

MICHIGAN DEPARTMENT OF ENVIRONMENTAL QUALITY

In the Matter of:

Fort Gratiot Sanitary Landfill  
St. Clair County, Michigan

MDEQ Reference No. AOC-RD-10-005

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

A. This Administrative Order by Consent for Payment of Past and Future Response Activity Costs (Order) is entered into voluntarily by and between the Michigan Department of Environmental Quality (MDEQ) and the Michigan Department of Attorney General (MDAG) (collectively, the "State"); and GL Group Holdings Limited Partnership, Mr. Robert A. McCaig, and St. Thomas Sanitary Collection Service Limited Partnership (alternatively and collectively hereinafter, the "Reimbursing Parties"), pursuant to the authority vested in the MDEQ and the MDAG by Part 201, Environmental Remediation, of the Natural Resources and Environmental Protection Act, 1994 PA 451, as amended (NREPA), MCL 324.11501, *et seq.*, and MCL 324.20101, *et seq.*; and the Comprehensive Environmental Response, Compensation, and Liability Act, 1980 PL 96-510, as amended (CERCLA), 42 U.S.C. Section 9601, *et seq.* All terms used in this Order, which are defined in Part 201 or the Part 201 Administrative Rules, 2002 Michigan Register 24, Effective December 21, 2002 (Part 201 Rules), shall have the same meaning in this Order as in Part 201 and the Part 201 Rules.

B. This Order concerns the settlement between the State and the Reimbursing Parties of the past and future response activity costs of the State, which have been and will continue to be incurred by the State in responding to the release or threat of release of hazardous substances at and emanating from the Fort Gratiot Sanitary Landfill,

St. Clair County, Michigan (Property). The Property and any associated area, place, or property where concentrations of hazardous substances exceed the residential cleanup criteria of Section 20120a(1)(a) and (17) of the NREPA (the Facility), as further defined in the Part 201 Rules, is a facility as defined by Part 201 and is subject to regulation under Part 201.

C. Pursuant to Part 201 and the CERCLA, the State has incurred and will continue to incur costs in responding to the release or threat of a release of hazardous substances at the Facility. Pursuant to Section 20126a(1)(a) of the NREPA, a person who is liable under Section 20126 is liable for all response activity costs lawfully incurred by the State. Section 107(a) of the CERCLA similarly provides that persons liable under CERCLA are liable for all costs of removal or remedial action incurred by a state not inconsistent with the national contingency plan. The parties to this Order desire to resolve all claims for past response activity costs which the State has incurred and paid, and for future response activity costs associated with the Facility which the State will continue to incur after the effective date of this Order. Settlement of this claim is in the public interest and will minimize litigation.

D. The execution of this Order by the Reimbursing Parties is neither an admission of liability with respect to any issue covered under this Order nor an admission or denial of any findings of fact or legal determinations stated or implied herein.

E. This Order shall apply to, and be jointly and severally binding upon, the Reimbursing Parties and their successors and assigns. No change or changes in the ownership or corporate status of any of the Reimbursing Parties shall alter in any way the Reimbursing Parties' obligations under this Order. The signatories to this Order certify that they are authorized to execute this Order and legally bind the parties they represent.

BASED UPON THE FOREGOING FACTS AND DETERMINATIONS, THE MDEQ AND THE MICHIGAN ATTORNEY GENERAL HEREBY ORDERS, AND REIMBURSING PARTIES HEREBY AGREE TO, THE FOLLOWING:

1. Within thirty (30) days of the effective date of this Order, the Reimbursing Parties shall pay to the MDEQ the amount of Seventy-Three Thousand Five Hundred Eighteen Dollars (\$73,518.00) to resolve all claims for past response activity costs and future response activity costs at the Facility. For the purposes of this Order, the term "past response activity costs" means response activity costs that the State incurred and paid during the time periods set forth in the "Cost Recovery Report - Combined," Attachment A; and the term "future response activity costs" means response activity costs that the State has incurred and paid and will continue to incur and pay subsequent to the time periods set forth in the "Cost Recovery Report - Combined," Attachment A.

