SETTLEMENT AGREEMENT

The Commissioner of Labor (hereinafter referred to as "Commissioner") and Farmers Grain of Maxwell, (hereinafter referred to as "Employer") hereby agree as follows:

The Commissioner amends the Safety Order(s) and Notification(s) of Penalty, IOSHA Inspection No. 313191884 issued to the Employer on October 23, 2009 in the following manner.

SAFETY ORDER 01:

Item 1:	Upheld, reduced to non-serious, penalty reduced to $0.00
Item 3a:	Upheld, penalty reduced to $750.00, abatement date to 12/19/09
Item 3b:	Upheld, abatement date to 12/19/09
Item 3c:	Upheld, abatement date to 12/19/09
Item 3d:	Upheld, abatement date to 12/19/09
Item 4a:	Upheld, penalty remains at $1,500.00, abatement date to 12/19/09
Item 4b:	Upheld, abatement date to 12/19/09
Item 4c:	Upheld, abatement date to 12/19/09
Item 4d:	Upheld, abatement date to 12/19/09
Item 4e:	Upheld, abatement date to 12/19/09
Item 4f:	Upheld, abatement date to 12/19/09
Item 4g:	Upheld, abatement date to 12/19/09
Item 4h:	Deleted,
Item 5:	Upheld, penalty remains at $1,500.00, abatement date to 12/19/09
Item 6:	Grouped with Item 4a, penalty deleted, abatement to 12/19/09

Except for the above specified amendments all other provisions of Safety Order Number 1 are retained intact.

The TOTAL AGREED PENALTY is $5,250.00

To request an INSafe consultation, contact the following:

INSafe
Attn: Vicky Hoberty
402 West Washington Street
W-195
Indianapolis, IN 46204
(317) 232-2688

THE EMPLOYER IS SATISFIED WITH THE AMENDMENTS STATED ABOVE AND ACCORDINGLY WAIVES ITS RIGHT TO FILE A NOTICE OF CONTEST OF THE SAFETY ORDER(S) AND NOTIFICATION(S) OF PENALTY AS AMENDED

AND AGREES TO WITHDRAW ANY PREVIOUSLY FILED NOTICES OF CONTEST IN THIS MATTER.

Upon full execution of this Settlement Agreement the Employer will post this Agreement for three (3) working days or until abatement is completed, whichever period is longer.

The total AGREED PENALTY is due and payable within fifteen (15) working days from the Employer's execution of this Agreement. The Employer further agrees that if the AGREED PENALTY is not paid within fifteen working days from the Employer's execution of this Agreement, that the full amount of the penalty initially assessed against the Employer in the Safety Order(s) and Notification(s) of Penalty which are the subject of this Agreement is due and payable immediately.

The Safety Order(s) and Notification(s) of Penalty are, and shall be, herein a final and enforceable Order of the Board of Safety Review.

Except for this agreement, and matters arising out of this agreement, and any other subsequent IOSHA proceedings between the parties, none of the foregoing agreements, statements, findings, and actions taken by Employer shall be deemed an admission by Employer of the allegations contained within the Safety Order(s) and Notification(s) of Penalty. The agreements, statements, findings and actions taken herein are made in order to compromise and settle this matter economically and amicably, and they shall not be used for any other purpose, except as herein stated.

FARMERS GRAIN OF MAXWELL

By: Paul Shelby

Title: Owner

Date: 11-13-09

COMMISSIONER OF LABOR

By: [illegible]

Title: Director IC

Date: 11-13-09

Indiana Department of Labor
Indiana Occupational Safety and Health Administration
402 West Washington Street
Room W195
Indianapolis, IN 46204-2751
Phone: 317/232-1979 Fax: 317/233-8509

Safety Order and Notification of Penalty

To:

Farmers Grain of Maxwell,
and its successors
8 Avenue and Pendleton Avenue
Lapel, IN 46051

Inspection Site:

8 Avenue and Pendleton Avenue
Lapel, IN 46051

Inspection Number: 313191884

Inspection Date(s): 08/20/2009 - 09/01/2009

Issuance Date: 10/23/2009

The violation(s) described in this Safety Order and Notification of Penalty is (are) alleged to have occurred on or about the day(s) the inspection was made unless otherwise indicated within the description given below.

