SETTLEMENT AGREEMENT

The Commissioner of Labor (hereinafter referred to as “Commissioner”) and Pizza Blends, 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. 313197691 issued to the Employer on March 13, 2010 in the following manner.

SAFETY ORDER 01:

Item 1: Upheld, penalty adjusted to $3,375.00, abatement extended to 8/7/10
Item 2: Upheld, grouped with Item 1, penalty deleted
Item 3a: Upheld, grouped with Item 1, penalty deleted, abatement extended to 7/7/10
Item 3b: Upheld, grouped with Item 1, penalty deleted
Item 3c: Upheld, grouped with Item 1, penalty deleted
Item 4: Upheld, penalty reduced to $1,687.50
Item 5: Upheld, grouped with Item 4, penalty deleted, abatement extended to 8/7/10
Item 6: Upheld, penalty reduced to $3,375.00
Item 7: Upheld, grouped with Item 5, penalty deleted, abatement extended to 6/7/10
Item 8: Upheld, penalty reduced to $3,375.00
Item 9: Upheld, penalty reduced to $3,375.00
Item 10: Upheld, grouped with Item 9, penalty deleted, abatement extended to 6/7/10
Item 11: Upheld, penalty reduced to $3,375.00, abatement extended to 7/7/10
Item 12a: Upheld, penalty reduced to $3,375.00, abatement extended to 6/7/10
Item 12b: Upheld, abatement extended to 6/7/10
Item 13: Upheld, grouped with item 6, penalty deleted, abatement extended to 8/7/10

The TOTAL AGREED PENALTY is $21,937.50

In addition to the above specified amendments, the employer further agrees to send one employee to OSHA 30 hour General Industry training by August 31, 2010. Penalty includes a 25% reduction for abatement of all outstanding citations and agreement for OSHA training.

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.

PIZZA BLENDS, INC.

By: ____________________________
Title: Director of Operations
Date: 5 May 2010

COMMISSIONER OF LABOR

By: ____________________________
Title: Director of Operations
Date: 5-6-10
Indiana Department of Labor
Indiana Occupational Safety and Health Administration
404 South Washington Street
Room W195
Indianapolis, IN 46204-2751
Phone: 317/232-1979  Fax: 317/233-8509

Safety Order and Notification of Penalty

To:
Pizza Blends, Inc., and its successors
404 South Kitley
Indianapolis, IN 46219

Inspection Site:
404 South Kitley
Indianapolis, IN 46219

Inspection Number: 313197691
Inspection Date(s): 02/02/2010 - 03/17/2010
Issuance Date: 04/13/2010

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/IOSHANo 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/IOSHANo 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 04/13/2010. The conference will be held at the IOSHA office located at 404 South 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

Safety Order and Notification of Penalty
Company Name: Pizza Blends, Inc.
Inspection Site: 404 South Kitley, Indianapolis, IN 46219

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 employees were exposed to limited or too few exits increasing exit travel distance causing injuries or illnesses including but not limited to burning of eyes, nose, and throat, chemical pneumonia, pulmonary edema, thermal burns and/or death.

Pizza Blends, Inc. had travel distances to exits that were not in accordance with NFPA 101 Life Safety Code, Chapter 7 which states that travel distance from the most remote point subject to occupancy to the outside should not exceed 75 feet (23m). Exit travel distances were as follows:

A. Number 1 Packing Area: Workstation to southeast exit was 154 feet.
B. R&D Office: Workstation to southeast exit was 185 feet.
C. Box Building: Workstation to southeast exit was 79 feet.
D. Line Number 2 Weigh Checking Station: Workstation to south exit was 160.5 feet.
E. Mixing Area Prep Station: Workstation to south exit was 134 feet.

IN THE ALTERNATIVE

29CFR 1910.36(f)(1): Exit routes did not support the maximum permitted occupant load for each floor served:

Facility: Pizza Blends, Inc. did not have enough exits that were so arranged that occupants could safely exit from a high hazard area without traveling more 75 feet.

Date By Which Violation Must be Abated: 05/07/2010
Proposed Penalty: $2,250.00
Safety Order 1 Item 2 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):

East Exit: Pizza Blends, Inc.- The east exit platform which was four feet and one quarter inches above ground level did not have a railing.

Date By Which Violation Must be Abated: Corrected During Inspection
Proposed Penalty: $3,150.00
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 1910.36(e)(2): The door that connected any room to an exit route did not swing out in the direction of exit travel if the room was designated to be occupied by more than 50 people or if the room was a high hazard area:

East exit: The door from the production area to the hallway which lead to the east exit opened into the production area instead of toward the east exit.

**Date By Which Violation Must be Abated:** 05/07/2010  
**Proposed Penalty:** $4,500.00

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

29 CFR 1910.37(a)(3): Materials or equipment were placed, either permanently or temporarily, within the exit route.

Southwest exit: On 2-18-10 skids of parts and materials and storage racks in the southwest corner of the warehouse blocked the exit.

