

AUG 18 2011

SETTLEMENT AGREEMENT

J.W. Ganyard

The Commissioner of Labor (hereinafter referred to as "Commissioner") and Jayco Inc, (hereinafter referred to as "Employer") hereby agree as follows:

The Commissioner amends the Safety Order(s) and Notification(s) of Penalty, IOSHA Inspection No. 315051920 issued to the Employer on July 27, 2011 in the following manner.

SAFETY ORDER 01:

- Item 1: Upheld instance a, delete instance b, penalty remains at \$1,500.00
- Items 2a & 2b: Upheld, Penalty remains at \$2,500.00

SAFETY ORDER 02:

- Item 1a: Upheld, reduced to Serious, penalty reduced to \$5,000.00
- Item 1b: Upheld, reduced to Serious, cited as Item 2, penalty adjusted to \$5,000.00

SAFETY ORDER 03:

- Item 1: Upheld
- Item 2: Upheld

The TOTAL AGREED PENALTY is \$14,000.00

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.

JAYCO INC

COMMISSIONER OF LABOR

By: John W. Ganyard
 Title: Director of Human Resources
 Date: August 19, 2011

By: R. K. Kettner
 Title: Director IC
 Date: 8-29-11

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



Certified mail # 7003 1010 0003 5731 8407 7-27-11 jtz

Safety Order and Notification of Penalty

To:

Jayco Inc,
and its successors
903 South Main St
Middlebury, IN 46540

Inspection Site:

536 Michigan St
Topeka, IN 46571

Inspection Number: 315051920
Inspection Date(s): 05/10/2011 - 05/25/2011
Issuance Date: 07/27/2011

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.



NOTICE TO EMPLOYEES OF INFORMAL CONFERENCE

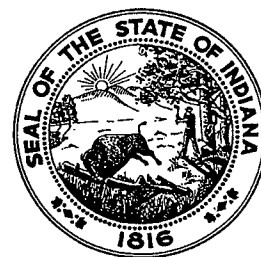
An informal conference has been scheduled with IOSHA to discuss the safety order(s) issued on 07/27/2011. The conference will be held at the IOSHA office located at 402 West Washington Street, Room W195, Indianapolis, IN 46204 on _____ at _____.

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: 315051920
Inspection Dates: 05/10/2011 - 05/25/2011
Issuance Date: 07/27/2011



Safety Order and Notification of Penalty

Company Name: Jayco Inc
Inspection Site: 536 Michigan St, Topeka, IN 46571

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

29 CFR 1910.23(c)(1): Open sided floor(s) or platform(s) 4 feet or more above the adjacent floor or ground level were not guarded by standard railings (or the equivalent as specified in 29 CFR 1910.23(e)(3)(i) through (v)), on all open sides:

A) Plant 73, Roof - The work platform used in this area had 40 inches of open space on the side, and 23 inch open on the ends. This platform was set 50 inches from the floor level, and is adjustable. Employees also worked from the roof of the recreational vehicle unit which is 98 inches above the ground level.

B) Plant 73, Cabinet Shop - A cabinet shop employee stepped onto the chute while lowering cabinet parts down to the production line, no guard rail was installed in front of the chute and would permit a fall to the floor 12 feet below.

Date By Which Violation Must be Abated:

08/22/2011

Proposed Penalty:

\$2,500.00

Indiana Department of Labor
Occupational Safety and Health Administration

Inspection Number: 315051920
Inspection Dates: 05/10/2011 - 05/25/2011
Issuance Date: 07/27/2011



Safety Order and Notification of Penalty

Company Name: Jayco Inc
Inspection Site: 536 Michigan St, Topeka, IN 46571

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 1910.95(g)(1): An audiometric testing program was not established and maintained for all employees whose noise exposure equaled or exceeded an 8 hour time weighted average of 85 DBA:

A) Plant 73, Fronts and Backs - On May 25, 2011 a fronts and backs department employee was exposed to a continuous noise at 173.9% of the permissible daily noise (8-hour time-weighted average sound level of 90 dbA) or equivalent sound level of approximately 94.0 dbA during the 454 minute sampling period. Zero increment was used for 26 minutes of unsampled time.

B) Plant 73, Floors - On May 25, 2011 a floors department employee was exposed to a continuous noise at 189.3% of the permissible daily noise (8-hour time-weighted average sound level of 90 dbA) or equivalent sound level of approximately 94.6 dbA during the 459 minute sampling period. Zero increment was used for 21 minutes of unsampled time.

