D. no.)

II. LOCATION OF TANK(S)

(If same as Section I, mark box here)

Facility Name or Company Site Identifier, as applicable

KANSAS #23

Street Address or State Road, as applicable

2445 WINDY

County

FRANKLIN

City (nearest)

FRANKLIN

State

MI

ZIP Code

48004

Indicate number of tanks at this location

Mark box here if tank(s) are located on land within an Indian reservation or on other Indian trust lands

III. CONTACT PERSON AT TANK LOCATION

Name (If same as Section I, mark box here)

Job Title

Area Code

Phone Number

IV. TYPE OF NOTIFICATION

Mark box here only if this is an amended or subsequent notification for this location.

V. CERTIFICATION (Read and sign after completing Section VI.)

I certify under penalty of law that I have personally examined and am familiar with the information submitted in this and all attached documents, and that based on my inquiry of those individuals immediately responsible for obtaining the information, I believe that the submitted information is true, accurate, and complete.

Name and official title of owner or owner's authorized representative

GEORGE H. EVANS SUPERVISOR

Signature

[Signature]

Date Signed

5/5/86

CONTINUE ON REVERSE SIDE

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VI. DESCRIPTION OF UNDERGROUND STORAGE TANKS (Complete for each tank at this location.)					
Tank Identification No. (e.g., ABC-123), or Arbitrarily Assigned Sequential Number (e.g., 1,2,3...)	Tank No. 1	Tank No. 2	Tank No. 3	Tank No. 4	Tank No. 5
1. Status of Tank (Mark all that apply <input checked="" type="checkbox"/>) Currently in Use <input checked="" type="checkbox"/> Temporarily Out of Use <input type="checkbox"/> Permanently Out of Use <input type="checkbox"/> Brought into Use after 5/8/86 <input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
2. Estimated Age (Years)	15	15	15	15	15
3. Estimated Total Capacity (Gallons)	4200	4200	10000	4200	4200
4. Material of Construction (Mark one <input checked="" type="checkbox"/>) Steel <input checked="" type="checkbox"/> Concrete <input type="checkbox"/> Fiberglass Reinforced Plastic <input type="checkbox"/> Unknown <input type="checkbox"/> Other, Please Specify _____	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
5. Internal Protection (Mark all that apply <input checked="" type="checkbox"/>) Cathodic Protection <input type="checkbox"/> Interior Lining (e.g., epoxy resins) <input checked="" type="checkbox"/> None <input checked="" type="checkbox"/> Unknown <input type="checkbox"/> Other, Please Specify _____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
6. External Protection (Mark all that apply <input checked="" type="checkbox"/>) Cathodic Protection <input type="checkbox"/> Painted (e.g., asphaltic) <input type="checkbox"/> Fiberglass Reinforced Plastic Coated <input type="checkbox"/> None <input checked="" type="checkbox"/> Unknown <input type="checkbox"/> Other, Please Specify _____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Piping (Mark all that apply <input checked="" type="checkbox"/>) Bare Steel <input type="checkbox"/> Galvanized Steel <input checked="" type="checkbox"/> Fiberglass Reinforced Plastic <input type="checkbox"/> Cathodically Protected <input type="checkbox"/> Unknown <input type="checkbox"/> Other, Please Specify _____	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
8. Substance Currently or Last Stored in Greatest Quantity by Volume (Mark all that apply <input checked="" type="checkbox"/>) a. Empty <input type="checkbox"/> b. Petroleum <input checked="" type="checkbox"/> Diesel <input type="checkbox"/> Kerosene <input checked="" type="checkbox"/> Gasoline (including alcohol blends) <input checked="" type="checkbox"/> Used Oil <input type="checkbox"/> Other, Please Specify _____ c. Hazardous Substance <input type="checkbox"/> Please Indicate Name of Principal CERCLA Substance OR Chemical Abstract Service (CAS) No. Mark box <input checked="" type="checkbox"/> if tank stores a mixture of substances d. Unknown <input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
9. Additional Information (for tanks permanently taken out of service) a. Estimated date last used (mo/yr) _____ b. Estimated quantity of substance remaining (gal.) _____ c. Mark box <input type="checkbox"/> if tank was filled with inert material (e.g., sand, concrete)	/	/	/	/	/
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Exhibit C

FILED

RELEASE REPORT FORM

(PLEASE CHECK ONE)

SUSPECTED CONFIRMED

MAR 24 1993

IMPLEMENTING AGENCY: MICHIGAN STATE POLICE FIRE MARSHAL DIVISION	FOR FIELD USE ONLY	FILE NUMBER	18516
	INVESTIGATOR NAME	FILE NUMBER	0-352-93
	DATE/TIME/CLERK INITIALS & DATE		

Person Reporting Release: Stephen A. Peach

Company (if not owner/operator): Consolidated Environmental Services, Inc. Telephone (include Area Code) (733) 335-7044

I. OWNERSHIP OF TANKS		II. LOCATION OF TANKS	
IF NEW OWNERS ADDRESS, PLEASE CHECK <input type="checkbox"/>		IF SAME AS SECTION I, PLEASE CHECK <input type="checkbox"/>	
<u>Knight Enterprises, Inc.</u> <small>OWNER NAME (CORPORATION/INDIVIDUAL, ETC)</small>		<u>Knight Enterprises, K-23</u> <small>PARTIAL NAME OR CO. SITE IDENTIFIER</small>	
<u>40600 Grand River</u> <small>STREET ADDRESS</small>		<u>24045 W. Warren</u> <small>STREET ADDRESS (P.O. BOX NOT ACCEPTABLE)</small>	
<u>Novi MI 48375</u> <small>CITY STATE ZIP</small>		<u>Dearborn Heights, MI 48127</u> <small>CITY STATE ZIP</small>	
<u>(313) 478-3651</u> <small>TELEPHONE (INCLUDE AREA CODE)</small>		<u>Wayne</u> <small>COUNTY</small>	
<u>MR. David Cacioppo</u> <small>CONTACT PERSON</small>		<u>(313) 478-3651</u> <small>TELEPHONE (INCLUDE AREA CODE)</small>	
<u>147 48393</u>		<u>4/10/93</u>	

Date Release Discovered: 3-16-93 Time Release Discovered: 10:30 A.M.

Size of Tank (gallons)	Substance Released	Construction of Tank	Reason for Believing Release Occurred: (presence of product, failed tightness test, vapors, stains)
550	Waste Oil	Steel	During scheduled tank removal activities, visual evidence of release was noted as were odors and high PID readings. Holes were noted on both tanks.
550	Fuel Oil*	Steel	

COMMENTS: Facility ID Number: 0-018516

*Fuel (Heating oil) tank was registered, so release is also being reported from this tank. Tanks are right next to each other in same excavation.

Reporting Agency (City/County) (313) 335-7044 Date 3/16/93 Time 5:49pm Signature Karl Zimmerman

ATTENTION: SEE REVERSE SIDE FOR INSTRUCTIONS

DISTRIBUTION:	FOR FIELD USE ONLY:	AUTHORITY:	1984 PA 423
W/FILE	FIRE MARSHAL DIVISION HAZARDOUS MATERIALS SECTION	COMPLIANCE:	Required
CANARY	FIRE MARSHAL DIVISION FIELD OFFICE	PENALTY:	Misdemeanor, Civil Penalties not to exceed \$5,000 per day, per tank.
PINK	DEPT. OF MANAGEMENT & BUDGET		
GOLDENROD	OWNER		
PAX COPY	FIELD OFFICE		

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Exhibit D

Page 1 of 3

DETROIT WATERS AND SEWERAGE DEPARTMENT
INDUSTRIAL WASTE CONTROL

EMERGENCY RESPONSE REPORT

INCIDENT# R-2007-210

- SPILL
- ILLEGAL DUMPING
- ODOR COMPLAINT
- CONTAMINATED SITE
- SEWER BLOCKAGE
- BYPASS
- MISCELLANEOUS

SITE AT:
24350 West Warren
Dearborn Heights, Michigan

RECEIVED:

Date: August 21, 2007
Time: 3:45 P.M.
By: Yousef Ahmed

REPORTED BY

Name: Jeff Korniski, DEQ
Address:
Telephone: (313) 456-4681

INCIDENT DETAILS:

Date: August 21, 2007

Time: N/A

Description: Jeff Korniski, DEQ reported to Yousef Ahmed that a business owner by the name of Frank Haddad located at 24350 West Warren had been having a gasoline odor inside his building.

Did the material enter the sewer: Yes

SITE INVESTIGATION:

August 22, 2007, Ida Fulks and Roberta Johnson met with Hanadi Hattar, Farmers Insurance Group Agent, at the site mentioned above in response to the gasoline odor inside their building. Ms. Hattar told me that over the past several months they have smelled a gasoline odor inside the facility at the entrance door. At the time of our visit no gasoline odor was present. We walked through the building with the gas monitor and the monitor did not detect any abnormal readings. I left my card and asked that they call when the odor was present. Prior to leaving Ms. Hattar informed me that the Dearborn Heights Water Department and DTE had been out to the site.

Roberta Johnson and I checked the manhole in the rear of the building and the manhole located next to the BP Station on the north side of Telegraph road and no abnormal reading or smell of gas was detected. The BP station was closed and had been for quite some time.

We met with Mr. George Galaski who own a law office located at 24100 West Warren, Dearborn Heights. Phone number (313) 278-5350. I explained to him the reason for our visit as mentioned above. Mr. Galaski told us that he had smelled the gas for the last past two years on and off. I left my card and asked that he call when the odor is present.

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Page 2
24350 West Warren
Dearborn Heights, Michigan

August 23, 2007. Roberta Johnson and I visited the site and checked the manholes next to the BP station and in the alley and around the Valero Station to monitor for gases or any abnormal reading but there was none present.

September 11, 2007 Roberta Johnson and I received a call from Frank Haddad who is the owner of Farmers Insurance Group. Mr. Haddad told me that he opened the doors around 9:00 A.M. and the gasoline odor was present. I asked him to call the Dearborn Heights Fire Department and that I was on my way to his business. I explained to him that the Fire Department was closer and that they would be able to monitor for LEL readings. We arrived at the site and immediately began checking the manhole at the T-alley, which is next to the closed station and across the street from the lawyer office. Inside the manhole the gas monitor detected a 4 percent LEL reading. We went across the street and checked the manhole next to the Valero Gas Station and the gas monitor detected a 5 percent LEL reading. I met with Joe Singh, who leases the Valero Gas Station and asked when the last time he had a fuel delivery. Mr. Sigh told me that he had got one a delivery that morning at 5:00 (September 11, 2007). Mr. Sigh further mentioned that he leases the site from Carroll Knight, who is President of Knight Enterprises, Inc.

The Dearborn Water Department arrived at the site and I informed them of my findings. We began looking at the sewer map to locate the high point manhole and to determine the direction of the flow to see if there were any possible sources for the LEL reading in the sewer.

September 12, 2007 I visited the area business on the south side of Warren to find out their waste handling practices. Not any of the area businesses that I visited could be a source of the abnormal LEL reading in the sewer.