An inspection of your place of employment has revealed conditions which we believe do not comply with the provisions of the Indiana Occupational Safety and Health Act (Indiana Code Chapter 22-8-1.1) or the standards or rules adopted thereunder. Accordingly, enclosed please find safety order(s) and notification(s) of penalty describing such violation(s) with references to applicable standards, rules, or provisions of the statute and stating the amount of any penalty(ies).

Informal Conference - Please be advised that it may be possible to informally settle any potential dispute without initiating the more elaborate proceedings brought on by a petition for review. Prior to filing a petition for review, you may request an informal conference concerning any of the results of the inspection (safety orders, penalties, abatement dates, etc.) by contacting the Indiana Department of Labor/IOSHA, preferably by telephone, in a prompt manner. Please be advised that a request for an informal conference cannot extend the fifteen working day period for filing a petition for review. Informal conferences frequently resolve any possible disputes, and therefore you are urged to take advantage of this opportunity. Because of the limited time period and in order to facilitate scheduling, any requests for an informal conference should be made promptly upon your receipt of the safety order(s) and notification(s) of penalty.

Right to Contest - You are hereby also notified that you are entitled to seek administrative review of the safety order(s), penalty(ies), or both by filing a written petition for review at the above address postmarked within fifteen working days of your receipt of the safety order(s) and notification(s) of penalty. ("Working days" means Mondays through Fridays, but does not include Saturdays, Sundays, legal holidays under a state statute or days

on which the Indiana Department of Labor's offices are closed during regular business hours). If you do not file such a petition for review (contest), the safety order(s) and penalty(ies) shall be deemed final orders of the Board of Safety Review and not subject to review by any court or agency. The issuance of a safety order does not constitute a finding that a violation has occurred unless no petition for review is filed, or if a petition for review (contest) is filed, it must contain a statement of its basis and should reference the above inspection number. Upon receipt of your petition for review, we will affirm, amend or dismiss the safety order(s) and notification(s) of penalty. If we affirm, your petition for review will be granted (unless it was not timely) and the dispute will be certified by the Board of Safety Review for further proceedings. The Board of Safety Review is an independent agency appointed by the governor with authority to conduct hearings and to issue decisions concerning disputed safety order(s) and notification(s) of penalty. If we amend the safety order(s) or notification(s) of penalty, your petition for review shall be deemed moot. However, you will then be given an opportunity to file a petition for review concerning the amended safety order(s) and notification(s) of penalty.

Please be advised that an employee or representative of employees may file a petition for review to contest the reasonableness of the time stated in the safety order(s) for the abatement of any violation.

Posting - Upon receipt of any safety order(s) you are required to post such safety order(s), or a copy thereof, unedited, at or near each place an alleged violation referred to in the safety order(s) occurred. However, if your operations are such that it is not practicable to post the safety order(s) at or near each place of alleged violation, such safety order(s) shall be posted, unedited, in a prominent place where it will be readily observable by all affected employees. For example, if you are engaged in activities which are physically dispersed, the safety order(s) may be posted at the location from which the employees operate to carry out their activities. You must take steps to ensure that the safety order is not altered, defaced, or covered by other material. Posting shall be until the violation is abated, or for three working days, whichever is longer.

Penalties - Penalties are due within fifteen (15) working days of receipt of this notification unless contested. Abatement does not constitute payment of penalties.

Abatement - The conditions cited in the safety order(s) must be corrected (abated) on or before the date shown for each item on the safety order(s) and notification(s) of penalty unless:

(1) You file a petition for review concerning the violation, in which case the full abatement period shall commence from the issuance of a final decision by the Board of Safety Review or the courts which requires compliance with the safety order; or

(2) The abatement period is extended by the granting of a petition for modification of abatement date.

