

STATE OF MICHIGAN
DEPARTMENT OF ENVIRONMENTAL QUALITY
OFFICE OF THE DIRECTOR

In the matter of administrative proceedings)
against **GREDE LLC – IRON**)
MOUNTAIN, a limited liability company)
organized under the laws of the State of)
Delaware and doing business at 801 South)
Carpenter Avenue, City of Kingsford, County)
of Dickinson, State of Michigan.)

AQD No. 23-2016

SRN: B1577

STIPULATION FOR ENTRY OF FINAL ORDER
BY CONSENT

This proceeding resulted from allegations by the Michigan Department of Environmental Quality (MDEQ) Air Quality Division (AQD) against Grede LLC – Iron Mountain (Company), a Delaware limited liability company located at 801 South Carpenter Avenue, City of Kingsford, County of Dickinson, State of Michigan, with State Registration Number (SRN) B1577. The MDEQ alleges that the Company has violated Michigan Renewable Operating Permit MI-ROP-B1577-2014 (ROP), and Part 55, Air Pollution Control, of the Natural Resources and Environmental Protection Act, 1994 PA 451, as amended (Act 451), including MCL 324.5506; and the Mich Admin Code, R 336.1210 (Rule 210); and Mich Admin Code, R 336.1910 (Rule 910). Specifically, the MDEQ alleges that the Company failed to comply with the ROP conditions for fugitive opacity testing within the required 6-month time period as required by 40 CFR 63.7731(b) and ROP FGMACT-EEEEEE SC V.1; failed to comply with recordkeeping and monitoring requirements of the ROP for EU-P012 Main Plant Sand System, EU-P014 Main Plant Finishing, EU-P018 Main Plant Shakeout, EU-P021 Isocure, EU-P032 Module Sand System, EU-P034 Module Finishing, EU-P038 Module Shakeout, EU-P040 Sand Conditioning System, and EU-P043 Module Isocure; and failed to properly operate the control equipment associated with EU-P009 Cupola, EU-P012 Main Plant Finishing, EU-P018 Main Plant Shakeout, EU-P032 Module Sand System, EU-P034 Module Finishing, and EU-P038 Module Shakeout, as cited herein and in the Violation Notice dated September 23, 2015. The Company and MDEQ stipulate to the termination of this proceeding by entry of this Stipulation for Entry of a Final Order by Consent (Consent Order).

The Company and MDEQ stipulate as follows:

1. The Natural Resources and Environmental Protection Act, 1994 PA 451 (Act 451), MCL 324.101 *et seq.* is an act that controls pollution to protect the environment and natural resources in this State.
2. Article II, Pollution Control, Part 55 of Act 451 (Part 55), MCL 324.5501 *et seq.* provides for air pollution control regulations in this State.
3. The MDEQ was created as a principal department within the Executive Branch of the State of Michigan pursuant to Executive Order 2011-1 and has all statutory authority, powers, duties, functions and responsibilities to administer and enforce all provisions of Part 55.
4. The Director has delegated authority to the Chief of the AQD (AQD Chief) to enter into this Consent Order.
5. The termination of this matter by a Consent Order pursuant to Section 5528 of Part 55 is proper and acceptable.
6. The Company and the MDEQ agree that the signing of this Consent Order is for settlement purposes only and does not constitute an admission by the Company that the law has been violated.
7. This Consent Order becomes effective on the date of execution (effective date of this Consent Order) by the AQD Chief.
8. The Company shall achieve compliance with the aforementioned regulations in accordance with the requirements contained in this Consent Order.

COMPLIANCE PROGRAM

9.A. Renewable Operating Permit and Inspection and Preventative Maintenance Program

1. On and after the effective date of this Consent Order, the Company shall comply with the recordkeeping and reporting requirements of the ROP for the EU-P009 Cupola, the EU-P012 Main Plant Sand System, the EU-P014 Main Plant Finishing, the EU-P018 Main Plant Shakeout, the EU-P021 Isocure, the EU-P032 Module Sand System, the EU-P034 Module Finishing, the EU-P038 Module Shakeout, EU-P040 Sand Conditioning System, and EU-P043 Module Isocure. The ROP is attached hereto as Exhibit A of this Consent Order, and any revisions or modifications to the ROP shall be incorporated by reference into Exhibit A.