While I was checking the manhole on Mayburn just North of Warren I met with Mr. Jerry Arnold, DEQ representative. Mr. Arnold informed me that he had received the results of the tank and pressure test but was not confident in them. Mr. Arnold informed me that he had red-tagged the underground storage tanks.

September 13, 2007 I revisited the site for inspection of the manhole that had a LEL reading. I spoke with Frank Haddad (Farmer Insurance Group) and the medical building next door. I monitored for any abnormal reading and the gas monitor did not detect any. I checked a manhole in the alley upstream of their business and no reading was detected. I monitored the manhole next to the lawyer and the BP station and the gas monitored read 2 percent LEL. The manhole next to the Valero Station the monitor picked up a 4 percent LEL. I check the manhole one block upstream of the Valero Station at Drexel and Mayburn going east. The manhole was checked and the reading was 0 percent LEL. It appears that the Valero Gas Station is a possible source for the gas odors and LEL readings.

The Dearborn Water Department will flush the sewer if needed and Jerry Arnold, DEQ


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Page 3
24350 West Warren
Dearborn Heights, Michigan

Hazardous Waste Storage Inspector will continue to check and verify if the underground storage meets Federal Standards and Guidelines. IPER will continue to work with the Departments as needed.

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Reporting Date: September 13, 2007

By: Ida Fulks 

Exhibit

E



STATE OF MICHIGAN
DEPARTMENT OF ENVIRONMENTAL QUALITY
WASTE AND HAZARDOUS MATERIALS DIVISION

FACILITY INSPECTION REPORT

Owner Name & Address:

Knight Enterprises Inc
40600 Grand River Ave
Novi, MI 48375-2810

Location of Tanks:

Knight Enterprises K-23
24045 W Warren St
Dearborn Heights, MI 48127-2229
County - Wayne
Facility ID - 00018516

ATTENTION: Jim Demyan

A Suspected Release Investigation was conducted on September 12, 2007, for the above-referenced facility for compliance with Part 211, Underground Storage Tank Regulations, of the Natural Resources and Environmental Protection Act, 1994 PA 451, as amended (Act 451); the Michigan Underground Storage Tank Rules (MUSTR), 1999 AACS R 29.2101 et seq.; and the applicable sections of the rules for the Storage and Handling of Flammable and Combustible Liquids, 2003 AACS R 29.5101 et seq. The inspection showed that the tank(s) was tagged.

- 1 Owners and operators shall investigate suspected releases and upgrade or cancel them within 14 working days.
Section 280.52

Special Attention : A suspected release needs to be called in due to the strong petroleum odor at the regular submersible pump. When required by the implementing agency, owners and operators of UST systems must follow the procedures in 280.52 to determine if the UST system is the source of offsite impacts.

- 2 Piping joints shall be liquid tight and shall be welded, flanged, threaded, grooved, friction-type, or chemically bonded.
UST 280.10 (J) (FL/CL Part 2, Section 3.2.2)

Special Attention : Excavate around the existing submersible pumps and expose the line leak detector to determine the condition and look for possible leaks.

- 3 Automatic tank gauging shall be capable of detecting a 0.2 gallon per hour leak rate.
UST 280.43(D)

Special Attention : Repair existing tank monitoring system so monthly leak test will be conducted on ALL tanks.

- 4 Inoperative spill protection.
UST 280.20(c)

Special Attention : Remove all product & liquid from existing spill tubs, clean out, repair drainage mechanism, and perform hydrostatic test.

- 5 The area beneath each dispenser shall be designed and maintained to contain lost product.
UST 280.10 (J) (FL/CL Part 3, Section 6.3.4.1)

Special Attention : Remove all liquid, debris, and old fuel fillers from existing dispenser sumps, make liquid tight, and perform hydrostatic test on ALL dispenser sumps.

- 6 Records shall be retained for all required cathodic protection tests.
UST 280.34

Special Attention : Provide this office with copies of all CP tests performed at the facility.

- 7 A listed rigidly anchored emergency shutoff valve with a fusible link shall be installed for a pressure system.
UST 280.10 (J) (FL/CL Part 3, Section 6.3.9)

Special Attention : Properly anchor the existing impact valves per manufacturer's requirements. Mainly, raise existing impact valves under dispenser #1/2 & 3/4 to the proper elevation, properly locate U-bolts, and tighten all loose bolts.

- 8 Not Recorded
Miscellaneous

Special Attention : Per FL/CL Rules Part 2, Section 6.2.1 - All electrical equipment and wiring shall be of a type specified by and installed in accordance with NFPA 70, National Electrical Code.

Special Attention: Replace all missing electrical junction box covers and eliminate all exposed wires at the tank probes location.

- 9 Registration shall be submitted within 30 days of tank or owner status change.
UST 280.22(A)

Special Attention : Inspector was informed that the existing kerosene is no longer in use (no kero dispenser on site). Submit an amended registration form (EQP3821) showing tank as temporary out of service if it is the Owner's intention of bring tank back into service within the next 12 months or submit a intent to close form if the tank is going to be properly closed as required.

- 10 Dispenser hose shall not be longer than 18 feet and shall be listed.
UST 280.10 (J) (FL/CL Part 3, Section 6.5.1)

Special Attention : Replace worn out fuel hose at dispenser #1.

- 11 Nozzle shall be listed automatic-closing type for Class I liquids.
UST 280.10 (J) (FL/CL Part 3, Section 6.6.1)

Special Attention : Provide this office with documentation showing that the existing nozzles have been tested for properly closing.

- 12 Inventory control shall detect a release of at least 1% of flow through of product plus 130 gallons per month. To use this method a person shall 1) daily measure inputs, withdrawals, and product remaining, then record and compute each operating day, 2) equipment shall measure product to 1/8 of an inch 3) product level is measured before and after each delivery, 4) drop tube shall be within 1 foot of the bottom of tank, 5) product being dispensed is metered and, 6) water is measured in tank once a month to 1/8 of an inch.
UST 280.43(A)

Special Attention : Provide this office with documentation (from Feb 07') showing that inventory control has been performed at the facility.

Inspector arrived on site to find facility closed down, caution tape around the perimeter of the facility, and a line connected to the fire extinguisher flushing the manhole on the south, Telegraph side of the property.

Inspector was informed by the local fire department that citizens have called complaining of strong vapors in the area. While on site, the DWSD Inspector Ida Fulks arrived and informed Inspector that she was getting high reading with the LEL meter from the manhole on the west side of the property and had some detect in the manhole across Warren Ave. north and downstream of the facility.

Inspector received copies of PASSING tank tightness, line leak detectors, pressure fuel lines, and impact valves test results on the diesel, turbo & unleaded gasoline systems performed on 9/11/07 by William Bunnell w/Petro Tank & Line Testing LLC.

Inspector was not aware of any repairs made or possible sources of the suspected release found at the facility as a result of the testing.

Inspector found strong petroleum smell around the regular (buried) submersible pump and a possible leak at the functional element (the top exposed portion of the pump).

Inspector Red Tagged the existing tanks due to the belief that the existing fuel system is possibly the source of the release, the numerous violations at the facility, the fact that there has been no release detection conducted on the regular tank since Feb 07', the fact that no repair has been made and identified as the possible source of the release, and the fact that all of the submersible pumps and line leak detectors are buried and possibly masking the source of the release. Inspector is requesting that the submersibles be uncovered and hydrstatic test be conducted on the existing dispenser sumps & spill tubs.

If you have additional questions concerning this matter, please contact me.

JERRY ARNOLD
Hazardous Materials Storage Inspector
SE Michigan District Office
27700 Donald Court
Warren, MI 48092-2793
Phone: 586-753-3848
Fax: 586-753-3831
Email: arnoldjw@michigan.gov

Date

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Exhibit

F



STATE OF MICHIGAN
DEPARTMENT OF ENVIRONMENTAL QUALITY
SOUTHEAST MICHIGAN DISTRICT OFFICE

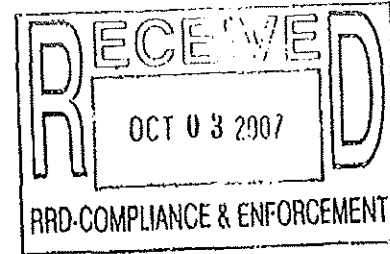


JENNIFER M. GRANHOLM
GOVERNOR

STEVEN E. CHESTER
DIRECTOR

September 28, 2007

CERTIFIED MAIL – 7005 3110 0003 0529 2330



Mr. Carroll Knight
Knight Enterprises, Incorporated
40600 Grand River Avenue
Novi, Michigan 48050

Dear Mr. Knight:

SUBJECT: Knight Enterprises K-23
24045 West Warren Road, Dearborn Heights, Wayne County, Michigan
Facility ID No. 0-0018516

This is formal notice from the Department of Environmental Quality (DEQ), Remediation and Redevelopment Division (RRD), that you are out of compliance with Part 213, Leaking Underground Storage Tanks (LUST), of the Natural Resources and Environmental Protection Act (NREPA), 1994 PA 451, as amended, for:

1. Failing to report a suspected release on or before September 12, 2007, and upgrade the suspected release to confirmed on September 20, 2007. A suspected release investigation was conducted by the DEQ Waste and Hazardous Materials Division (WHMD) on September 12, 2007, at the above-referenced facility. According to the inspection report generated by Mr. Jerry Arnold, WHMD, you and/or your on-site representative were advised to report a suspected release.
2. Failing to report the discovery of free product to the RRD on the required form (EQP3800) within 24-hours of discovery.
3. Failing to conduct initial response actions required pursuant to Section 23107 of the NREPA. Notwithstanding any other actions taken, the owner or operator (O/O) shall immediately begin and expeditiously perform all the initial response actions identified in Section 21307(2) of the NREPA. Such response actions would also include all actions necessary to investigate for, and abate the presence of vapors in all adjacent and nearby sewers, residences, and commercial establishments where odors (vapors) were previously noted to have been present,

On September 11, 2007, the DEQ Water Bureau (WB) received a complaint from the Dearborn Heights Fire Department indicating that the Fire Department had received and responded to a complaint of 'gasoline smell in the storm sewer system.' The Fire Department confirmed that 'gasoline' was present in the sewer system and it was traced back to the Knight K-23 facility located at 24045 West Warren Road, Dearborn Heights. According to the complaint, the discharge of gasoline into the sewer system appeared to be on-going and to have been occurring for 'several days.' According to the Fire Department, they have been receiving complaints of a 'gasoline smell' in the area 'as far back as August 30th.'

The RRD also received telephone call from Ms. Ida Fulks, Detroit Water and Sewer Division (DWSD), who indicated that on September 11, 2007, DWSD had started receiving complaints of 'gasoline smells' at 9:00 a.m. (when the station opened). DWSD tested each of the manholes with an explosive meter and although there did not appear to be an immediate danger of explosion, vapors were detected at each of the three manholes. Based on information provided to the DEQ by the DWSD and the Dearborn Heights Fire Department previous to September 11, 2007, DWSD has been receiving complaints for the past two-years of the presence of hydrocarbon vapors inside at least three businesses located along the same sewer system downgradient of the Knight K-23 facility. The volume of the gasoline released has presently not been reported to the DEQ.

