

Stipulation between Lafarge North America Inc., Lafarge Building Materials, Inc., the New York State Department of Environmental Conservation, and the New York Attorney General

This Stipulation between Lafarge North America Inc. and Lafarge Building Materials Inc. (hereafter collectively "Lafarge"), the New York State Department of Environmental Conservation (hereafter "NYSDEC"), and the New York Attorney General (hereafter "NYAG") is made in reference to the following:

Lafarge is the owner and operator of a cement manufacturing facility located upon Route 9W, Ravena, New York (hereafter the "Ravena plant");

Lafarge is a Defendant and the State of New York is a Plaintiff-Intervenor in Civil Action No. 3:10-cv-44 initiated by the United States of America in the United States District Court for the Southern District of Illinois;

Both Lafarge and the State of New York are parties to a Consent Decree entered in the above-referenced Civil Action on or about March 18, 2010 which relates in part to the Ravena plant;

Lafarge and the State of New York, with the concurrence of the NYSDEC, the United States Department of Justice and the United States Environmental Protection Agency (hereafter "USEPA"), have agreed pursuant to Section XXII of the Consent Decree to propose for public notice and comment and for approval by the United States District Court an amendment of the Consent Decree extending the dates prescribed in the Consent Decree for terminating operation of the two existing kilns at the Ravena plant (hereafter "K1 and K2") and completing construction of a replacement kiln (hereafter "K3") and further obligating Lafarge to meet certain milestones relating to the construction of K3 (hereinafter "Third Amendment");

Lafarge has requested that the Consent Decree be modified to extend the dates prescribed in the Consent Decree for terminating operation of K1 and K2 and completing the construction of K3 and in light of the expected environmental and economic benefits to the people of New York that K3 will provide once fully constructed and operational, NYSDEC and NYAG have agreed to the extension based on Lafarge's commitments to comply with the terms of the Third Amendment and the following conditions: (1) Lafarge must reduce total mercury emissions at its Ravena plant from current permit authorized levels by achieving emission rates specified in this Stipulation during the term of the Third Amendment; and (2) Lafarge shall, in the event that construction of K3 is not completed and the Ravena plant ceases operation, fund an employee retraining program for terminated employees.

Lafarge and NYSDEC acknowledge that an amendment of the Consent Decree, together with other independent regulatory changes, will necessitate certain modifications to the Ravena plant's Title V air permit, Permit ID 4-0124-00001/00112 (hereafter the "Title V Permit");

Lafarge and NYSDEC acknowledge that USEPA has approved New York's Regional Haze State Implementation Plan (SIP) as codified within 40 C.F.R. Part 52, Subpart HH with the associated determination that the permanent shutdown of Lafarge's two existing long wet kilns,

in accordance with the Consent Decree satisfies Best Available Retrofit Control Technology (BART) within the meaning of Section 169A of the federal Clean Air Act and 40 CFR Part 51, Appendix Y;

Lafarge and NYSDEC acknowledge that the SIP will require revisions to reflect the modifications to the Consent Decree including but not limited to the permanent shut down of Kilns 1 and 2 as equivalent of BART within the meaning of Section 169A of the federal Clean Air Act and 40 CFR Part, 51, Appendix Y;

Now therefore, it is Stipulated as follows:

1. Not later than forty-five days following court approval of the Third Amendment extending the dates prescribed in the Consent Decree for terminating operation of K1 and K2 and completing construction of K3, Lafarge shall submit an application to NYSDEC for the purpose of modifying the Title V Permit to:
 - a) update and conform the requirements and conditions of the Title V Permit to the relevant terms of the Third Amendment, particularly those relating to the operation and cessation of operation of K1 and K2 and the timeframe for construction of K3; and
 - b) incorporate into the Title V Permit an emission limitation for total mercury emissions from K1 and K2 for the period January 1, 2013 through June 30, 2016 of 354 pounds with demonstration of compliance with this emission limitation to be in accordance with the methodology as contained within Item 93.2 of the Title V Permit. In addition, beginning January 1, 2014 and ending June 30, 2016, Lafarge shall achieve and maintain compliance with an interim Facility-Wide 12-Month Rolling Tonnage Limit for total mercury emissions of 132 pounds.
2. In the event Lafarge is required to permanently terminate cement manufacturing at the Ravenna plant by reason of its abandonment of the construction of K3, then within 60 days of the earlier of any notice provided pursuant to 29 U.S.C. § 2102 ("WARN Act") to Ravenna plant employees, the submittal by Lafarge of a request to relinquish permit to construct K3, or the failure of Lafarge to maintain continuous construction of K3 within the meaning of 6 NYCRR § 231-3.7, Lafarge shall establish a plan (hereafter "plan") funded in the amount of Two Million Dollars (\$2,000,000) for the purpose of funding on behalf of or reimbursing to Qualified Employees up to a maximum of \$12,000 per individual, costs associated with education, retraining and job placement, including:
 - a) tuition for college or vocational school;
 - b) related educational supplies and transportation costs; and
 - c) job counseling or placement.