PMAs - The petition for modification of abatement date is a manner in which you may seek additional time to correct (abate) a violation without having to file a petition for review concerning the safety order, or after the expiration of the time period to file such a petition for review when it becomes apparent that you need extra time to abate the violation. A petition for modification of abatement date shall be in writing and shall include the following information:

(1) All steps you have taken, and the dates of such actions, in an effort to achieve compliance during the prescribed abatement period.

(2) The specific additional abatement time necessary in order to achieve compliance.

(3) The reasons such additional time is necessary, including the unavailability of professional or technical personnel or of materials and equipment, or because necessary construction or alteration of facilities cannot be completed by the original abatement date.

(4) All available interim steps being taken to safeguard employees against the cited hazard during the abatement period.

(5) A certification that a copy of the petition has been posted, and if appropriate, served on the authorized representative of affected employees, and a certification of the date upon which such posting and service was made.

A petition for modification of abatement date shall be filed with the Indiana Department of Labor/IOSHA no later than the close of the next working day following the date on which abatement was originally required. A later-filed petition shall be accompanied by the employer's statement of exceptional circumstances explaining the delay. A copy of such petition shall be posted in a conspicuous place where all affected employees will have notice thereof or near such location where the violation occurred. The petition shall remain posted until the time period for the filing of a petition for review of the Commissioner's granting or denying the petition expires. Where affected employees are represented by an authorized representative, said representative shall be served a copy of such petition.

Notification of Corrective Action - Correction of the alleged violations which have an abatement period of thirty (30) days or less should be reported in writing to us promptly upon correction. A "Letter of Abatement" form and an "Abatement Photographs" worksheet are enclosed for your assistance in providing adequate documentation of abatement. Reports of corrections should show specific corrective action on each alleged violation and the date of such action. On alleged violations with abatement periods of more than thirty (30) days, a written progress report should be submitted, detailing what has been done, what remains to be done, and the time needed to fully abate each such violation. When the alleged violation is fully abated, we should be so advised. Timely correction of an alleged violation does not affect the initial proposed penalty.

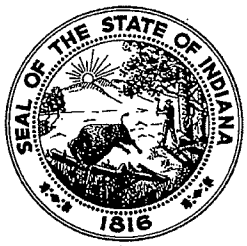
Followup Inspections - Please be advised that a followup inspection may be made for the purpose of ascertaining that you have posted the safety order(s) and corrected the alleged violations. Failure to correct an alleged violation may result in additional penalties for each day that the violation has not been corrected.

Employer Discrimination Unlawful - The law prohibits discrimination by an employer against an employee for filing a complaint or for exercising any rights under this Act. An employee who believes that he/she has been discriminated against may file a complaint no later than 30 days after the discrimination occurred with the Indiana Department of Labor/IOSHA at the address shown above.

Notice to Employees - The law gives an employee or his/her representative the opportunity to object to any abatement date set for a violation if he/she believes the date to be unreasonable. The contest must be mailed to the Indiana Department of Labor/IOSHA at the address shown above within fifteen (15) working days (excluding weekends and State holidays) or receipt by the employer of this safety order and penalty.

If you wish additional information, you may direct such requests to us at the address or telephone number stated above.

Indiana Department of Labor
Indiana Occupational Safety and Health Administration



NOTICE TO EMPLOYEES OF INFORMAL CONFERENCE

An informal conference has been scheduled with IOSHA to discuss the safety order(s) issued on 10/23/2009. The conference will be held at the IOSHA office located at 402 West Washington Street, Room W195, Indianapolis, IN 46204 on _____ at _____. Employees and/or representatives of employees have a right to attend an informal conference.