**Date By Which Violation Must be Abated:** 05/07/2010

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

29 CFR 1910.37(b)(2): Each exit route door was not clearly visible and marked by a sign that reading "Exit."

A. Door to warehouse: The standard exit door from the production area to the warehouse which was part of the planned exit routes was marked, "Not an Exit."

B. Southwest exit door: The standard exit door in the southwest area of the warehouse which was part of the planned exit routes was marked, "Not an Exit."

**Date By Which Violation Must be Abated:** 05/07/2010
Indiana Department of Labor

Occupational Safety and Health Administration

Safety Order and Notification of Penalty

Company Name: Pizza Blends, Inc.
Inspection Site: 404 South Kitley, Indianapolis, IN 46219

Inspection Number: 313197691
Inspection Dates: 02/02/2010 - 03/17/2010
Issuance Date: 04/13/2010

Safety Order 1 Item 4  Type of Violation: Serious

29 CFR 1910.119(d)(3)(i)(B): Process safety information pertaining to the equipment in the process did not include the piping and instrument diagrams (P&ID'S):

Facility: Pizza Blends, Inc. did not maintain and update piping and instrumentation diagrams (P&ID'S) to reflect changes that occurred to the refrigeration system including but not limited:

A. P&ID-1 showed a two inch diameter pipes coming off of safety relief valves on booster pumps B-1, B-2 going to a one inch diameter pipe, terminating at a normally open globe valve to a 3 inch diameter pipe to evaporative condenser, E-923. Field verification showed one inch piping coming off safety relief valves on high stage compressor, C1 and booster pump B-1 going to two inch diameter piping to the roof venting atmosphere.

B. P&ID- showed a normally open globe valve on HGD one inch diameter pipe just before it T's into HGD three inch diameter pipe near HV926-2-12.Field verification of ammonia shows that the globe was removed .

C. P&ID-1 showed Roof Cooling Tunnel, AU1 connected to the ammonia refrigeration system. Roof Cooling Tunnel was disconnected from the ammonia system and valved off in about May 2008.

D. P&ID-1 showed the Glycol Cooler, GC-1 still connected to the ammonia refrigeration system. The Glycol Cooler, GC-1 was disconnected in December 2009, valved off from the ammonia system and a 230-ton Portable Air Cooled Screw Chiller was instead connected the ammonia refrigeration system.

E. P&ID-1 showed pressure relief valves (PSVs) #700, #701, #702, #703 as vent inside the building as there is no "R" designation inline from equipment to the termination point of those PRVs. Field verification showed that PSVs #700, #701, #702, #703 go through the roof above the ammonia engine room and exhaust to atmosphere.

F. P&ID-1 showed high stage compressors, C-1, C-2, and C-3 connected to BD eight inch diameter pipe to PSVs #700, and #701 with booster pump B-1 and B-2 connected to a separate relief to evaporative condenser, E-923. Field verification showed that high stage compressors, C-2, and C-3 and booster pump B-2 were connected to eight inch high side suction line and high stage compressors, C-1 and booster pump B1 were connected to a two inch vent line that exited the roof above the engine room and vented to atmosphere.

Date By Which Violation Must be Abated: 05/07/2010
Proposed Penalty: $2,250.00
Safety Order and Notification of Penalty

Company Name: Pizza Blends, Inc.
Inspection Site: 404 South Kitley, Indianapolis, IN 46219

Safety Order 1 Item 5  Type of Violation: Serious

29 CFR 1910.119(d)(3)(i)(D): Process safety information pertaining to the equipment in the process did not include the relief system design and design basis:

Facility: Pizza Blends, Inc. did not have relief system design basis for the anhydrous ammonia refrigeration system with approximately 50,000 pounds of anhydrous ammonia.

Date By Which Violation Must be Abated: 05/07/2010
Proposed Penalty: $2,250.00

Safety Order 1 Item 6  Type of Violation: Serious

29 CFR 1910.119(e)(5): The employer did not establish a system to promptly address the process hazard analysis team's findings and recommendations:

Facility: Pizza Blends, Inc. did not develop a system to promptly address recommendations developed by the process hazard analysis team in August 2009. The ammonia refrigeration contains about 50,000 pounds of anhydrous ammonia and has been managed by Pizza Blends, Inc. since about May 2000.

Date By Which Violation Must be Abated: 05/07/2010
Proposed Penalty: $4,500.00

Safety Order 1 Item 7  Type of Violation: Serious

29 CFR 1910.119(e)(7): The employer did not retain process hazards analyses, updates, or revalidation for each covered process, as well as the documented resolution of recommendations described in 29 CFR 1910.119(e)(5) for the life of the process:

Facility: Pizza Blends, Inc. did not retain the Process Hazard Analyses (PHA) for the ammonia refrigeration process including, but not limited to the 2003 PHA as well as documented resolutions for the life of the process.