In response to the report of hydrocarbon vapors, the WHMD conducted an inspection of the underground storage tank (UST) system on September 12, 2007, and determined there were numerous violations. The inspection report states that a 'suspected release needs to be called in due to the strong petroleum odor at the submersible pump.'

On September 20, 2007, Ms. Jeanne Schlaufman, RRD Project Manager, received a call from Mr. Dirk Mammen, Environmental Consulting and Technology, the Qualified Underground Storage Tank Consultant contracted by Knight Enterprises, Incorporated. Mr. Mammen called to advise Ms. Schlaufman that measurable free product had been detected in two of the five monitoring wells installed on and off the Knight K-23 facility. At monitoring well (MW3), installed in the alley adjacent to the storm sewer, free product filled the entire well screen; over three-feet of product was present at this location. Within monitoring well MW2, a 'couple inches' of product had been detected. Although information provided by Mr. Mammen indicates that the UST system passed a tightness test, it cannot be assumed nor has it been demonstrated that the UST system has not leaked; the UST system is the only known source of the free product. Mr. Mammen was advised by Ms. Schlaufman on September 20, 2007, to change the suspected release to a confirmed release. As of September 26, 2007, the WHMD had not been notified of or instructed to change the release status.

As the O/O of the UST system at the time of a release, you are required to immediately and expeditiously conduct initial response actions pursuant to Section 21307(2) of NREPA. Initial response actions include, but are not limited to the following:

- Conduct free product removal in a manner that minimizes the spread of contamination into previously uncontaminated zones by using recovery and disposal techniques appropriate to the conditions at the site and in a manner that properly treats, discharges, and disposes of recovery by-products as required by law.
- Excavate and contain, treat, or dispose of soils above the water table that are visibly contaminated, if the contamination is likely to cause a fire and/or explosive hazard or spread and increase the cost of corrective actions.
- If applicable, monitor and evaluate surrounding on-site utility corridors for free product, vapor, and explosive hazards.
- Take any other action necessary to abate an immediate threat to human health and the environment.

As of the date of this letter and based on information currently in the possession of the DEQ, you have still not confirmed a release and have not conducted the initial response actions listed above in response to the releases from your UST system. Based on the volume of product released to the subsurface soils, it is possible that a fire hazard still exists and/or that the continued presence of these soils on the site will allow for the continued spread of contamination and increase the cost of corrective actions. Failure to immediately and expeditiously excavate and contain, treat or dispose of the impacted soils above the water table is a violation of 21307(2)(d) of NREPA.

The DEQ is aware that Knight Enterprises has taken action to install a free product recovery trench on the Knight K-23 property, along the property boundary adjacent to the alley. However, as explained to Mr. Mammern on September 20, 2007, these actions do not address the potential free product and product saturated soils that remain in the alley as a continuing source of free product to the storm sewer and vapors to the nearby structures.

Pursuant to Section 21316a of NREPA, the DEQ upon discovery of a violation of Part 213 has the authority to prohibit the delivery of regulated substances to a facility by affixing a placard on each of the USTs in the system.

Therefore, you are hereby notified that the placards (red-tags) placed on the tanks by WHMD on September 12, 2007, will remain on the USTs located at the subject facility thereby prohibiting the delivery of regulated substances to those USTs until proof is provided to the DEQ the trench is effective in eliminating the off-site migration of free product, that free product abatement activities at MW3 are effective in eliminating the continual migration of free product into the storm sewer, and that actions are on-going to monitor for and address the presence of gasoline vapor (odor) in the businesses which have registered complaints. In addition, you will need to provide a detailed schedule and commitment to comply with the requirements of Section 21307(2) of

NREPA. Please note that in accordance with Section 21307 of the NREPA, the required initial response actions are to be conducted immediately, and to the extent possible completed before the 90-day Initial Assessment Report is due.

In addition to the red-tags remaining on the systems until the above conditions are met, this case has also been referred to the RRD Compliance and Enforcement Section for consideration of the assessment of civil fines for failure to comply with Parts 211, Underground Storage Tank Regulations, and Part 213, including but not limited to, failure to report to the DEQ within 24-hours the suspected release, confirmed release, and the discovery of free product.

The DEQ may pursue civil fines for each violation at a maximum rate of \$10,000.00 per day for each UST system present at the facility.

Technical questions regarding Part 213 statutory obligations should be directed to Ms. Schlaufman at 526-753-3823.

If you have any questions regarding this matter, contact me at the number listed below.

Sincerely,



Oladipo Oyinsan, District Supervisor
Southeast Michigan District Office
Remediation and Redevelopment Division
586-753-3800

cc: Mr. Dirk Mammen, Environmental Consulting and Technology, Incorporated
Mr. Dennis Eagle, DEQ
Ms. Jeanne Schlaufman, DEQ
Ms. Terri Harmon, DEQ
Ms. Jaclyn VanOverbeke, DEQ
Mr. Jerry Arnold, DEQ

Exhibit G



JENNIFER M. GRANHOLM
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF ENVIRONMENTAL QUALITY
LANSING



STEVEN E. CHESTER
DIRECTOR

October 10, 2007

CERTIFIED MAIL

Knight Enterprises Inc
40600 Grand River Ave
Novi, MI 48375-2810

Dear Knight Enterprises Inc :

SUBJECT: Facility ID No. 00018516, Confirmed Release No. C-0226-07
Knight Enterprises K-23
24045 W Warren St, Dearborn Heights, MI 48127-2229, Wayne County

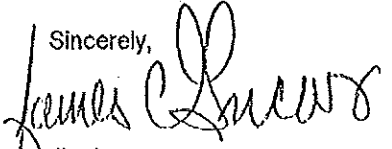
On September 20, 2007, the Department of Environmental Quality (DEQ), Waste and Hazardous Materials Division (WHMD), was notified of a release of a regulated substance from an underground storage tank (UST) system at the subject location. Enclosed is a copy of the confirmed release report.

Pursuant to Part 213, Leaking Underground Storage Tanks, of the natural Resources and Environmental Protection Act, 1994 PA 451, as amended, you are responsible for hiring a Qualified Underground Storage Tank Consultant to conduct the required corrective actions at this location. Please see the enclosed information regarding the hiring of a QC. If you do not agree that you are responsible for conducting corrective actions at this facility, you may submit supporting documentation to the Remediation and Redevelopment Division (RRD) of the DEQ within 30 days from receipt of this letter that demonstrates you are not responsible for the release.

The RRD may audit or oversee all aspects of corrective actions undertaken pursuant to Part 213. Please be advised that the owner or operator may be subject to penalties for not submitting the reports outlined in Part 213. In addition, Section 21324 of Part 213 provides that a person who submits, or causes to be submitted, false or misleading information may be prosecuted for fraud.

Please note that you are required to notify the WHMD of any changes to your UST system using the form EQP3821 Registration of Underground Storage Tanks.

Please include the facility identification number in any further communications with the DEQ. Correspondence, including reports required under Part 213, should be submitted to the RRD SE Michigan District Office, 27700 Donald Court, Warren, MI 48092-2793. Should you have questions regarding this letter, or need additional information, please contact the SE Michigan District Office at 586-753-3700.

Sincerely,

Jim Lucas
Storage Tank Unit
Waste and Hazardous Materials Division

Enclosures

cc: SE Michigan District Office, RRD

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MICHIGAN DEPARTMENT OF ENVIRONMENTAL QUALITY - WASTE AND HAZARDOUS MATERIALS DIVISION
 PO BOX 30241, LANSING, MI 48909-7741, Phone 517-335-2690, Fax 517-335-2245, E-mail DEQ-STD-TANKS@state.mi.us

RELEASE REPORT: SUSPECTED CONFIRMED

THIS INFORMATION IS REQUIRED UNDER 1994 PA 451, AS AMENDED (MCL 451). FAILURE TO COMPLY WITH THE PROVISIONS OF THIS ACT MAY RESULT IN A MISDEMEANOR AND/OR CIVIL PENALTIES NOT TO EXCEED \$600 PER DAY, PER TANK.

INSTRUCTIONS: This form applies to releases of petroleum and hazardous substances from underground storage tanks regulated under Part 211, Underground Storage Tanks, of the Natural Resources and Environmental Protection Act, 1994 PA 451, as amended (PA 451).

The owner or operator must report suspected and confirmed releases to the Waste and Hazardous Materials Division (WHMD) within 24 hours of discovery. The report may be made by a consultant on behalf of the owner/operator. Phone 1-800-MICHUST, FAX this form to 517-335-2246, or submit the web form from the WHMD web site www.state.mi.us/std. All information on this form must be provided regardless of whether the release is reported by telephone, FAX, or web form. For further information see Page 2.

WHMD USE ONLY	
FACILITY NUMBER 00018516	ENTRY DATE 9/26/07
UPGRADE/CANCEL DATE 10/10/07	INCIDENT NUMBER 5-0626-07
DATE REPORTED 9/26/2007	TIME REPORTED 8:49 AM <input type="checkbox"/> PM
REPORTED BY: <input type="checkbox"/> PHONE <input checked="" type="checkbox"/> FAX <input type="checkbox"/> VOICE MAIL <input type="checkbox"/> E-MAIL <input type="checkbox"/> REGULAR MAIL	
Signature <i>Tommy Luck</i>	