C) Plant 73, Floors - On May 25, 2011 a floors department employee was exposed to a continuous noise at 114.6% of the permissible daily noise (8-hour time-weighted average sound level of 90 dbA) or equivalent sound level of approximately 90.9 dbA during the 460 minute sampling period. Zero increment was used for 20 minutes of unsampled time.

D) Plant 73, Floors - On May 25, 2011 a floors department employee was exposed to a continuous noise at 70.42% of the permissible daily noise (8-hour time-weighted average sound level of 90 dbA) or equivalent sound level of approximately 87.4 dbA during the 456 minute sampling period. Zero increment was used for 24 minutes of unsampled time.

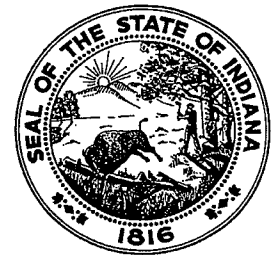
Date By Which Violation Must be Abated:
Proposed Penalty:

08/22/2011
\$2,500.00

Indiana Department of Labor

Occupational Safety and Health Administration

Inspection Number: 315051920
Inspection Dates: 05/10/2011 - 05/25/2011
Issuance Date: 07/27/2011



Safety Order and Notification of Penalty

Company Name: Jayco Inc
Inspection Site: 536 Michigan St, Topeka, IN 46571

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

29 CFR 1910.95(i)(3): The employer did not give the employees an opportunity to select their hearing protectors from a variety of suitable hearing protectors:

- A) Plant 73, Fronts and Backs - On May 25, 2011 a fronts and backs department employee was exposed to a continuous noise at 173.9% of the permissible daily noise (8-hour time-weighted average sound level of 90 dbA) or equivalent sound level of approximately 94.0 dbA during the 454 minute sampling period. Zero increment was used for 26 minutes of unsampled time.
- B) Plant 73, Floors - On May 25, 2011 a floors department employee was exposed to a continuous noise at 189.3% of the permissible daily noise (8-hour time-weighted average sound level of 90 dbA) or equivalent sound level of approximately 94.6 dbA during the 459 minute sampling period. Zero increment was used for 21 minutes of unsampled time.
- C) Plant 73, Floors - On May 25, 2011 a floors department employee was exposed to a continuous noise at 114.6% of the permissible daily noise (8-hour time-weighted average sound level of 90 dbA) or equivalent sound level of approximately 90.9 dbA during the 460 minute sampling period. Zero increment was used for 20 minutes of unsampled time.
- D) Plant 73, Floors - On May 25, 2011 a floors department employee was exposed to a continuous noise at 70.42% of the permissible daily noise (8-hour time-weighted average sound level of 90 dbA) or equivalent sound level of approximately 87.4 dbA during the 456 minute sampling period. Zero increment was used for 24 minutes of unsampled time.

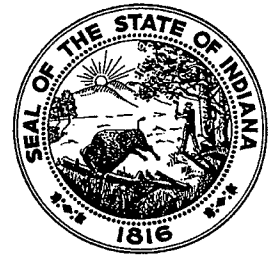
Date By Which Violation Must be Abated:

08/22/2011

Indiana Department of Labor

Occupational Safety and Health Administration

Inspection Number: 315051920
Inspection Dates: 05/10/2011 - 05/25/2011
Issuance Date: 07/27/2011



Safety Order and Notification of Penalty

Company Name: Jayco Inc
Inspection Site: 536 Michigan St, Topeka, IN 46571

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 2 Item 1a Type of Violation: **Repeat**

29 CFR 1910.95(c)(1): A continuing, effective hearing conservation program as described in 29 CFR 1910.95(c) through (n) was not instituted when employee noise exposures equaled or exceeded an 8-hour time weighted average sound level (TWA) of 85 dBA:

A) Plant 73, Fronts and Backs - On May 25, 2011 a fronts and backs department employee was exposed to a continuous noise at 173.9% of the permissible daily noise (8-hour time-weighted average sound level of 90 dbA) or equivalent sound level of approximately 94.0 dbA during the 454 minute sampling period. Zero increment was used for 26 minutes of unsampled time.

B) Plant 73, Floors - On May 25, 2011 a floors department employee was exposed to a continuous noise at 189.3% of the permissible daily noise (8-hour time-weighted average sound level of 90 dbA) or equivalent sound level of approximately 94.6 dbA during the 459 minute sampling period. Zero increment was used for 21 minutes of unsampled time.

C) Plant 73, Floors - On May 25, 2011 a floors department employee was exposed to a continuous noise at 114.6% of the permissible daily noise (8-hour time-weighted average sound level of 90 dbA) or equivalent sound level of approximately 90.9 dbA during the 460 minute sampling period. Zero increment was used for 20 minutes of unsampled time.