Indiana Department of Labor

Occupational Safety and Health Administration

Inspection Number: 313191884

Inspection Dates: 08/20/2009 - 09/01/2009

Issuance Date: 10/23/2009

Safety Order and Notification of Penalty

Company Name: Farmers Grain of Maxwell

Inspection Site: 8 Avenue and Pendleton Avenue, Lapel, IN 46051

Safety Order 1 Item 1 Type of Violation: **Serious**

IC 22-8-1.1 Section 2: The employer did not establish and maintain conditions of work which were reasonably safe and healthful for employees, and free from recognized hazards that were causing or likely to cause death or serious physical harm to employees in that fall hazards were present:

Eastside Grain Bin Number 3 - Laborers were required to access the fixed ladder leading to the grain bin openings by climbing on the dryer motor housing, which was located approximately 49 inches above the ground surface, and then onto the metal roof of the tunnel.

Among other methods, one feasible and acceptable abatement method to correct this hazards is:
To provide a means of accessing the fixed ladder safely such as but not limited to installing a landing / platform with a walkway that leads to an additional fixed ladder that is accessible from the ground

Date By Which Violation Must be Abated: **11/19/2009**
Proposed Penalty: **$750.00**

Indiana Department of Labor

Occupational Safety and Health Administration

Inspection Number:	313191884
Inspection Dates:	08/20/2009 - 09/01/2009
Issuance Date:	10/23/2009

Safety Order and Notification of Penalty

Company Name: Farmers Grain of Maxwell

Inspection Site: 8 Avenue and Pendleton Avenue, Lapel, IN 46051

The alleged violations below have been grouped because they involve similar or related hazards that may increase the potential for illness or injury resulting from an accident.

Safety Order 1 Item 2a Type of Violation: **Serious**

29 CFR 1910.27(d)(2): Fixed ladder(s), used to ascend to heights exceeding 20 feet and provided with cages or wells not provided with a landing platform for each 30 feet of height or fraction thereof:

Eastside Bin number 3 - Laborers entered grain bins to perform duties such as but not limited to freeing obstructions in grain flow and making repairs to equipment by utilizing a fixed ladder with a cage approximately 55 feet in length that was not equipped with a landing platform.

Date By Which Violation Must be Abated: **11/19/2009**
Proposed Penalty: **$1,500.00**

Safety Order 1 Item 2b Type of Violation: **Serious**

29 CFR 1910.27(d)(2)(i): Landing platform(s) were not provided where the step across distance from rung centerline to the nearest edge of structure or equipment was greater than 12 inches:

Eastside Bin number 3 - Laborers entered grain bins to perform duties such as but not limited to freeing obstructions in grain flow and making repairs to equipment by utilizing a fixed ladder with a cage approximately 55 feet in length that was not equipped with a landing platform at each bin opening.

Date By Which Violation Must be Abated: **11/19/2009**

The alleged violations below have been grouped because they involve similar or related hazards that may increase the potential for illness or injury resulting from an accident.

Safety Order 1 Item 3a Type of Violation: **Serious**

29 CFR 1910.272(d): The employer did not develop and implement an emergency action plan meeting the requirements of contained in 29 CFR 1910.38:

Facility Wide - The employer did not develop and implement an emergency action plan which addressed emergencies such as but not limited to fire, weather, and evacuation procedures.

Date By Which Violation Must be Abated: **11/19/2009**
Proposed Penalty: **$1,500.00**

Safety Order 1 Item 3b Type of Violation: **Serious**

29 CFR 1910.272(e)(1)(ii): Current employees, and new employees prior to starting work in the grain handling facility were not trained in the specific procedures and safety practices applicable to their job tasks including but not limited to cleaning procedures for grinding equipment, clearing procedures for choked legs, housekeeping procedures, hot work procedures, preventive maintenance procedures, and lockout/tagout procedures:

Facility Wide - Laborers were required to enter grain bins to perform duties such as but not limited to freeing obstructions in grain flow and making repairs to equipment.

Date By Which Violation Must be Abated: **11/19/2009**

Safety Order 1 Item 3c Type of Violation: **Serious**

29 CFR 1910.272(e)(1): The employer did not provide training to employees at least annually and when changes in job assignments would expose them to new hazards in the grain handling facilities:

Facility Wide - Laborers were required to enter grain bins to perform duties such as but not limited to freeing obstructions in grain flow and making repairs to equipment.