(A) As used herein, the term "Qualified Employee" shall mean a permanent employee of Lafarge Building Materials Inc. at the Ravenna plant whose employment is terminated by Lafarge by reason of the permanent cessation of cement manufacturing at the plant. Provided, however, a terminated employee shall no longer be considered a "Qualified Employee" for purposes of eligibility for job retraining benefits if he or she is subsequently rehired by Lafarge.

(B) Upon establishment of the plan, Lafarge shall submit to the NYAG written documentation describing how it will administer the plan, including informing Qualified Employees of the plan, the processes for administering claims and distributing funds to Qualified Employees, including any appeal of a denied claim. Such documentation shall include a provision requiring Lafarge to provide to the NYAG an annual accounting of plan monies. Lafarge shall be required to administer the plan for a period of two years from the date notice is provided under the WARN Act. The documentation may provide for the reversion to Lafarge of any monies remaining in the plan at the end of its administration.

3. Nothing in this Stipulation is intended to in any way alter or satisfy any compliance obligations or regulatory requirements that may apply to any kiln at the Ravenna Facility, including 40 C.F.R. Part 63, Subpart LLL.
4. This Stipulation is equivalent to an order pursuant to ECL § 19-0509 and is enforceable as such.
5. The following is the name and address of Respondents' agent for service of this Stipulation pursuant to Paragraph 165 of the Consent Decree and under New York State Civil Practice Law and Rules.

Steven C. Kohl, Esq.
Warner Norcross & Judd LLP
2000 Town Center
Suite 2700
Southfield MI 48075-1318

6. This Stipulation is deemed effective on the date of entry of the Third Amendment to the Consent Decree.

DATED: 6/6, 2013
Rotterdam, New York

Joseph Martens
Commissioner
New York State Department of
Environmental Conservation

BY: Eugene J. Kelly
Eugene J. Kelly
Regional Director
Region 4

DATED: June 7, 2013
Albany, New York

A handwritten signature in black ink, appearing to read "Michael J. Myers", written over a horizontal line.

Michael J. Myers
Chief, Affirmative Litigation Section
Environmental Protection Bureau
The New York State Attorney General
The Capitol
Albany, New York 12224

LAFARGE BUILDING MATERIALS, INC.

Lafarge Building Materials, Inc. hereby consents to the issuing and entering of this Stipulation, waives its right to a hearing herein, and agrees to be bound by the provisions, terms and conditions contained herein.

SIGNED: [Signature]
Jose Antonio Primo
President, Lafarge Building Materials, Inc.

DATE: 05/06/2013

STATE OF Illinois)
COUNTY OF Cook) ss.:

On the 6th day of May in the year 2013, before me, the undersigned, personally appeared Jose Antonio Primo,
(Full name)

personally known to me who, being duly sworn, did depose and say that he/she/they reside at 2920 N. Commonwealth Ave. Unit 8B Chicago IL 60657
(Full mailing address)

and that he/she/they is (are) the President
(President or other officer or director or attorney in fact duly appointed)

of the Lafarge Building Materials, Inc.
(Full legal name of corporation)

the corporation described in and which executed the above instrument; and that he/she/they signed his/her/their name(s) thereto by the authority of the board of directors of said corporation.

[Signature]
Notary Public
Qualified in the County of: Cook
My Commission Expires: 3/19/2017