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PERSON REPORTING RELEASE DICK S. MAMMEN			COMPANY (IF NOT OWNER/OPERATOR) Environmental Cons. + Tech			TELEPHONE NUMBER: (586) 465-2583		
TANK REMOVAL CONTRACTOR			CONTRACTOR CONTACT			CONTRACTOR TELEPHONE NUMBER: ()		
I. OWNERSHIP OF TANKS				II. LOCATION OF TANKS				
NAME OF OWNER (CORPORATION, INDIVIDUAL, ETC.) KNIGHT ENTERPRISES INC				FACILITY NAME OR COMPANY SITE IDENTIFIER KNIGHT ENTERPRISES K-23				
STREET ADDRESS 40600 GRAND RIVER AVE				STREET ADDRESS (P O Box Not Acceptable) 24045 W. WARREN				
CITY NOVI	STATE MI	ZIP CODE 48375	CITY BRAZDORRN HEIGHTS	COUNTY WAYNE	STATE MI	ZIP CODE 48127		
TELEPHONE NUMBER (248) 478-3651				TELEPHONE NUMBER (248) 478-3651				
DATE RELEASE DISCOVERED: 9-20-07				CONTACT PERSON FOR LOCATION Jim DEMVAN				
TIME RELEASE DISCOVERED: <input type="checkbox"/> AM <input checked="" type="checkbox"/> PM 4:00								
TANK NUMBER ¹ (if known)	1	2	3	4	5			
SIZE OF TANK (gallons)	4,000	4,000	10,000	4,000	4,000			
SUBSTANCE RELEASED	GAS	GAS	GAS	DIESEL	KEROSENE			
SOURCE OF RELEASE (Check all that apply)	<input type="checkbox"/> Tank <input type="checkbox"/> Piping <input type="checkbox"/> Submersible Pump <input type="checkbox"/> Delivery Problem <input type="checkbox"/> Dispenser <input type="checkbox"/> Unknown <input type="checkbox"/> Other (provide details in comments)	<input type="checkbox"/> Tank <input type="checkbox"/> Piping <input type="checkbox"/> Submersible Pump <input type="checkbox"/> Delivery Problem <input type="checkbox"/> Dispenser <input type="checkbox"/> Unknown <input type="checkbox"/> Other (provide details in comments)	<input type="checkbox"/> Tank <input type="checkbox"/> Piping <input type="checkbox"/> Submersible Pump <input type="checkbox"/> Delivery Problem <input type="checkbox"/> Dispenser <input type="checkbox"/> Unknown <input type="checkbox"/> Other (provide details in comments)	<input type="checkbox"/> Tank <input type="checkbox"/> Piping <input type="checkbox"/> Submersible Pump <input type="checkbox"/> Delivery Problem <input type="checkbox"/> Dispenser <input type="checkbox"/> Unknown <input type="checkbox"/> Other (provide details in comments)	<input type="checkbox"/> Tank <input type="checkbox"/> Piping <input type="checkbox"/> Submersible Pump <input type="checkbox"/> Delivery Problem <input type="checkbox"/> Dispenser <input type="checkbox"/> Unknown <input type="checkbox"/> Other (provide details in comments)			
CAUSE OF RELEASE (Check all that apply)	<input type="checkbox"/> Overfill <input type="checkbox"/> Corrosion <input type="checkbox"/> Physical or Mechanical Damage <input type="checkbox"/> Installation Problem <input type="checkbox"/> Unknown <input type="checkbox"/> Equipment Malfunction <input type="checkbox"/> Other (provide details in comments)	<input type="checkbox"/> Overfill <input type="checkbox"/> Corrosion <input type="checkbox"/> Physical or Mechanical Damage <input type="checkbox"/> Installation Problem <input type="checkbox"/> Unknown <input type="checkbox"/> Equipment Malfunction <input type="checkbox"/> Other (provide details in comments)	<input type="checkbox"/> Overfill <input type="checkbox"/> Corrosion <input type="checkbox"/> Physical or Mechanical Damage <input type="checkbox"/> Installation Problem <input type="checkbox"/> Unknown <input type="checkbox"/> Equipment Malfunction <input type="checkbox"/> Other (provide details in comments)	<input type="checkbox"/> Overfill <input type="checkbox"/> Corrosion <input type="checkbox"/> Physical or Mechanical Damage <input type="checkbox"/> Installation Problem <input type="checkbox"/> Unknown <input type="checkbox"/> Equipment Malfunction <input type="checkbox"/> Other (provide details in comments)	<input type="checkbox"/> Overfill <input type="checkbox"/> Corrosion <input type="checkbox"/> Physical or Mechanical Damage <input type="checkbox"/> Installation Problem <input type="checkbox"/> Unknown <input type="checkbox"/> Equipment Malfunction <input type="checkbox"/> Other (provide details in comments)			

COMMENTS (attach additional sheets if necessary):
 BASED ON DWSO Report of vapors in nearby sewers. Tightness testing & inspections revealed tight and no current leaks apparent, however, on site well sampling reveals impacts. Possible historical and/or off-site impacts from neighbors.

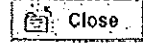
DISTRIBUTION: WHMD, FACILITY FILE, DISTRICT OFFICE, OWNER ¹ Copy this page for additional tanks if needed.

Tanks Status

SID-DEQ

Facility Address:
Facility ID: 00018516
Knight Enterprises K-23
24045 W Warren St
Dearborn Heights, MI 48127

Owner Address:
Owner ID: 8626
Knight Enterprises Inc
40600 Grand River Ave
Novi, MI 48375



(Note: Use page orientation "Landscape" for printing.)

Instruction: Click on the Tank ID to see more details.

Tank ID	Tank Status	Capacity (In Gal)	Installation Date	Substance Stored	Removed/ Closed Date	Removed/ Closed Notify Date
1	Currently In Use	4,000	5/6/1971	Gasoline		
2	Currently In Use	4,000	5/6/1971	Gasoline		
3	Currently In Use	10,000	5/6/1971	Gasoline		
4	Currently In Use	4,000	5/6/1971	Diesel		
5	Currently In Use	4,000	5/6/1971	Kerosene		
6	Removed from Ground	1,000		FUEL OIL	3/15/1993	10/13/1993
7	Removed from Ground	1,000		Used Oil	3/15/1993	10/13/1993

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Exhibit H



STATE OF MICHIGAN
DEPARTMENT OF ENVIRONMENTAL QUALITY
SOUTHEAST MICHIGAN DISTRICT OFFICE

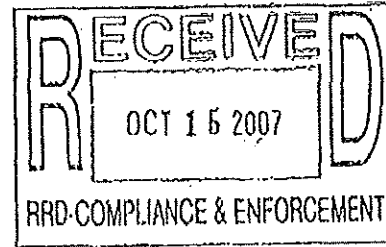


JENNIFER M. GRANHOLM
GOVERNOR

STEVEN E. CHESTER
DIRECTOR

October 10, 2007

CERTIFIED MAIL – 7005 3110 0003 0529 2354



Mr. Carroll Knight
Knight Enterprises, Incorporated
40600 Grand River Avenue
Novi, Michigan 48050

Dear Mr. Knight:

SUBJECT: Knight Enterprises K-23
24045 West Warren Road, Dearborn Heights, Wayne County, Michigan
Facility ID No. 0-0018516

The purpose of this letter is to advise Knight Enterprises, Incorporated of corrections to the release reported as suspected on September 20, 2007, and the due date for the submittal of the Initial Assessment Report (IAR) in accordance with Part 213, Leaking Underground Storage Tanks (LUST), of the Natural Resources and Environmental Protection Act (NREPA), 1994 PA 451, as amended. The release report indicates that a suspected release was reported by Mr. Dirk Mammem, Environmental Consulting & Technology, Incorporated (ECT) on behalf of Mr. Carroll Knight/Knight Enterprises, Incorporated.

Information on file with the Department of Environmental Quality (DEQ), Remediation and Redevelopment Division (RRD), indicates that Knight Enterprises, Incorporated and Mr. Mammem were contacted by the city of Dearborn Heights and Detroit Water and Sewer Division (DWSD) on September 11, 2007, regarding a report of gasoline vapors in the commercial structures north (across Warren Road) of the Knight Enterprises K-23 facility. According to the city of Dearborn Heights and DWSD, the gasoline vapors were due to the infiltration of gasoline emanating from the Knight Enterprises K-23 facility into the combined sewer. By all reports you were advised of the release on September 11, 2007, which would be the date of 'discovery', not September 20, 2007, as reported by ECT.

In addition to the change in the date of discovery of the release, this letter also serves to advise Mr. Carroll Knight/Knight Enterprises, Incorporated that the DEQ has changed the status of the release from suspected to confirmed. The release should originally been reported by ECT as confirmed; it isn't clear why it was reported as 'suspected.' Even absent the recent complaints and presence of gasoline emanating from the Knight Enterprises K-23 facility into the combined sewer, the DEQ file for this site indicates that

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in 1994 site sampling and analysis of site soils revealed the presence of contamination associated with a release of gasoline. A confirmed release should have been reported for the site back in 1994 upon receipt of the laboratory data for the soil and groundwater samples collected from the site.

Section 21308a(1) of the NREPA requires that within 90-days after a release has been discovered, a consultant retained by the owner or operator shall complete and submit an IAR. Based on the date of discovery, the IAR for this release is due on or before December 11, 2007.

This letter also serves to advise Mr. Carroll Knight/Knight Enterprises, Incorporated that they are in violation of Section 21307(1) for failing to report the release as a confirmed release within 24-hours of discovery. Mr. Mammem was advised on September 20, 2007, by Ms. Jeanne Schlaufman, DEQ/RRD to change the status of the release to confirmed. To date the status of the release remains unchanged. Please be advised that the DEQ has taken the actions necessary to change the date of discovery to September 11, 2007, and change the status of the release to confirmed.

Further, be aware that you are in violation of Section 21307(2) of the NREPA for failure to conduct initial response actions including but not limited to identifying and mitigating fire, explosion, and vapor hazards.

Failure to submit a statutorily complete IAR on or before December 11, 2007, is a violation of Part 213 of the NREPA. Section 21313a of the NREPA provides for the assessment of administrative penalties against owners and/or operators who fail to comply with the reporting schedule. The amount of the penalty that may be assessed is:

Not more than \$100 per day for the first seven days the report is late.

Not more than \$500 per day for days eight through fourteen that the report is late.

Not more than \$1,000 per day for each day beyond day fourteen that the report is late.

Please be advised that if a statutorily complete IAR is not submitted on or before December 11, 2007, the late report penalty will begin to accrue on December 12, 2007.

In addition to the assessment of administrative penalties pursuant to Section 21313a of the NREPA, the DEQ may also pursue other escalated enforcement actions, including but not limited to: (1) expending public funds for the performance of corrective actions, which are subject to cost recovery actions; (2) civil fines pursuant to Section 21323 of the NREPA; (3) the placement of placards (red-tags) on the underground storage tank systems pursuant to Section 21316a of the NREPA.

Mr. Carroll Knight

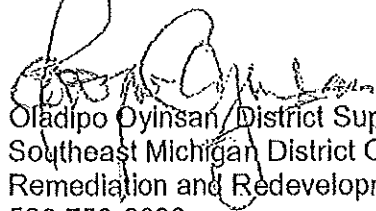
3

October 10, 2007

Technical questions regarding Part 213 statutory obligations should be directed to Ms. Schlaufman at 526-753-3823.

If you have any questions regarding this matter, contact me at the number listed below.

