

August 29, 1997

Dr. Bill Kuby
Arizona Department of Environmental Quality (ADEQ)
3003 N. Central Ave.
Phoenix, AZ 85012-2905

Subject: United Musical Instruments Air Permit # 1000388

Dear Dr. Kuby:

Woodward-Clyde International-Americas (WCI) is assisting United Musical instruments (UMI) in obtaining an air permit for their Nogales, Arizona facility (ADEQ permit number 1000388). ADEQ has prepared a draft permit dated December 19, 1996. Attachment B(II)C.1 of the draft permit requires that UMI submit a compliance plan on or before September 2, 1997 to comply with 40CFR63, subpart T. During a meeting on August 28, 1997 with Dr. Laurie LaPat-Polasko and Mr. Brian Aiken of WCI, you indicated that an extension until November 15, 1997 for the compliance plan would be acceptable to ADEQ. The purpose of this letter is to confirm our understanding that the compliance plan deadline will be extended to November 15, 1997. If our understanding is incorrect, please contact us immediately.

UMI is currently investigating options for reducing emissions at several of their facilities across the United States and has contacted the Environmental Protection Agency (EPA) regarding 40CFR63 subpart T. UMI is presently awaiting a reply from the EPA.

During the meeting, we also discussed updating the information for the influent VOC concentrations to the air stripping towers (Attachment B(II)G.) and emissions rates (Attachment C, "Emissions Sources" worksheet). This information will be made available to ADEQ by October 15, 1997 so that the permit conditions can be updated.

Please feel free to call me at 225-0150 if you have any questions.

Sincerely,

WOODWARD-CLYDE INTERNATIONAL-AMERICAS


Laurie LaPat-Polasko, Ph.D.
Vice President


Brian Scott Aiken
Environmental Engineer/Scientist



ARIZONA DEPARTMENT OF ENVIRONMENTAL QUALITY

Governor Jane Dee Hull

Russell F. Rhoades, Director

December 19, 1997

**CERTIFIED MAIL
RETURN RECEIPT REQUESTED**

Guy Hansen, Facility Coordinator
United Musical Instruments, U.S.A., Inc.
1310 West Fairway Drive
Nogales, Arizona 85621

FILE COPY

Re: Air Quality Control Permit No. 1000388
Manufacturing of Musical Instruments

Dear Mr. Hansen:

The Arizona Department of Environmental Quality, Air Quality Division, has completed its review of the referenced permit application.

I am prepared to recommend to the Director that your Air Quality Control Permit be issued with conditions necessary to meet all rules and regulations applicable to this source related to air pollution control. A draft of the Permit with appropriate conditions is enclosed for your review.

In accordance with A.R.S. §49-426.D, a Public Notice will be issued in the **Nogales International** on December 26, 1997 and January 2, 1998 and **The Weekly Bulletin** on January 7, 1998 and January 14, 1998 and will give instructions for making comments and an opportunity to request a Public Hearing on the Permit. A copy of this Public Notice is also enclosed.

You also need to post a copy of this Public Notice adjacent to the nearest public roadway on the property where your facility is or will be located. This notice posting should conform to the attached Public Notice posting requirements. The notice should be posted from the date of first publication to February 7, 1998.

If you have any questions, please do not hesitate to contact me at (602) 207-2329.

Sincerely,

Prabhat Bhargava
Prabhat Bhargava, P.E.
Manager, Air Permits Section

PB:jle
Enclosures

c: Michael Traubert, Manager, Air Compliance Section

PUBLIC NOTICE
YOU HAVE A VOICE IN AIR POLLUTION CONTROL IN ARIZONA

The Arizona Department of Environmental Quality (ADEQ) proposes to issue an Air Quality Control Permit Number 1000388 to United Musical Instruments, U.S.A., Inc. for a Manufacturing of Musical Instruments located at 1310 West Fairway Drive, Nogales, Arizona 85621, Santa Cruz County, Arizona. This proposed Permit will limit emissions of the following types of air contaminants: xylene, methyl alcohol, denatured ethyl alcohol, n-butanol, formaldehyde, ethylene glycol, monobutyl ether, toluene, 4-hydroxy-4-methyl-2-pentanone, 2-propanol, brass dust, plastic chips, nitric acid fumes, hydrogen chloride fumes, trichloroethylene, lead.

This Public Notice provides information to help you participate in the decision-making process. You have an opportunity to submit written comments on this Permit, and request that ADEQ hold a Public Hearing on the Permit. The written comment shall state the name and mailing address of this person, shall be signed by the person, his agent or his attorney and shall clearly set forth reasons why the permit should or should not be issued. Grounds for comment are limited to whether the Permit meets the criteria for issuance spelled out in the State Air Pollution Control laws or rules.