Payments are to be made by certified check payable to the "State of Michigan - Environmental Response Fund" and sent to:

Revenue Control Unit  
Finance Section  
Administration Division  
Michigan Department of Environmental Quality  
P.O. Box 30657  
Lansing, Michigan 48909-8157

via courier:

Constitution Hall, 5<sup>th</sup> Floor, South Tower  
525 West Allegan Street  
Lansing, Michigan 48933-2125

To ensure proper credit, payments made pursuant to this Order must be made by certified check referencing the Fort Gratiot Sanitary Landfill, the MDEQ Reference No. AOC-RD-10-005, and the Remediation Division Account No. RRD2264. Copies of the transmittal letter and the certified check shall be provided simultaneously to:

The MDEQ Project Coordinator:  
Gerald Tiernan, Geologist  
Southeast Michigan District Office  
Remediation Division  
Michigan Department of Environmental Quality  
27700 Donald Court  
Warren, Michigan 48902  
Phone: 586-753-3818  
Fax: 586-753-3859

and to:  
S. Peter Manning, Chief  
Environment, Natural Resources, and Agriculture Division  
Michigan Department of Attorney General  
P.O. Box 30755  
Lansing, Michigan 48909

Costs recovered pursuant to this Order shall be deposited in the Environmental Response Fund in accordance with the provisions of Section 20108(3) of the NREPA.

2. If the Reimbursing Parties fail to pay the entire amount indicated in Paragraph 1, pursuant to the schedule set forth therein, the Reimbursing Parties shall also pay the MDEQ interest on the balance not paid at the rate provided for in Section 20126a(3) of the NREPA. If the Reimbursing Parties' payment is more than thirty (30) days past due, the Reimbursing Parties shall also pay the MDEQ stipulated penalties of \$500 per day for every day of its noncompliance with Paragraph 1 of this Order.

3. In consideration of the payment to be made by the Reimbursing Parties under the terms of this Order, except as otherwise provided in this Order, the State covenants not to sue or to take further administrative or civil action against the Reimbursing Parties for the past response activity costs and future response activity costs addressed in Paragraph 1 of this Order, and injunctive relief for the performance of response activities to address environmental contamination at the Facility. With respect to the Reimbursing Parties' liability for response activity costs and injunctive relief, the State's covenant not to sue shall take effect upon the MDEQ's receipt of full

payment from the Reimbursing Parties for those costs and any associated interest and penalties that may have accrued pursuant to Paragraph 2. The covenant not to sue shall extend only to the Reimbursing Parties and does not extend to any other person.

4. Nothing in this Order shall be construed as releasing or discharging any liability of any person to the Reimbursing Parties, and the Reimbursing Parties specifically reserve their rights against such persons.

5. The Reimbursing Parties agree that all applicable statutes of limitation are tolled until the Reimbursing Parties have fully complied with the terms of this Order.

6. The State reserves all of its rights under state and federal law to perform response activities and to take enforcement action, including the action to recover response activity costs not addressed by this Order, the recovery of natural resource damages and costs incurred to assess natural resource damages, monetary penalties, punitive damages for any violation of law or this Order, and liability for criminal acts. The State expressly reserves all of its rights and defenses pursuant to any available legal authority to enforce this Order.

7. Except as provided in Paragraph 3 of this Order, with respect to the Reimbursing Parties, nothing in this Order shall limit the power and authority of the MDEQ or the State of Michigan, pursuant to Section 20132(8) of the NREPA, to direct or order all appropriate action to protect the public health, safety, or welfare, or the environment; or to prevent, abate, or minimize a release or threatened release of hazardous substances, pollutants, or contaminants on, at, or from the Facility.

8. The State has concluded that this Order is appropriate, based in part upon the representation, information, and documentation that the Reimbursing Parties provided, and other information available to the MDEQ relating to the allocation of waste by volume contributed by the Reimbursing Parties relative to the known total

waste volume of the Fort Gratiot Sanitary Landfill. Reimbursing Parties have represented that their volumetric contribution was 25,189.89 cubic yards or 8,396.63 tons. If the information or documentation relied upon for this volumetric contribution is determined to be substantially inaccurate and the Reimbursing Party's volumetric contribution is actually greater than indicated above, the State's covenant not to sue provided in Paragraph 3 of this Order will be automatically null and void as to that party.