Sincerely,



Oladipo Oyinsan, District Supervisor
Southeast Michigan District Office
Remediation and Redevelopment Division
586-753-3800

cc: Mr. Philip Schrantz, DEQ
Ms. Pat McKay, DEQ
Mr. Dennis Eagle, DEQ
Ms. Jeanne Schlaufman, DEQ
Mr. Tim Sonnenberg, DEQ
Ms. Terri Harmon, DEQ
Ms. Jaclyn VanOverbeke, DEQ
Mr. Jerry Arnold, DEQ

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Exhibit I



STATE OF MICHIGAN

DEPARTMENT OF NATURAL RESOURCES & ENVIRONMENT

SOUTHEAST MICHIGAN DISTRICT OFFICE

JENNIFER M. GRANHOLM
GOVERNOR

REBECCA A. HUMPHRIES
DIRECTOR

April 27, 2010

CERTIFIED MAIL -- 7007 2680 0000 9503 5563

Mr. Carroll Knight
Knight Enterprises, Incorporated
40600 Grand River Avenue
Novi, Michigan 48050

Dear Mr. Knight:

SUBJECT: Violation Notice – Audit of Corrective Actions
Location: Knight Enterprises K-23
24045 West Warren Road, Dearborn Heights, Wayne County, Michigan
Confirmed Release Nos. C-0352-93 and C-0226-07
Facility ID No. 0-0018516

Under the authority of Section 21315 of Part 213, Leaking Underground Storage Tanks (LUST), of the Natural Resources and Environmental Protection Act, 1994 PA 451, as amended (NREPA), the Michigan Department of Natural Resources and Environment (DNRE), Remediation and Redevelopment Division (RRD), has conducted an audit of corrective actions undertaken as a result of releases from one or more underground storage tank (UST) systems currently/formerly at the above-referenced site. This letter also serves to advise Knight Enterprises/Mr. Carroll Knight they are considered out of compliance with the requirements of Part 213 of the NREPA, for both release C-0352-93 and C-0226-07. In response to release C-0352-93, Knight Enterprises failed to conduct the required corrective actions and bring the release to closure. With respect to release C-0226-07, Knight failed to conduct the initial response actions required pursuant to Section 21307a, and submit a Final Assessment Report (FAR) pursuant to Section 21311a no later than September 11, 2008; within 365 days from the date of discovery of confirmed release C-0226-07.

The audit consisted of a review of all file documents submitted in response to confirmed release C-0352-93, including the FAR received March 26, 1997, and the Initial Assessment Report (IAR) submitted in response to confirmed release C-0226-07, received by the DNRE on December 11, 2007. The IAR was submitted by Environmental Consulting & Technology, Incorporated (ECT), Qualified Underground Storage Tank Consultant (QC) and certified by Mr. Joseph Edwards, Certified Professional (CP).

Based on an audit of all information contained in the file, including the 1997 FAR, and the 2007 IAR, the RRD *does not* concur with the certification of the QC that corrective actions have been completed in accordance with Part 213. The reasons for our decision are:

- Failure to comply with Section 21307. (1) of the NREPA, both in 1994 and 2007.

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In 1994, Knight Enterprises (Knight) failed to report a confirmed release for this site. Information in the DNRE file indicates that while conducting investigations in response to the 1993 confirmed release from the former waste oil tank, the data for soil samples collected from the site clearly indicated the presence of gasoline indicator compounds in site soils and groundwater. In response to the strong petroleum odors encountered while installing the soil borings and the corresponding analytical data, Knight performed a tank tightness test. The file indicates that because the tanks tested tight, Knight did not confirm a release. According to DNRE records, the tanks at this site were installed in 1971, a passing tank tightness test is not evidence that an underground storage tank (UST) system has not leaked, only that it is not likely leaking at the time the test is conducted.

On September 12, 2007, staff of the DNRE conducted an inspection of the on-site UST system and discovered "strong petroleum odors at the regular submersible pump." At that time Knight was instructed to report a suspected release, based on the detection of vapors in the storm sewer catch basins adjacent to the site in conjunction with the discovery of odors at the submersible pump. Knight did not report a suspected release until September 20, 2007, and then only after gasoline free product was detected in MW-2 (located on-site) and MW-3 (located in alley adjacent to site). On September 20, 2007, staff of the DNRE advised the QC (Mr. Dirk Mammen with ECT) contracted by Knight that the presence of free product on the site is considered confirmation of a release; the release should be reported as confirmed, not suspected. On October 10, 2007, staff of the DNRE upgraded the suspected release to confirmed, because as of that date, Knight and/or their QC had refused/failed to do so.

- Failure to comply with 21308a, 21309a, and 21311a, respectively for release C-0352-93. In accordance with Part 213 of the NREPA, and ASTM standard E 1739-95 (Section 6.2), a risk-based corrective action (RBCA) evaluation should be conducted only after the identification of major sources of the contaminants of concern and the identification of the maximum concentrations of the contaminants in all potentially affected media (i.e., soil, groundwater, vapor). Further, compliance with Section 21311a(1) of the NREPA requires that the extent of contamination be defined. Contamination is defined in Section 21302(c) to mean the presence of a regulated substance in soil or groundwater. The extent of contamination must be defined, both above and below the water table. According to the available information, multiple sources of contamination were/are located at the site which have not been identified and/or adequately investigated:
 1. Information in the file indicates that in 1993, upon removal of the waste oil tank, holes were observed to be present in both ends of the tank. There was visual evidence of a release, which included odors and soils which exhibited elevated readings on a Photo Ionization Detector (PID). After the removal of 24 cubic yards of soil from the tank cavity, soil samples collected from the sidewalls of the excavation exhibited elevated PID readings. However, these samples were not submitted to the laboratory for analysis and the site investigations conducted subsequent to the removal of the waste oil tank did not, and do not appear to have been designed to determine the maximum concentrations remaining in the soils immediately surrounding the former tank, or to define the extent of contamination as a result of the documented release from the former waste oil tank.
 2. Section 21311a.(1)(a) of the NREPA, requires that the full extent of contamination be defined prior to submittal of the FAR. A review of the 1997 FAR/CAP indicates that the information is not sufficient to demonstrate that either the maximum contaminant concentrations or the extent of contamination had been fully defined when the FAR/CAP was prepared and submitted. The FAR/CAP was required to address the release from the waste oil tank, yet the CAP as proposed was designed to address soil and

groundwater contamination present on the site from the historical operations of the operations of gasoline and diesel fuel underground storage tanks.

3. Failure to conduct an adequate Feasibility Analysis (FA) pursuant to Section 21311a(1)(c) of the NREPA. The FA is supposed to identify feasible corrective action alternatives that reflect practical options, the level of complexity of the contamination problem, and the corrective actions that are needed to address the problem. The FA submitted in a FAR should include only those corrective action alternatives that have been determined to be practical and relevant for the site and demonstrated to be capable of remediating the contaminated soil and groundwater. A corrective action alternative can only be considered feasible if site conditions or characteristics are demonstrated to be appropriate. The FAR does not provide the information necessary to demonstrate that Enhanced Fluid Recovery (EFR) is/was feasible based on site-specific conditions. In addition, the FA does include the information required pursuant to Section 21311a(c)(i-iv).
4. Failure to provide a schedule to implement the CAP in accordance with Section 21311a. However, the schedule in the FAR/CAP list dates on which a series of "pilot tests" will be conducted; pilot tests are to determine whether a corrective action, if selected would prove effective at the site. The pilot test should have been conducted prior to the submittal of the FAR/CAP and the pilot test documentation, data, and evaluation provided in the FAR as required pursuant to Section 21311a(1)(c)(i-iv). According to the schedule of implementation, not until February 1998, was a determination as to whether EFR would be implemented as the corrective action to be decided. This does not fulfill the requirement of Section 21311a, to provide a schedule and implement a CAP.

According to the information on file with the DNRE, neither the pilot tests nor a CAP were ever implemented at the site.

- Failure to comply with 21307(2), 21308a, 21309a, and 21311a, respectively for confirmed release C-0226-07.
 1. Pursuant to Section 21307(2)(c) and (d) and Section 21308a(b)(xv) and (xviii), Knight failed to conduct the necessary investigations to determine the extent and source of the free product observed both on and off-site and the source of the vapors migrating into adjacent structures. The IAR as submitted does not contain any information to indicate that an adequate investigation to determine the extent of free product was conducted or that existing monitoring wells were examined for the presence of free product prior to the submittal of the IAR. The IAR is also required to contain information regarding the current levels of vapor or free product in nearby structures and there is no information in the IAR to indicate that any of the nearby structures have been investigated by Knight since the initial report of vapors in September of 2007.

On pages 9 and 10 of the IAR, ECT indicates that a "French drain" was installed on the north side of the combined sewer system to prevent potential free product from entering the sewer. However, the IAR does not provide details with respect to the construction of the French drain, nor is the location of the drain depicted on any of the site figures in the IAR. On page 10 of the IAR, it states that weekly visits will continue to monitor the site for the accumulation of free product. According to DNRE records, no inspection of the monitoring wells, the French drain, the sewer, or sewer manholes have been conducted since October 2007.

2. Failure to comply with Section 21307(2)(f) and report the discovery of free product to the department with 24 hours of its discovery. According to DNRE records, free product was discovered on September 20, 2007. The DNRE did not receive the required notification until October 5, 2007. Contrary to the text of the IAR, appendix A does not contain a Free Product Recovery Status Report.
3. Failure to comply with Section 21308a(1)(b)(xxii) and provide the results of the investigation in the IAR. The Dearborn Heights Fire Department received and responded to a complaint of "gasoline smell in storm sewer" on September 11, 2007. The Fire Department confirmed that "gasoline" was present in the sewer system and it was traced back to the Knight K-23 facility. The Detroit Water and Sewer Division also indicated they had been receiving complaints for the past two years of the presence of hydrocarbon vapors inside at least three businesses believed to be located along the same sewer system downgradient of the Knight K-23 site.

The IAR contains no documentation to indicate that ECT investigated these complaints. Verbally ECT advised the DNRE that the sewer system located behind the businesses complaining of vapors was not connected to the sewer adjacent to Knight K-23. At that time, the DNRE instructed ECT that compliance with the statute required them to document in writing the sewer systems were not connected and prepare the appropriate number of site maps and figures to support their findings. This documentation, as well as, an adequate scaled site map which depicts the location of the sewer system both relative to the site and surrounding properties, up and down gradient, should have been submitted in the IAR as part of the statutory requirement to identify potential migration and exposure pathways and receptors. The site map should also clearly identify the sewer manholes.

4. On pages 11 and 12 of the IAR, ECT states that contamination may be migrating onto the site from one or more off-site sources, yet no investigations were conducted to determine migration has or is occurring, or is the only source of the contamination documented to be present along the northern property boundary, and/or the adjacent right-of-ways (Telegraph and Warren Roads). Despite statements made by ECT on page 15 of the IAR, the results of the UST integrity tests do not support a claim that contamination (in whole or part) on the Knight K-23 could be from an off-site source. As stated previously, a passing tank tightness test is not evidence that the UST system has not leaked, only that it is not likely leaking at the time the test is conducted.

Adequate investigations must be conducted to substantiate any claims that contamination present along the northern property boundary, and/or the adjacent right-of-ways (Telegraph and Warren Roads) did not originate on the site. The presence of other sources of the same or similar contaminants does not negate the statutory obligation to define the extent of contamination resulting from a release from a regulated UST system. If a release from the UST system on the Knight K-23 property is commingled with other sources, the party responsible for conducting the corrective actions needs to find a way to differentiate between the various sources. Contamination on the Knight K-23 property from the operations of the UST system present on the property is assumed to make up the whole of the contaminant plume. Knight is responsible for conducting the corrective actions necessary to address the whole contaminant plume until the extent of the plume is defined, the plume is demonstrated to be of multiple sources, and unless it can be demonstrated the contamination from the multiple sources that can be distinguished from each other.