- **Date By Which Violation Must be Abated:** **11/19/2009**

Indiana Department of Labor

Occupational Safety and Health Administration

Inspection Number: 313191884

Inspection Dates: 08/20/2009 - 09/01/2009

Issuance Date: 10/23/2009

Safety Order and Notification of Penalty

Company Name: Farmers Grain of Maxwell

Inspection Site: 8 Avenue and Pendleton Avenue, Lapel, IN 46051

Safety Order 1 Item 3d Type of Violation: **Serious**

29 CFR 1910.272(e)(2): Employees assigned special tasks in the grain handling facility, such as bin entry and handling of flammable or toxic substances, were not provided training to perform these tasks safety:

Facility Wide - Laborers were required to enter grain bins to perform duties such as but not limited to freeing obstructions in grain flow and making repairs to equipment.

Date By Which Violation Must be Abated: 11/19/2009

Indiana Department of Labor

Occupational Safety and Health Administration

Inspection Number: 313191884

Inspection Dates: 08/20/2009 - 09/01/2009

Issuance Date: 10/23/2009

Safety Order and Notification of Penalty

Company Name: Farmers Grain of Maxwell

Inspection Site: 8 Avenue and Pendleton Avenue, Lapel, IN 46051

The alleged violations below have been grouped because they involve similar or related hazards that may increase the potential for illness or injury resulting from an accident.

Safety Order 1 Item 4a Type of Violation: **Serious**

29 CFR 1910.272(g)(1)(i): The employer did not issue a permit for entering bins, silos or tanks in the grain handling facility before the employees entered the bins, silos, or tanks:

Facility Wide - Laborers were required to enter grain bins to perform duties such as but not limited to freeing obstructions in grain flow and making repairs to equipment.

Date By Which Violation Must be Abated: **11/19/2009**
Proposed Penalty: **$1,500.00**

Safety Order 1 Item 4b Type of Violation: **Serious**

29 CFR 1910.272(g)(1)(ii): Prior to entry, all mechanical, electrical, hydraulic, and pneumatic equipment which presented a danger to employees inside bins, silos, or tanks in the grain handling facility were not disconnected, lockedout and tagged, blocked off, or prevented from operating by other means or methods:

Facility Wide - Laborers were required to enter grain bins to perform duties such as but not limited to freeing obstructions in grain flow and making repairs to equipment.

Date By Which Violation Must be Abated: **11/19/2009**

Safety Order 1 Item 4c Type of Violation: **Serious**

29 CFR 1910.272(g)(1)(iv): Walking down grain and similar practices where an employee walks on grain to make it flow within or out from a grain storage structure or where an employee is on moving grain was not prohibited:

Facility Wide - Laborers were required to enter grain bins to perform duties such as but not limited to freeing obstructions in grain flow and making repairs to equipment.

Date By Which Violation Must be Abated: **11/19/2009**

Safety Order 1 Item 4d Type of Violation: **Serious**

29 CFR 1910.272(g)(2): When entering the grain handling facility bins, silos, or tanks from the top, employees did not wear a body harness with lifeline, or use a boatswain's chair that met the requirements of Subpart D, 29 CFR 1910.28(j):

Facility Wide - Laborers were required to enter grain bins to perform duties such as but not limited to freeing obstructions in grain flow and making repairs to equipment.

Date By Which Violation Must be Abated: 11/19/2009

Safety Order 1 Item 4e Type of Violation: **Serious**

29 CFR 1910.272(g)(3): In the grain handling facility an observer, equipped to provide assistance, was not stationed outside the bin, silo, or tank being entered by an employee:

Facility Wide - Laborers were required to enter grain bins to perform duties such as but not limited to freeing obstructions in grain flow and making repairs to equipment.