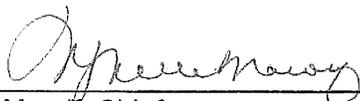
9. Pursuant to Section 20129(5) of the NREPA; Section 113(f)(2) of the CERCLA, 42 U.S.C. Section 9613(f)(2); and to the extent provided in Paragraph 4 of this Order, the Reimbursing Parties shall not be liable for claims for contribution for the matters addressed in this Order. Entry of this Order does not discharge the liability of any other person that may be liable under Section 20126 of the NREPA; or Sections 107 and 113 of the CERCLA, 42 U.S.C. Sections 9607 and 9613, to the extent allowable by law. Pursuant to Section 20129(9) of the NREPA, any action by the Reimbursing Parties for contribution from any person not a party to this Order shall be subordinate to the rights of the State if the State files an action pursuant to Part 201 or other applicable federal or state laws.

10. This Order shall become effective on the date that the State signs this Order. All dates for the performance of obligations under this Order shall be calculated from the effective date of this Order. For the purposes of this Order, the term "day" shall mean a calendar day unless otherwise noted.

11. The State and the Reimbursing Parties may execute this Order in duplicate original form for the primary purpose of obtaining multiple signatures, each of which shall be deemed an original, but all of which together shall constitute the same instrument.

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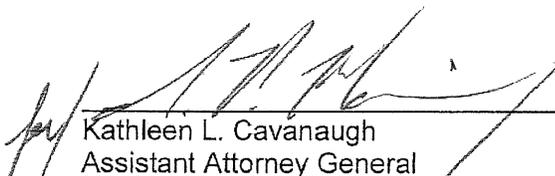
IT IS SO AGREED TO AND ORDERED BY:



\_\_\_\_\_  
Lynelle Maroff, Chief  
Remediation Division  
Michigan Department of Environmental Quality

7/01/11

\_\_\_\_\_  
Date



\_\_\_\_\_  
Kathleen L. Cavanaugh P38006  
Assistant Attorney General  
Environment, Natural Resources, and Agriculture Division  
Michigan Department of Attorney General

6/30/11

\_\_\_\_\_  
Date

MDEQ Reference No. AOC-RD-10-005

IT IS SO AGREED BY:

GL Group Holdings Limited Partnership by its  
General Partner, GL Group Holdings GP, Inc.

P.O. Box 589  
St. Thomas, Ontario N5P 4B1  
CANADA

Per: *R. A. McCaig*  
Mr. Robert A. McCaig, President

*24/06/11*  
Date

MDEQ Reference No. AOC-RD-10-005

IT IS SO AGREED BY:

*SEVICE R A m*

St. Thomas Sanitary Collection Limited Partnership by its  
General Partner, St. Thomas Sanitary Collection Service GP, Inc.

P.O. Box 589  
St. Thomas, Ontario N5P 4B1  
CANADA

Per: *R. A. m. Caig*  
Mr. Robert A. McCaig, President

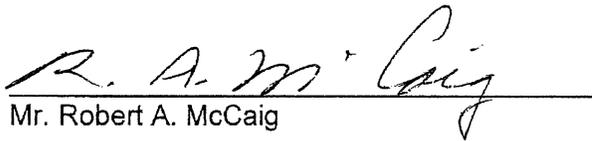
*24/06/11*  
Date

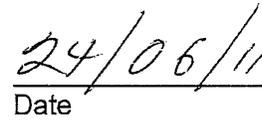
MDEQ Reference No. AOC-RD-10-005

IT IS SO AGREED BY:

Mr. Robert A. McCaig

P.O. Box 589  
St. Thomas, Ontario N5P 4B1  
CANADA

  
Mr. Robert A. McCaig

  
Date

**ATTACHMENT A**

**COST RECOVERY SUMMARY REPORT – COMBINED**

MICHIGAN DEPARTMENT OF ENVIRONMENTAL QUALITY  
 REMEDIATION AND REDEVELOPMENT DIVISION

Date: 11/01/2010  
 Source: ERNIE  
 Page: 1 of 2

Cost Recovery Summary Report - Combined

Site Name: Fort Gratiot Sanitary LF

County: Saint Clair

Site ID: 74000161

Packages: 455639-00 FORT GRATIOT LANDFILL: Original, Update1, Update2, Update3 QMF, Update4 QMF, Update5 QMF, Payment, Update6 QMF, Update7 QMF, Update8 QMF, Payment, Payment