In addition to documentation of an adequate investigation to substantiate any claims that the contamination on the Knight K-23 site is from one or more off-site sources, the documentation must also include the UST system repair records for the past 10 years, at a minimum. The records should identify what prompted the call for a repair, what portion of the system was determined to be in need of repair, how, and when the repair was made.

Be advised that if the corrective action activities for the releases regulated pursuant to Part 213, result in a remedy that includes the implementation of an institutional control in the form of a Restrictive Covenant (RC) which imposes land and resource use restrictions, all contamination left in place within the area addressed by the RC must be protective and consistent with the applicable land-use based cleanup criteria proposed for the site, regardless of the source of the contamination. All off-site contamination must be remediated to the applicable residential criteria, or if appropriate and agreed to by the owner of the off-site property, adequate land or resource use restrictions must be implemented to address the remaining off-site contamination.

5. The information in the IAR does not comply with the requirements of Section 21308a(1)(b)(xxiv). In the IAR, ECT is to report the steps that have been taken or will be taken to expeditiously secure access to off-site properties to complete the delineation of the extent of the release. In addition, the IAR is to contain an implementation schedule for expeditiously securing access.
6. The site maps provided in the IAR are not in compliance with the requirements of the statute. Section 21308a(b)(vi)(C) requires that at least one site map show the location of the dispensers on the site, not an outline of the top of the canopy. Section 21308a(b)(vi)(E) requires the IAR to contain a map which depicts the locations of nearby buildings, roadways, paved areas, or other structures. As submitted, the site maps only depict the buildings located on the Knight property and only the portions of roadways adjacent to the site boundaries.
7. The information in the IAR does not comply with Section 21308a(1)(e), which requires the IAR to contain a work plan, including an implementation schedule for conducting a final assessment report under Section 21311a. The IAR does not contain an implementation schedule and the DNRE is not aware of any corrective actions having been conducted on this site since prior to the submittal of the IAR in December 2007.
8. Failure to comply with Section 21311a(1) of the NREPA, and complete and submit a FAR that includes a CAP developed pursuant to Section 213109a to the department within 365 days after discovery of a release. Based on the release discovery date of September 11, 2007, a FAR/CAP was due to the DNRE on or before September 11, 2008. To date, the DNRE has not received a FAR/CAP.
9. Prior to the submittal of a complete FAR/CAP, section 21311a.(1)(a) requires that the extent of contamination be defined. The IAR indicates that several borings and/or monitoring wells (GP1 through GP15) were constructed on the site in November 2007. The DNRE has reviewed the soil boring logs for these borings and has determined the logs do not contain sufficient information to demonstrate the samples collected from these borings are adequate for the purpose of defining the extent or determining maximum contaminant concentration at each boring location. The borings extend to depths as deep as 15 feet below ground surface (bgs), yet on most logs, only one PID reading is recorded, and on others, there are no PID readings recorded and no "remarks" that would indicate why soils were sampled from one depth versus another.

It is not possible to determine whether the soil samples were collected from the zone exhibiting the highest PID reading or not. There is also no information to determine what the vertical extent of soil contamination is across the site. Soils should be screened with a PID a maximum of every two linear feet and the PID reading recorded on the boring log.

NOTE: Even when a zone of saturation is present, the full extent of soil contamination must be determined for both soils above and below the water. Frequently, contamination below the water table is in the form of Light Nonaqueous Phase Liquid trapped in pore spaces. Sub-water table soil contamination represents a continued source to groundwater contamination and a potential risk that needs to be addressed.

The owner or operator of this facility is required, under the provisions of Section 21315(3) of Act 451, to do the following:

1. Provide additional information related to the requirements of Part 213, as specified above.
2. Retain a QC to conduct additional corrective actions necessary to comply with Part 213, or to protect public health, safety and welfare, and the environment.

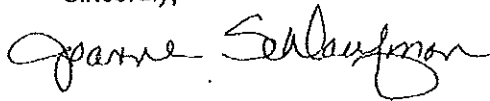
Please submit to this office *within 14-days receipt* of this audit, a written commitment to comply with the above requests. The commitment should include a schedule for submitting a complete FAR/CAP in compliance with Sections 21311a and 21309a respectively. If the RRD does not concur with the schedule as proposed, you will be notified. Please note that you are not compliance with Part 213 until an adequate FAR/CAP is received.

This letter may not capture all of the violations or all of the corrective actions necessary to comply with Part 213.

Section 21307a(2) of Part 213, requires that the QC provide this office with a minimum of 48-hours notice prior to conducting any on-site activities.

If you have any questions regarding this matter, you may contact me at the telephone number listed below.

Sincerely,



Jeanne Schlaufman,
Environmental Quality Specialist
Southeast Michigan District Office
Remediation and Redevelopment Division
586-753-3823

cc: Mr. Joseph Edwards, Environmental Consulting & Technology
Mr. Oladipo Oyinsan, DNRE
Mr. Brian Muench, DNRE
Ms. Michelle Bakun, DNRE
Ms. Jaclyn Merchant, DNRE

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 City, State, ZIP+4 _____

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- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

**Mr. Carroll Knight
 Knight Enterprises, Incorporated
 40600 Grand River Avenue
 Novi, Michigan 48050**

COMPLETE THIS SECTION ON DELIVERY

A. Signature Agent
 X Pat Thomson Addressee

B. Received by (Printed Name) Pat Thomson C. Date of Delivery 4-30-10

D. Is delivery address different from item 1? Yes
 If YES, enter delivery address below: No

3. Service Type
 Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee) Yes

2. Article Number (Transfer from service label) 7007 2660 0000 9503 5563

Exhibit J



STATE OF MICHIGAN

DEPARTMENT OF NATURAL RESOURCES & ENVIRONMENT

SOUTHEAST MICHIGAN DISTRICT OFFICE

JENNIFER M. GRANHOLM
GOVERNOR

REBECCA A. HUMPHRIES
DIRECTOR

May 13, 2010

CERTIFIED MAIL – 7007 2680 0000 9503 6553

Mr. Carroll Knight
Knight Enterprises Incorporated
40600 Grand River Avenue
Novi, Michigan 48050

Dear Mr. Knight:

SUBJECT: Leaking Underground Storage Tank Late Report Penalty Notice
Knight Enterprises K-23
24045 West Warren Road, Dearborn Heights, Wayne County, Michigan
Facility ID No. 0-0018516
Confirmed Release Nos.: C-0352-93 and C-0226-07
Project Number 446610

In the Violation Notice (VN) letter dated April 27, 2010, the Department of Natural Resources and Environment (DNRE), Remediation and Redevelopment Division (RRD), requested that Knight Enterprises/Mr. Carroll Knight submit a complete Final Assessment Report (FAR), pursuant to Section 21311a of Part 213, Leaking Underground Storage Tanks (LUST) of the Natural Resources and Environmental Protection Act (NREPA), 1994 PA 451 as amended (Act 451). As of today's date, the RRD has not received a response to the VN letter. Please be advised that Section 21313a of the NREPA provides for the assessment of administrative penalties against liable parties who fail to comply with the Part 213 reporting schedule.

The amount of the penalty that may be assessed is:

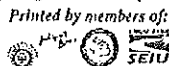
Not more than \$100 per day for the first seven days the report is late.

Not more than \$500 per day for days eight through fourteen that the report is late.

Not more than \$1,000 per day for each day beyond day fourteen that the report is late.

As a result of the release of regulated substances from the subject facility, the DNRE believes that a threat to human health and the environment exists, because the release has not been adequately addressed.

27700 DONALD COURT • WARREN, MICHIGAN 48092-2793
www.michigan.gov/dnre • (586) 763-3700



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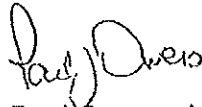
Please be advised that the late report penalty will begin to accrue on the date of Knight Enterprises/Mr. Carroll Knight's receipt of this letter and that the penalty will be assessed should Knight Enterprises/Mr. Carroll Knight fail to submit the FAR to the DNRE.

In addition to the assessment of administrative penalties pursuant to Section 21313a of the NREPA, the DNRE may also pursue other escalated enforcement actions, including but not limited to: expending public funds for the performance of corrective actions, which are subject to cost recovery actions; seeking civil fines pursuant to Section 21323 of the NREPA; and/or the placement of placards (red tags) on the underground storage tank (UST) systems pursuant to Section 21316a of the NREPA.

If you have any questions regarding this Notice Letter or the subject facility, please contact Ms. Jeanne Schlaufman, RRD Southeast Michigan District Office, at 586-753-3823, or you may contact me.

Thank you for your anticipated cooperation and prompt attention to this matter.

Sincerely,



Paul Owens, Acting District Supervisor
Southeast Michigan District Office
Remediation and Redevelopment Division
586-753-3821

cc: Mr. Phillip L. Schrantz, DNRE
Ms. Patricia McKay, DNRE
Mr. Brian Muench, DNRE
Ms. Jaclyn Merchant, DNRE
Ms. Jeanne Schlaufman, DNRE
Ms. Michelle Bakun, DNRE

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Package #

Return (Endorsement)
 Restricted (Endorsement)
 Total Post

Mr. Carroll Knight
Knight Enterprises Inc.
40600 Grand River Ave.
Novi, MI 48050

1378

Sent To
 Street, Apt. No. or PO Box No.
 City, State, ZIP+4

7007 2680 0000 9503 6553

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<ul style="list-style-type: none"> ■ Complete Items 1, 2, and 3. Also complete Item 4 if Restricted Delivery is desired. ■ Print your name and address on the reverse so that we can return the card to you. ■ Attach this card to the back of the mailpiece, or on the front if space permits. <p>1. Article Addressed to:</p> <p style="text-align: center; margin-top: 20px;">Mr. Carroll Knight Knight Enterprises Inc. 40600 Grand River Ave. Novi, MI 48050</p> <p>2. Article Number <i>(Transfer from service label)</i></p>	<p>A. Signature X <i>Pat Thomason</i> <input checked="" type="checkbox"/> Agent <input type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name) <i>PAT THOMASON</i></p> <p>C. Date of Delivery <i>5-18-10</i></p> <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No</p> <p>3. Service Type <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input checked="" type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.</p> <p>4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes</p>
7007 2680 0000 9503 6553	

Exhibit K



JENNIFER M. GRANHOLM
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF NATURAL RESOURCES & ENVIRONMENT
LANSING



REBECCA A. HUMPHRIES
DIRECTOR

November 5, 2010

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. Carroll Knight
Knight Enterprises Incorporated
40600 Grand River Avenue
Novi, Michigan 48050

Dear Mr. Knight:

SUBJECT: Leaking Underground Storage Tank Late Report Penalty Assessment
Knight Enterprises K-23
24045 West Warren Road, Dearborn Heights, Wayne County, Michigan
Facility ID No: 0-0018516
Confirmed Release No: C-0352-93, and C-0226-07

On May 13, 2010, the Department of Natural Resources and Environment (DNRE), Remediation Division, sent you a Late Report Penalty Notice Letter (LRP Notice) by certified mail notifying you of your failure to comply with the reporting requirements of Part 213, Leaking Underground Storage Tanks, of the Natural Resources and Environmental Protection Act, 1994 PA 451, as amended, at the subject facility. The DNRE LRP Notice also informed you that late report penalties would begin to accrue, pursuant to Section 21313a of the NREPA, upon your receipt of the LRP Notice and would be assessed should a statutorily complete Final Assessment Report not be submitted to the DNRE.