Date By Which Violation Must be Abated: 11/19/2009

Safety Order 1 Item 4f Type of Violation: **Serious**

29 CFR 1910.272(g)(4): The employer of the grain handling facility did not provide equipment for rescue operations, which was specifically suited for the bin, silo, or tank being entered:

Facility Wide - Laborers were required to enter grain bins to perform duties such as but not limited to freeing obstructions in grain flow and making repairs to equipment.

Date By Which Violation Must be Abated: 11/19/2009

Safety Order 1 Item 4g Type of Violation: **Serious**

29 CFR 1910.272(g)(5): The employee acting as an observer for bin, tank, or silo entry operations in the grain handling facility was not trained in rescue procedures, including notification methods for obtaining additional assistance:

Facility Wide - Laborers were required to enter grain bins to perform duties such as but not limited to freeing obstructions in grain flow and making repairs to equipment.

Date By Which Violation Must be Abated: 11/19/2009

Safety Order 1 Item 4h Type of Violation: **Serious**

29 CFR 1910.272(g)(6): Employees at the grain handling facility entered bins, silos, or tanks underneath a bridging condition, or where a buildup of grain products on the side could fall and bury them:

Facility Wide - Laborers were required to enter grain bins to perform duties such as but not limited to freeing obstructions in grain flow and making repairs to equipment.

Date By Which Violation Must be Abated: 11/19/2009

Indiana Department of Labor

Occupational Safety and Health Administration

Inspection Number:	313191884
Inspection Dates:	08/20/2009 - 09/01/2009
Issuance Date:	10/23/2009

Safety Order and Notification of Penalty

Company Name: Farmers Grain of Maxwell
Inspection Site: 8 Avenue and Pendleton Avenue, Lapel, IN 46051

Safety Order 1 Item 5 Type of Violation: **Serious**

29 CFR 1910.272(j)(1): The employer did not develop and implement a written housekeeping program that establishes the frequency and method(s) determined best to reduce accumulations of fugitive grain dust on ledges, floors, equipment and other exposed surfaces:

Facility Wide - Laborers working in and around equipment such as but not limited to grain bins, dryers, and loading equipment were exposed to accumulations of grain dust.

Date By Which Violation Must be Abated: **11/19/2009**
Proposed Penalty: **$1,500.00**

Safety Order 1 Item 6 Type of Violation: **Serious**

29 CFR 1910.272(m)(4): The employer did not implement procedures for the use of tags and locks which will prevent the inadvertent application of energy or motion to equipment being repaired, serviced, or adjusted which could result in employee injury:

Facility Wide - Maintenance employees were required to make repairs to equipment such as but not limited to dryer motors and electrical equipment.

Date By Which Violation Must be Abated: **11/19/2009**
Proposed Penalty: **$1,500.00**

Jeffry S. Carter
Deputy Commissioner of IOSHA

Indiana Department of Labor
Indiana Occupational Safety and Health Administration
402 West Washington Street
Room W195
Indianapolis, IN 46204-2751
Phone: 317/232-1979 Fax: 317/233-8509

INVOICE/DEBT COLLECTION NOTICE

Company Name: Farmers Grain of Maxwell
Inspection Site: 8 Avenue and Pendleton Avenue, Lapel, IN 46051
Issuance Date: 10/23/2009

Summary of Penalties for Inspection Number 313191884

Safety Order 01, Serious	=	$8,250.00
Total Proposed Penalties		$8,250.00

Penalties are due within fifteen (15) working days of receipt of this notification unless contested. Make your check or money order payable to: "Indiana DOL/IOSHA". Please indicate IOSHA's Inspection Number (indicated above) on the remittance.

IOSHA does not agree to any restrictions or conditions or endorsements put on any check or money order for less than full amount due, and will cash the check or money order as if these restrictions, conditions, or endorsements do not exist.

Corrective action, taken by you for each alleged violation should be submitted to this office on or about the abatement dates indicated on the Safety Order and Notification of Penalty.

A work sheet has been provided to assist in providing the required abatement information. A completed copy of this work sheet should be posted at the worksite with the safety order(s).

Jeffry S. Carter
Deputy Commissioner of IOSHA

10/23/09
Date