2. Within sixty (60) days after the effective date of this Consent Order, the Company shall submit an updated Inspection and Preventative Maintenance Program to the MDEQ for review and

approval. The Inspection and Preventative Maintenance Program shall detail action to be taken by the Company when there is an excursion of an established operating parameter. Upon approval, the Inspection and Preventative Maintenance Program shall be attached hereto as Exhibit B of this Consent Order, and any mutually acceptable revisions or modifications to the Inspection and Preventative Maintenance Program shall be incorporated by reference into Exhibit B.

9.B. Emission Limitations

On and after the effective date of this Consent Order, there shall be no visible emissions from the EU-P009 Cupola, in accordance with the Monitoring/Recordkeeping conditions 13 and 14 for EU-P009 CUPOLA in the ROP., Such conditions may be revised or modified, to assure compliance assurance monitoring for particulate matter.

9.C. Testing for FGMACT - EEEEE

On and after the effective date of this Consent Order, the Company shall conduct a performance test to demonstrate compliance with the emission limit condition 1 for opacity for FGMACT-EEEEEE in the ROP (40 CFR 63.7690(a)(7)) following the test methods and procedures in 40 CFR 63.7732(d). Compliance testing shall be conducted no less frequently than the frequency set forth in 40 CFR Part 63, National Emission Standards for Hazardous Air Pollutants for Iron and Steel Foundries, Subpart EEEEE.

RECORDKEEPING AND REPORTING

10. On and after the effective date of this Consent Order, the Company shall monitor and shall keep separate records of the pressure drop and fan amperage as required under the ROP. This information shall be kept on file at the plant for a period of at least five (5) years, and shall be made available to MDEQ upon written or verbal request.

11. On and after the effective date of this Consent Order, the Company shall conduct verification of visible emissions from the EU-P009 CUPOLA baghouse, document such readings, and keep records as specified in the ROP. This information shall be kept on file at the plant for a period of at least five (5) years, and shall be made available to MDEQ upon written or verbal request.

12. On and after the effective date of this Consent Order, when operating the Main Plant Isocure and/or Module Isocure processes, the Company shall maintain the acid scrubber liquid pH and flow rate within the parameters required under the ROP.

GENERAL PROVISIONS

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

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

15. Within thirty (30) days after the effective date of this Consent Order, the Company shall pay to the General Fund of the State of Michigan, in the form of a check made payable to the "State of Michigan" and mailed to the Michigan Department of Environmental Quality, Accounting Services Division, Cashier's Office, P.O. Box 30657, Lansing, Michigan 48909-8157, a settlement amount of \$41,450.00, which includes AQD costs for investigation and enforcement. This total settlement amount shall be paid within thirty (30) days of the effective date of this Consent Order. To ensure proper credit, all payments made pursuant to this Consent Order shall include the "Payment Identification Number AQD40134" on the front of the check and/or in the cover letter with the payment. This settlement amount is in addition to any fees, taxes, or other fines that may be imposed on the Company by law.

16. On and after the effective date of this Consent Order, if the Company fails to comply with subparagraphs 9.A., 9.B, or 9.C of this Consent Order, or paragraphs 10, 11, or 12 of this Consent Order, the Company is subject to stipulated fines of up to \$1,000.00 per violation per day. On and after the effective date of this Consent Order, if the Company fails to comply with any other provision of Exhibit A or B or this Consent Order, the Company is subject to a stipulated fine of up to \$500.00 per violation. The amount of the stipulated fines imposed pursuant to this paragraph shall be within the discretion of the MDEQ. Stipulated fines submitted under this Consent Order shall be by check, payable to the State of Michigan within thirty (30) days of written demand and shall be mailed to the Michigan Department of Environmental Quality, Accounting Services Division, Cashier's Office, P.O. Box 30657, Lansing, Michigan 48909-8157. To ensure proper credit, all payments shall include the "Payment Identification Number AQD40134-S" on the front of the check and/or in the cover letter with the payment. Payment of stipulated fines shall not alter or modify in any way the Company's obligation to comply with the terms and conditions of this Consent Order.