Date By Which Violation Must be Abated: 05/07/2010
Proposed Penalty: $4,500.00
Indiana Department of Labor
Occupational Safety and Health Administration

Safety Order and Notification of Penalty
Company Name: Pizza Blends, Inc.
Inspection Site: 404 South Kitley, Indianapolis, IN 46219

Safety Order 1 Item 8 Type of Violation: Serious

29 CFR 1910.119(f)(1): The employer did not develop and implement written operating procedures that provided clear instructions for safety conducting activities in each covered process consistent with the process safety information and which addressed the elements listed in 29 CFR 1910.119(f)(1)(i) through (f)(1)(v):

Facility: Pizza Blends, Inc. did not develop written operating procedures for all operational phases of ammonia refrigeration process.

Date By Which Violation Must be Abated: 05/07/2010
Proposed Penalty: $4,500.00

Safety Order 1 Item 9 Type of Violation: Serious

29 CFR 1910.119(j)(4)(i): Inspections and tests were not performed on process equipment to maintain its mechanical integrity:

Facility: Cyrus Shank Company safety relief valves, type 804TH, ¾", model # OG3132.5C were not inspected and/or replaced every five years in accordance with National Board Inspection Code.

Date By Which Violation Must be Abated: 05/07/2010
Proposed Penalty: $4,500.00

Safety Order 1 Item 10 Type of Violation: Serious

29 CFR 1910.119(j)(4)(iii): The frequency of inspections and tests of process equipment to maintain its mechanical integrity, was not consistent with applicable manufacturers' recommendations and good engineering practices, or more frequently determined to be necessary by prior operating experience:

Facility: The Manning Systems Portable Ammonia Gas Detector, model EC P-1 NH, serial number 1966 was not calibrated in accordance with manufacturer specifications and was last calibrated in September 2005.

Date By Which Violation Must be Abated: 05/07/2010
Proposed Penalty: $2,250.00
Indiana Department of Labor
Occupational Safety and Health Administration

Inspection Number: 313197691
Inspection Dates: 02/02/2010 - 03/17/2010
Issuance Date: 04/13/2010

Safety Order and Notification of Penalty
Company Name: Pizza Blends, Inc.
Inspection Site: 404 South Kitley, Indianapolis, IN 46219

Safety Order 1 Item 11 Type of Violation: Serious

29 CFR 1910.119(l)(l): The employer did not establish and implement written procedures to manage changes to process chemicals, technology, equipment, and procedures; and, changes to facilities that affect a covered process:

Facility: Pizza Blends. Inc. did not perform management of change in accordance with 29CFR 1910.119 paragraph (l) where changes were made to the ammonia refrigeration system such as, but not limited to:

A. Addition of Spiral Freezer to ammonia system in 2003.
C. Isolation of Gycol Cooler from ammonia system and addition of Portable Air Cooled Screw Chiller to Ammonia system in December 2009.

Date By Which Violation Must be Abated: 05/07/2010
Proposed Penalty: $4,500.00
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 12a** Type of Violation: **Serious**

29 CFR 1910.119(n): The employer did not establish and implement an emergency plan for the entire plant in accordance with the provisions of 29 CFR 1910.38(a):  

Facility: Pizza Blends, Inc. did not have a contingency for releases/spills of anhydrous ammonia including both large and small releases where employees could be exposed to approximately 50,600 pounds of anhydrous ammonia.  

**Date By Which Violation Must be Abated:** 05/07/2010  
**Proposed Penalty:** $4,500.00

**Safety Order 1 Item 12b** Type of Violation: **Serious**

29 CFR 1910.38(e): The employer did not designate and train employees to assist in a safe and orderly evacuation of other employees:  

Facility: Pizza Blends, Inc. did not train employees in the elements of the emergency action plan and contingencies for various emergencies including, but not limited to large release of ammonia, small release of ammonia, fire, and tornado.  

**Date By Which Violation Must be Abated:** 05/07/2010
Safety Order and Notification of Penalty

Company Name: Pizza Blends, Inc.
Inspection Site: 404 South Kitley, Indianapolis, IN 46219

Safety Order 1 Item 13 Type of Violation: Serious

29 CFR 1910.119(o)(4): The employer did not determine and document an appropriate response to each of the findings of the compliance audit required by 29 CFR 1910.119(o)(1), and document that the deficiencies had been corrected:

Facility: Pizza Blends, Inc. did not document and develop a response to each of the findings of the Compliance Audit performed on January 14-16, 2009.

Date By Which Violation Must be Abated: 05/07/2010
Proposed Penalty: $4,500.00

Robert A. Kattau
Director, Industrial Compliance
INVOICE/DEBT COLLECTION NOTICE

Company Name: Pizza Blends, Inc.
Inspection Site: 404 South Kitley, Indianapolis, IN 46219
Issuance Date: 04/13/2010

Summary of Penalties for Inspection Number 313197691

Safety Order 01, Serious =  $48,150.00
Total Proposed Penalties $48,150.00

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

Robert A. Kattau
Director, Industrial Compliance

4/13/10
Date