Our records confirm your receipt of the DNRE LRP Notice by certified mail on May 18, 2010. As of the date of this letter, the Remediation Division has not received the overdue Final Assessment Report. According to our information, at least 126 days have elapsed following your receipt of the LRP Notice. You are hereby notified that the DNRE is imposing the following administrative penalty for noncompliance with the reporting requirements of Part 213.

\$100.00 per day for Days 1 through 7 of violation	=	\$700.00
\$500.00 per day for Days 8 through 14 of violation	=	\$3,500.00
\$1,000.00 per day for Days 15 through 127 of violation	=	\$112,000.00
Total penalty for violation	=	\$116,200.00

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Please send a certified check or money order made payable to the "State of Michigan – Environmental Response Fund" in the amount of the assessed penalty of \$116,200.00 to the following:

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

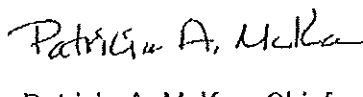
For proper accounting of your penalty payment, please include "Project No. 446610" on the certified check or money order, and include a copy of this letter with the remittance.

Payment must be received at the address indicated above within twenty-one (21) days of your receipt of this letter. Failure to remit the assessed penalty by the due date will result in the referral of this case to the Michigan Department of Attorney General for the collection of the assessed penalty and any other applicable costs and/or fines allowed by law, and the pursuit of a court order compelling your compliance with the corrective action requirements of Part 213.

Please be aware that late report penalties continue to accumulate. Should your noncompliance with the reporting requirements of Part 213 continue, the DNRE may impose the additional accumulating late report penalties.

If you have questions regarding this matter, please contact Ms. Jaclyn Merchant, Storage Tank Enforcement Unit, Compliance and Enforcement Section, Remediation Division, DNRE, at 517-373-3506. Technical questions regarding the status of contamination at the facility should be directed to Ms. Jeanne Schlaufman, Project Manager, Southeast Michigan District Office, Remediation Division, DNRE, 27700 Donald Court, Warren, Michigan 48092, or at 586-753-3823; or you may contact me.

Sincerely,



Patricia A. McKay, Chief
Compliance and Enforcement Section
Remediation Division
517-373-7818

cc: Ms. Lynelle Marolf, DNRE
Mr. Philip L. Schrantz, DNRE
Mr. Brian K. Muench, DNRE
Ms. Cheryl Wilson, DNRE
Ms. Jeanne Schlaufman, DNRE
Ms. Michelle Bakun, DNRE
Ms. Jaclyn Merchant, DNRE

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7007 1490 0003 9692 5077

<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%; border-right: 1px dashed black;">Postage \$</td> <td style="width: 50%;"></td> </tr> <tr> <td style="border-right: 1px dashed black;">Certified Fee</td> <td></td> </tr> <tr> <td style="border-right: 1px dashed black;">Return Receipt Fee <small>(Endorsement Required)</small></td> <td></td> </tr> <tr> <td style="border-right: 1px dashed black;">Restricted Delivery Fee <small>(Endorsement Required)</small></td> <td></td> </tr> </table>	Postage \$		Certified Fee		Return Receipt Fee <small>(Endorsement Required)</small>		Restricted Delivery Fee <small>(Endorsement Required)</small>		Postmark Here
Postage \$									
Certified Fee									
Return Receipt Fee <small>(Endorsement Required)</small>									
Restricted Delivery Fee <small>(Endorsement Required)</small>									

MR. CARROLL KNIGHT
 KNIGHT ENTERPRISES INC
 40600 GRAND RIVER AVE
 NOVI MI 48050

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY																		
<ul style="list-style-type: none"> ■ Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. ■ Print your name and address on the reverse so that we can return the card to you. ■ Attach this card to the back of the mailpiece, or on the front if space permits. 	<table style="width: 100%; border-collapse: collapse;"> <tr> <td colspan="2">A. Signature</td> <td><input type="checkbox"/> Agent</td> </tr> <tr> <td colspan="2" style="border-bottom: 1px solid black;"><i>X. J. Payne</i></td> <td><input type="checkbox"/> Addressee</td> </tr> <tr> <td style="width: 50%;">B. Received by (Printed Name)</td> <td colspan="2">C. Date of Delivery</td> </tr> <tr> <td style="border-bottom: 1px solid black;"><i>N. Payne</i></td> <td colspan="2" style="border-bottom: 1px solid black;">7-10-10</td> </tr> <tr> <td colspan="3">D. Is delivery address different from item 1? <input type="checkbox"/> Yes</td> </tr> <tr> <td colspan="3">If YES, enter delivery address below: <input type="checkbox"/> No</td> </tr> </table>	A. Signature		<input type="checkbox"/> Agent	<i>X. J. Payne</i>		<input type="checkbox"/> Addressee	B. Received by (Printed Name)	C. Date of Delivery		<i>N. Payne</i>	7-10-10		D. Is delivery address different from item 1? <input type="checkbox"/> Yes			If YES, enter delivery address below: <input type="checkbox"/> No		
A. Signature		<input type="checkbox"/> Agent																	
<i>X. J. Payne</i>		<input type="checkbox"/> Addressee																	
B. Received by (Printed Name)	C. Date of Delivery																		
<i>N. Payne</i>	7-10-10																		
D. Is delivery address different from item 1? <input type="checkbox"/> Yes																			
If YES, enter delivery address below: <input type="checkbox"/> No																			
1. Article Addressed to: <div style="border: 1px solid black; padding: 5px; margin: 5px 0;"> MR. CARROLL KNIGHT KNIGHT ENTERPRISES INC 40600 GRAND RIVER AVE NOVI MI 48050 </div>	3. Service Type <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.																		
2. Article Number <small>(Transfer from service label)</small>	4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes																		
7007 1490 0003 9692 5077																			

Exhibit L



RICK SNYDER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF NATURAL RESOURCES & ENVIRONMENT
LANSING



March 10, 2011

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. Carroll Knight
Knight Enterprises Incorporated
40600 Grand River Avenue
Novi, Michigan 48050

Dear Mr. Knight:

SUBJECT: Leaking Underground Storage Tank Second Late Report Penalty
Assessment for Knight Enterprises K-23, 24045 West Warren Road,
Dearborn Heights, Wayne County; Facility ID No. 0-0018516;
Confirmed Release No. C-0352-93 & C-0226-07

On November 5, 2010, the Department of Natural Resources and Environment (DNRE), Remediation Division, sent you a Late Report Penalty (LRP) Assessment Letter by certified mail notifying you of the assessment of \$116,200 in late report penalties for your failure to comply with the reporting requirements of Part 213, Leaking Underground Storage Tanks, of the Natural Resources and Environmental Protection Act, 1994 PA 451, as amended (NREPA), at the subject facility. The DNRE LRP Assessment Letter also informed you that late report penalties would continue to accrue, pursuant to Section 21313a of the NREPA. The assessment of \$116,200 in late report penalties was based on your receipt of the LRP Notice letter sent on May 13, 2010.

Our records confirm your receipt of the DNRE LRP Assessment Letter by certified mail on November 10, 2010, and the LRP Notice letter on May 18, 2010. As of the date of this letter, the Remediation Division has not received the overdue Final Assessment Report. According to our information, approximately 289 days have elapsed following your receipt of the LRP Notice Letter. The total penalty below includes assessed penalties in the November 5, 2010, DNRE LRP Assessment Letter and additional late report penalties beginning on day 128 through 289. You are hereby notified that the DNRE is imposing the following administrative penalty for noncompliance with the reporting requirements of Part 213 of the NREPA:

Penalty assessed - November 5, 2010, DNRE LRP Assessment Letter	=	\$116,200
\$1,000 per day for Day 128 through Day 289	=	\$162,000
Total penalty for violation	=	\$278,200

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Please send a certified check or money order made payable to the "State of Michigan – Environmental Response Fund" in the amount of the assessed penalty of \$278,200. For proper accounting of your penalty payment, please include "Project No. 446610" on the certified check or money order, enclose a copy of this letter with your remittance, and mail it to:

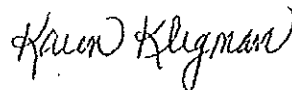
Revenue Control Unit
Finance Section
Administrative Division
Department of Natural Resources and Environment
P.O. Box 30657
Lansing, Michigan 48909-8157

Payment must be received at the address indicated above within twenty-one (21) days of your receipt of this letter. Failure to remit the assessed penalty by the due date will result in the referral of this case to the Department of Attorney General for the collection of the assessed penalty and any other applicable costs and/or fines allowed by law, and the pursuit of a court order compelling your compliance with the corrective action requirements of Part 213 of the NREPA.

Please be aware that late report penalties continue to accumulate. Should your noncompliance with the reporting requirements of Part 213 continue, the DNRE may impose the additional accumulating late report penalties.

If you have any questions regarding this matter, please contact Ms. Jaclyn Merchant, Storage Tank Enforcement Unit, Compliance and Enforcement Section, Remediation Division, DNRE, at 517-373-3506. Technical questions regarding the status of contamination at the facility should be directed to Ms. Jeanne Schlaufman, Project Manager, Southeast Michigan District Office, Remediation Division, DNRE, 27700 Donald Court, Warren, Michigan 48902, or at 586-753-3823; or you may contact me at the number below.