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

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

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

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

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

statement that all required information has been reported to the AQD Upper Peninsula District Supervisor; (iii) confirmation that all records required to be maintained pursuant to this Consent Order are being maintained at the facility; and, (iv) such information as may be requested by the AQD Chief.

22. In the event Grede LLC – Iron Mountain sells or transfers the facility, with SRN B1577, it shall advise any purchaser or transferee of the existence of this Consent Order in connection with such sale or transfer. Within thirty (30) calendar days, the Company shall also notify the AQD Upper Peninsula District Supervisor, in writing, of such sale or transfer, the identity and address of any purchaser or transferee, and confirm the fact that notice of this Consent Order has been given to the purchaser and/or transferee. As a condition of the sale, Grede LLC must obtain the consent of the purchaser and/or transferee, in writing, to assume all of the obligations of this Consent Order. A copy of that agreement shall be forwarded to the AQD Upper Peninsula District Supervisor within thirty (30) days of assuming the obligations of this Consent Order.

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

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

25. The Company hereby stipulates that entry of this Consent Order is a result of an action by MDEQ to resolve alleged violations of its facility located at 801 South Carpenter Avenue, City of Kingsford, County of Dickinson, State of Michigan. The Company further stipulates that it will take all lawful actions necessary to fully comply with this Consent Order, even if the Company files for bankruptcy in the future. The Company will not seek discharge of the settlement amount and any stipulated fines imposed hereunder in any future bankruptcy proceedings, and the Company will take necessary steps to ensure that the settlement amount and any future stipulated fines are not discharged. The Company, during and after any future bankruptcy proceedings, will ensure that the settlement amount and any future stipulated fines remain an obligation to be paid in full by the Company to the extent allowed by applicable bankruptcy law.

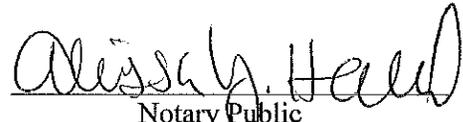
The undersigned certifies that he/she is fully authorized by the Company to enter into this Consent Order and to execute and legally bind the Company to it.

GREDE LLC – IRON MOUNTAIN

 Dated: 6-8-16
Charles Kalupa, General Manager

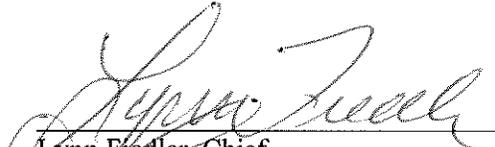
The above signatory subscribed and sworn to before me this 8th day of June, 2016.

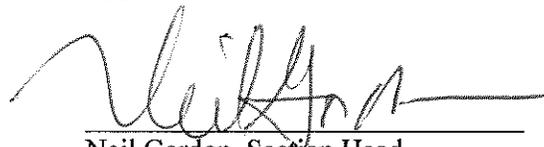



Notary Public
Alissa Y Hedlund
Notary Public, Dickinson County, MI
My Commission Expires July 29, 2021

Approved as to Content:

Approved as to Form:


Lynn Fiedler, Chief
AIR QUALITY DIVISION
DEPARTMENT OF
ENVIRONMENTAL QUALITY


Neil Gordon, Section Head
ENVIRONMENTAL REGULATION SECTION
ENVIRONMENT, NATURAL RESOURCES,
AND AGRICULTURE DIVISION
DEPARTMENT OF ATTORNEY GENERAL

Dated: 6/22/16

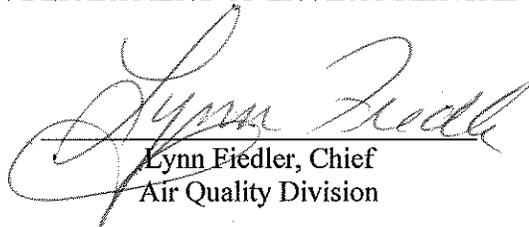
Dated: 6/16/2016

FINAL ORDER

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

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

MICHIGAN DEPARTMENT OF ENVIRONMENTAL QUALITY


Lynn Fiedler, Chief
Air Quality Division

Effective Date: 6/22/16