D) Plant 73, Floors - On May 25, 2011 a floors department employee was exposed to a continuous noise at 70.42% of the permissible daily noise (8-hour time-weighted average sound level of 90 dbA) or equivalent sound level of approximately 87.4 dbA during the 456 minute sampling period. Zero increment was used for 24 minutes of unsampled time.

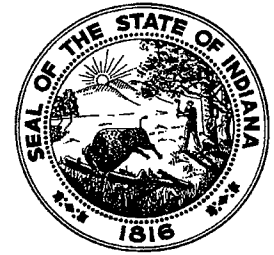
Jayco Inc was previously cited for a violation of this Occupational Safety and Health Standard or its equivalent Standard 1910.95(c)(1), which was contained in OSHA inspection number 312092265, citation number 2, item number 1a, issued on 10/03/2008, with respect to a workplace located at 903 S. Main Street, Middlebury, IN 46540.

Date By Which Violation Must be Abated: 08/22/2011
Proposed Penalty: \$12,500.00

Indiana Department of Labor

Occupational Safety and Health Administration

Inspection Number: 315051920
Inspection Dates: 05/10/2011 - 05/25/2011
Issuance Date: 07/27/2011



Safety Order and Notification of Penalty

Company Name: Jayco Inc
Inspection Site: 536 Michigan St, Topeka, IN 46571

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

29 CFR 1910.95(i)(2)(i): The wearing of hearing protectors was not ensured for employees exposed to sound levels exceeding those listed in Table G16 of 29 CFR 1910.95 as required by 29 CFR 1910.95(b)(1):

A) Plant 73, Fronts and Backs - On May 25, 2011 a fronts and backs department employee was exposed to a continuous noise at 173.9% of the permissible daily noise (8-hour time-weighted average sound level of 90 dbA) or equivalent sound level of approximately 94.0 dbA during the 454 minute sampling period. Zero increment was used for 26 minutes of unsampled time.

B) Plant 73, Floors - On May 25, 2011 a floors department employee was exposed to a continuous noise at 189.3% of the permissible daily noise (8-hour time-weighted average sound level of 90 dbA) or equivalent sound level of approximately 94.6 dbA during the 459 minute sampling period. Zero increment was used for 21 minutes of unsampled time.

Jayco Inc was previously cited for a violation of this Occupational Safety and Health Standard or its equivalent Standard 1910.95(i)(2)(i), which was contained in OSHA inspection number 312092265, citation number 2, item number 1b, issued on 10/03/2008, with respect to a workplace located at 903 S. Main Street, Middlebury, IN 46540.

Date By Which Violation Must be Abated:

08/22/2011

Indiana Department of Labor

Occupational Safety and Health Administration

Inspection Number: 315051920
Inspection Dates: 05/10/2011 - 05/25/2011
Issuance Date: 07/27/2011



Safety Order and Notification of Penalty

Company Name: Jayco Inc
Inspection Site: 536 Michigan St, Topeka, IN 46571

Safety Order 3 Item 1 Type of Violation: **Nonserious**

29 CFR 1910.132(d)(2): Employer had not verified that the required workplace hazard assessment had been performed through a written certification that identified the work place evaluated; the person certifying that the evaluation had been performed; and the date(s) of the hazard assessment:

Facility Wide - The employer's work site had not been assessed, the need for gloves when Swiftbond 3U211 was used had not been identified.

Date By Which Violation Must be Abated: 08/22/2011
Proposed Penalty: \$0.00

Safety Order 3 Item 2 Type of Violation: **Nonserious**

29 CFR 1910.138(a): Employer had not selected and required employees to use appropriate hand protection when employees' hands were exposed to hazards such as those from skin absorption of harmful substances; severe cuts or lacerations; severe abrasions; punctures; chemical burns; thermal burns; and/or harmful temperature extremes.

Facility Wide - The employer's work site had not been assessed, the need for gloves when employees used Swiftbond 3U211 was not identified.

Date By Which Violation Must be Abated: 08/22/2011
Proposed Penalty: \$0.00

Robert A. Kattau
Director, Industrial Compliance

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: Jayco Inc
Inspection Site: 536 Michigan St, Topeka, IN 46571
Issuance Date: 07/27/2011

Summary of Penalties for Inspection Number 315051920

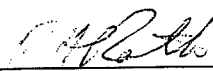
Safety Order 01, Serious	=	\$5,000.00
Safety Order 02, Repeat	=	\$12,500.00
Safety Order 03, Nonserious	=	\$0.00
Total Proposed Penalties		\$17,500.00

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).



Robert A. Kattau
Director, Industrial Compliance

07-27-11

Date