Total for Employee Salaries and Wages		
Period Covered: 02/07/1998 - 08/21/2010	\$320,712.81	
Indirect Dollars	\$55,433.91	
Sub-Total		\$376,146.72
Total for Employee Travel Expenses		
Period Covered: 12/21/1999 - 12/11/2008		\$29,905.22
Contractual Expenses		
MARINE POLLUTION CONTROL (P0000572 )		
Period Covered: 01/12/2000 - 10/10/2002	\$188,592.86	
Malcolm Pirnie, Inc. (PM Contracts) (Y00252-D )		
Period Covered: 09/19/2000 - 03/18/2003	\$28,590.20	
Malcolm Pirnie, Inc. (PM Contracts) (Y00252-H )		
Period Covered: 10/04/2000 - 03/17/2003	\$358,938.08	
Malcolm Pirnie, Inc. (PM Contracts) (Y00378-D )		
Period Covered: 01/21/2001 - 03/17/2003	\$85,623.79	
Malcolm Pirnie, Inc. (PM Contracts) (Y00378-H )		
Period Covered: 03/08/2001 - 03/18/2003	\$594,788.10	
Fort Gratiot Township of (P1001332 )		
Period Covered: 07/26/2001 - 09/24/2001	\$250,000.00	
Trace Analytical Laboratories, Inc. (Y80243 )		
Period Covered: 09/16/2002 - 01/27/2005	\$12,813.00	
Anglin Civil Contractors, Ltd (Y03174 )		
Period Covered: 10/07/2003 - 07/19/2006	\$4,385,942.04	
Mactec (Fmr Harding ESE) (LOE - State) (P3001418 )		
Period Covered: 11/25/2003 - 03/03/2005	\$308,240.31	
Sheldon Construction, Inc. (Y03286 )		
Period Covered: 01/16/2004 - 10/13/2005	\$415,199.96	
Trace Analytical Laboratories, Inc. (Y03088 )		
Period Covered: 02/03/2004 - 11/30/2007	\$43,912.64	
Mactec (Fmr Harding ESE) (LOE - State) (P5200326 )		
Period Covered: 03/02/2005 - 03/09/2009	\$275,921.07	
Technical Service Professionals (Y05196 )		
Period Covered: 11/08/2005 - 09/27/2010	\$266,702.93	
Trace Analytical Laboratories, Inc. (Y08044 )		
Period Covered: 03/20/2008 - 11/24/2009	\$5,799.00	
Mactec Engineering (LOE 2005-2009) (P8200287 )		
Period Covered: 05/10/2008 - 09/02/2010	\$60,730.16	
Contract Sub-Total		\$7,281,794.14
Total for Miscellaneous Expenses		
Period Covered: 12/10/1999 - 08/26/2010		\$125,672.70

Cost Recovery Summary Report - Combined

MDNR/MDEQ Lab		
Period Covered: 01/30/2001 - 01/30/2001		\$1,017.82
Total for MDPH/Community Health Expenses		
Alternate Water Supply		
Period Covered:	\$0.00	
Bottled Water		
Period Covered:	\$0.00	
MDPH/MDCH Lab		
Period Covered:	\$0.00	
Sub-Total	<u>                    </u>	<u>                    </u>
		\$0.00
Attorney General Expenses		
Period Covered: 09/30/1998 - 02/28/2005		\$55,343.25
Other Expenses		
Period Covered: 02/16/2005 - 01/13/2010		<u>(\$2,171,007.53)</u>
Sub-Total		<u>\$5,698,872.32</u>
Interest Calculated from through		<u>\$0.00</u>
Total Combined Expenses for Site and Interest		<u><u>\$5,698,872.32</u></u>
Run Date 10/27/2010		