Sincerely,



Karen Kligman, Acting Chief
Compliance and Enforcement Section
Remediation Division
517-335-6526

cc: Ms. Lynelle Marolf, DNRE
Ms. JoAnn Merrick, DNRE
Mr. Phillip L. Schrantz, DNRE
Mr. Brian K. Muench, DNRE
Ms. Cheryl Wilson, DNRE
Ms. Jeanne Schlaufman, DNRE
Ms. Jaclyn Merchant, DNRE
Ms. Linda Fowler, DNRE

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MR. CARROLL KNIGHT
 KNIGHT ENTERPRISES INC
 40600 GRAND RIVER AVE
 NOVI MI 48050

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY	
<ul style="list-style-type: none"> ■ Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. ■ Print your name and address on the reverse so that we can return the card to you. ■ Attach this card to the back of the mailpiece, or on the front if space permits. 	<p>A. Signature <input checked="" type="checkbox"/> Agent <input type="checkbox"/> Addressee</p> <p><i>[Signature]</i></p>	
<p>1. Article Addressed to:</p> <p style="text-align: center;">MR. CARROLL KNIGHT KNIGHT ENTERPRISES INC 40600 GRAND RIVER AVE NOVI MI 48050</p>	<p>B. Received by <small>(Printed Name)</small></p> <p><i>[Signature]</i></p>	<p>C. Date of Delivery</p> <p style="text-align: center;">MAR 17 2011</p>
	<p>D. Is delivery address different from item 1? <input checked="" type="checkbox"/> Yes (If YES, enter delivery address below: <input type="checkbox"/> No)</p>	
<p>2. Article Number <small>(transfer from service label)</small></p> <p style="text-align: center;">7007 1490 0003 9692 5176</p>	<p>3. Service Type INSURANCE ENDORSEMENT</p> <p> <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D. </p>	
<p>4. Restricted Delivery? <small>(Extra Fee)</small> <input type="checkbox"/> Yes</p>		

Exhibit

M



RICK SNYDER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF ENVIRONMENTAL QUALITY
LANSING



DAN WYANT
DIRECTOR

October 11, 2011

CERTIFIED MAIL – 7007 2680 0000 9503 5976

Mr. Carroll Knight
c/o Mr. Paul Bohn
Fausone Bohn, LLP
Attorneys at Law
41700 West Six Mile Road, Suite 101
Northville, Michigan 48168

Dear Mr. Bohn:

SUBJECT: Audit of Corrective Actions
Location: Knight Enterprises K-23
24045 West Warren Road, Dearborn Heights, Wayne County, Michigan
Confirmed Release Nos. C-0352-93 and C-0226-07
Facility ID No. 0-0018516

The Department of Environmental Quality (DEQ), Remediation Division (RD), has conducted an audit of the corrective actions undertaken as the result of a release from a regulated underground storage tank (UST) system(s) at the subject facility. The audit was completed under the authority of Section 21315 of Part 213, Leaking Underground Storage Tanks, of the Natural Resources and Environmental Protection Act, 1994 PA 451, as amended (NREPA) following receipt of a Final Assessment Report (FAR) submitted by Environmental Consulting & Technology, Incorporated (ECT), qualified underground storage tank consultant (QC), and certified by John Kennedy, certified underground storage tank professional (CP).

The audit consisted of a review of file documents submitted in response to confirmed releases C-0352-93 and C-0226-07, including the FAR received June 30, 2011. Based on this audit, the RD **does not** concur with the certification of the QC that corrective actions have been completed in accordance with Part 213. The reasons for our decision are:

- Failure to comply with 21308a, 21309a, and 21311a, respectively for releases C-0352-93 and C-0226-07.
In accordance with Part 213 of the NREPA, and ASTM standard E 1739-95 (Section 6.2), a risk-based corrective action (RBCA) evaluation should be conducted only after the identification of major sources of the contaminants of concern and the identification of the maximum concentrations of the contaminants in all potentially affected media (i.e., soil, groundwater, vapor). Further, compliance with Section 21311a(1) of the NREPA requires the definition of the extent of contamination for all hazardous substances known to have been present at/on the property. Contamination is defined in Section 21302(c) to mean the presence of a regulated substance in soil or groundwater. The extent of contamination must be defined, both above and below the water table.

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1. The maximum concentrations and extent of Polynuclear Aromatics (PNAs) contamination has not been determined, nor the absence of PNAs as a site contaminant documented.

As indicated in the DEQ April 27, 2010 audit letter, information in the file indicates that in 1993, upon removal of the waste oil tank, holes were observed to be present in both ends of the tank. There was visual evidence of a release, which included odors and soils which exhibited elevated readings on a Photo Ionization Detector (PID). After the removal of 24 cubic yards of soil from the tank cavity, soil samples collected from the sidewalls of the excavation exhibited elevated PID readings. However, these samples were not submitted to the laboratory for analysis. The site investigations conducted subsequent to the removal of the waste oil tank have not determined the maximum concentrations remaining in the soils immediately surrounding the former tank, or defined the extent of all hazardous substances potentially stored in the former waste oil tank, which would include Polynuclear Aromatics (PNAs).

Additionally, a diesel and kerosene UST operated on the property and were removed in September of 2010, yet the soil samples collected from the sidewalls of the excavation were not analyzed for PNAs or diesel range organics (DRO). The absence of PNAs in soil samples collected from the floor of the excavation at 14 feet below ground surface (bgs) does not eliminate the need to sample the sidewall samples for PNAs to document the absence or presence of PNAs and their concentrations and assess soils for free phase contamination associated with the presence of semi-volatile organic compounds.

2. As noted above, the information in the 2011 FAR/CAP is not sufficient to demonstrate that either the maximum contaminant concentrations or the extent of contamination has been fully defined with respect to the former waste oil UST or along the western and southern boundaries of the property.

With respect to the western property boundary, as indicated in the previous DEQ audit letter, the borings logs for the soil borings and/or monitoring wells (GP1 through GP15) constructed on the site in November 2007, do not contain sufficient information to demonstrate the samples collected from these borings are adequate for the purpose of defining the extent or determining maximum contaminant concentration at each boring location. The borings extend to depths as deep as 15 feet bgs, yet on most logs, only one PID reading is recorded, and on others, there are no PID readings recorded and no "remarks" that would indicate why soils were sampled from one depth versus another. It is not possible to determine whether the soil samples were collected from the zone exhibiting the highest PID reading, which is generally an indication of the zone of maximum contamination. There is also no information on the boring logs to determine what the vertical extent of soil contamination is across the site. Soils should be screened with a PID a maximum of every two linear feet and the PID reading recorded on the boring log.

With respect to the southern property boundary, the samples collected from GP22 and GP23, are at a depth of approximately 9 feet bgs, not at the shallower depths at which contamination has been documented to be present. Contamination on the north side of the alley has been documented to be present at approximately 6 feet bgs. The collection of samples from borings GP22 and GP23 only at a depth of 9 feet bgs, does not demonstrate contamination has not migrated across the alley at the shallower depth. Nor demonstrate the extent of contamination documented to be present at 6 feet bgs has been defined.

- Failure to conduct an adequate Feasibility Analysis (FA) pursuant to Section 21311a(1)(c) of the NREPA. The FA is supposed to identify feasible corrective action alternatives that will address the entire plume of contaminated soil and groundwater, not soil only and not only "75% to 85%" of the contaminated soils, as indicated on page 18 of the FAR. The FA should identify and evaluate only those corrective action alternatives that have been determined to be practical and relevant for the site and demonstrated to be capable of remediating the contaminated soil and groundwater, both on and off the property. In addition, the FA is required to include the information required pursuant to Section 21311a(c)(i-iv).
- Failure to comply with 21311a and 21309a of the NREPA for confirmed releases C-0352-93 and C-0226-07. Section 21311a requires the completion of a FAR that includes a Corrective Action Plan (CAP) developed pursuant to Section 213109a. The CAP is required to identify the cleanup objectives for the site and describe the corrective actions that will be taken to address the contamination to meet the stated objective, both on and off the property. In Section 2.5 (E) of the FAR, ECT indicates no groundwater remediation has been implemented or planned because the groundwater is not connected or part of a viable aquifer. A designation of groundwater not in an aquifer only relieves a liable party from having to remediate to drinking water criteria or otherwise implement a corrective action to address the drinking water pathway. It does not relieve a liable party from having to implement corrective actions to sufficient to address all other relevant groundwater pathways.

The CAP as submitted, does not propose the implementation of corrective actions to address the following:

1. The contaminated groundwater on and off the property;
 2. The soil and groundwater contamination known to exist under the building (if the building is not demolished);
 3. The soil and groundwater contamination present within the Right-of-Way (ROW) of Telegraph Road;
 4. The soil and groundwater contamination present within the Warren Avenue ROW; and
 5. The soil and groundwater contamination present within the alley adjacent to the southern property boundary.
- Copied from the DEQ letter of April 2010 – information still not provided. Failure to comply with Section 21308a(1)(b)(xxii) and provide the results of the investigation in the IAR. The Dearborn Heights Fire Department received and responded to a complaint of "gasoline smell in storm sewer" on September 11, 2007. The Fire Department confirmed that "gasoline" was present in the sewer system and it was traced back to the Knight K-23 facility. The Detroit Water and Sewer Division also indicated they had been receiving complaints for the past two years of the presence of hydrocarbon vapors inside at least three businesses believed to be located along the same sewer system downgradient of the Knight K-23 site.

The IAR contains no documentation to indicate that ECT investigated these complaints. Verbally, ECT advised the Department of Natural Resources (DNRE), currently the DEQ, that the sewer system located behind the businesses complaining of vapors was not connected to the sewer adjacent to Knight K-23. At that time, the DNRE instructed ECT that compliance with the statute required them to document in writing the sewer systems were not connected and prepare the appropriate number of site maps and figures to support their

findings. This documentation, as well as, an adequate scaled site map which depicts the location of the sewer system both relative to the site and surrounding properties, up and down gradient, should have been submitted in the IAR as part of the statutory requirement to identify potential migration and exposure pathways and receptors. The site map should also clearly identify the sewer manholes.

- Provide copies of laboratory chain-of-custody documents for soil samples identified as GP1-GP17, collected in 2007.
- Pursuant to Part 213 and the required report contents, the site maps should depict the location of the former waste oil UST, as well as the location of the former tanks and dispensers removed in 2010.

The owner or operator of this facility is required, under the provisions of Section 21315(3) of Act 451, to do the following:

1. Provide additional information related to the requirements of Part 213, as specified above.
2. Retain a QC to conduct additional corrective actions necessary to comply with Part 213, or to protect public health, safety and welfare, and the environment.

Please submit to this office, **within 14 days receipt** of this audit, a written commitment to comply with the above requests. The commitment should include a schedule for submitting a complete FAR and CAP in compliance with Sections 21311a and 21309a, respectively. If the RD concurs with the proposed schedule, a draft settlement agreement will be provided for the purposes of settling claims for Part 213 non compliance, and Section 21313a of the NREPA Late Report Penalties assessed on November 5, 2010 and March 10, 2011 in the cumulative amount of \$278,200, which continue to accrue. If you would like to meet to discuss options for satisfactorily resolving the above violations, please contact this office within ten days of your receipt of this letter.

If you should have further questions or concerns, please contact Ms. Jeanne Schlaufman, Project Manager, at 586-753-3825; schlaufmanj1@michigan.gov; or DEQ, RD, Southeast Michigan District Office, 27700 Donald Court, Warren, Michigan, 48092.

Sincerely,



Paul Owens, District Supervisor
Southeast Michigan District Office
Remediation Division
586-753-3821

cc: Mr. Brian Muench, DEQ
Ms. Jeanne Schlaufman, DEQ
Ms. Michelle Bakun, DEQ
Mr. Enrique S. Bustillos, DEQ

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Mr. Carroll Knight
c/o Mr. Paul Bohn
Fausone Bohn, LLP
Attorneys at Law
41700 West Six Mile Road, Suite 101
Northville, Michigan 48168

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<p>1. Article Addressed to:</p> <p>Mr. Carroll Knight c/o Mr. Paul Bohn Fausone Bohn, LLP Attorneys at Law 41700 West Six Mile Road, Suite 101 Northville, Michigan 48168</p>	<p>3. Service Type <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input checked="" type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.</p> <p>4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes</p>
<p>2. Article Number (Transfer from service label)</p>	<p>7007 2680 0000 9503 5</p>