Materials related to the Permit, including the application, ADEQ's analysis and the draft permit are available for your review at ADEQ's office at 3003 North Central Avenue, 5th Floor, Phoenix, Arizona, or at the City Clerk of Nogales, 777 N. Grand Ave., Nogales, Arizona 85621.

Persons wishing to submit written comments or request a Public Hearing have until February 7, 1998 to do so. Comments and/or requests should be directed to: Director, Air Quality Division, ADEQ, 3033 North Central Avenue, Phoenix, AZ 85012-2809-33.

ADEQ will consider all comments received in making a final decision on the Permit. All requests for Public Hearing will be considered. Any person who has submitted a comment will receive notification of the final decision. Persons who filed a comment may petition the Air Pollution Control Hearing Board in writing for a hearing on the final decision. Petitions to the Board must be filed within 30 days after notice of the final decision. The Hearing Board may sustain, modify, or reverse the final decision on the Permit.

If you would like to receive copies of future Public Notices of Air Pollution Control Permits, please provide a typewritten or printed copy of your name, address, and ZIP code, to the Director of Air Quality Division at ADEQ's address shown above. Your request should also state that you wish your name to be placed on the Air Quality Permit mailing list.

If you have any questions or would like to find out more information about this Permit, please contact Prabhat Bhargava at (602) 207-2329, when in Arizona (800) 234-5677 (Ext. 2329), or at ADEQ's address shown above.

MINIMUM SIGN SIZE REQUIREMENTS for ADEQ

AIR QUALITY CONTROL PERMIT APPLICATION

Written Comment Period
Ends February 7, 1998
Proposed Permit #1000388

(Public
Notice
Copy
Goes
Here)

For more information contact:

ARIZONA DEPARTMENT OF ENVIRONMENTAL QUALITY (A.D.E.Q.)
1(800)234-5677

MINIMUM REQUIREMENTS:

1. Sign shall be 3-feet wide by 4-feet high.
2. Bottom of sign shall be 18 inches above the ground.
3. Sign shall be supported by two anchor posts.
4. Sign shall be posted on the affected property in such a manner as to be legible from the public right-of-way.
5. Sign shall be black letters on a white background.
6. Sign shall be made of 1/4-inch plywood.

**TECHNICAL REVIEW AND EVALUATION OF
APPLICATION FOR AIR QUALITY CONTROL PERMIT FOR
CONSTRUCTION OR MODIFICATION OF A CLASS II SOURCE**

PERMITTEE: United Musical Instruments, U.S.A., Inc. DATE: 2/16/96

ADDRESS: 1310 West Fairway Drive PERMIT NO.: 1000388
 Nogales, Arizona 85621 NEW CLASS II: Yes

EQUIPMENT LOCATION: 1310 West Fairway Drive SIG. REVISION: _____
 Nogales, Arizona 85621, Santa Cruz County, AZ TO PERMIT NO.: _____
 85621 NSR OR PSD: No

PERMIT ENGINEER: Bill Kuby TITLE V: Yes, NESHAP

NATURE OF BUSINESS: Musical Instruments Manufacturing Plant

APPLICABLE REGULATION	CONDITION	MEETS CONDITION			SEE RMK NO.	RVWD BY
		YES	NO	N/A		
R18-2-326	A. ADMINISTRATION	X				WCK
	1. Have all applicable fees been paid?					
Appendix 1 R18-2-304.E	2. a. Has a complete application been submitted? (attach completeness checklist)	X				WCK
R18-2-304.G	3. Has additional information necessary to address any requirements which became effective after the application was filed been submitted? (if applicable)			X		WCK
R18-2-305	6. Confidentiality			X		WCK
	a. If portions of the application were submitted with a notice of confidentiality, has the applicant been notified as to the Director's confidentiality determination?					
	b. If portions of the application have been determined by the Director to be confidential, has a notice of confidentiality been included in the file?			X		WCK
R18-2-101.60 and 61	7. Is the source classified as a major source as per R18-2-101.61 or a major modification as per R18-2-101.60?		X		1.	WCK
ARS § 49-402	8. Does the Arizona Department of Environmental Quality have jurisdiction over this source?	X			2.	WCK
Articles 7, 9 and 11	B. AIR POLLUTION CONTROL EQUIPMENT	X				WCK
	1. Have the parameters of all process equipment which may cause or contribute to air pollution been identified?					

ERMITTEE: United Musical Instruments, U.S.A., Inc.

DATE: 2/16/96

TECHNICAL REVIEW AND EVALUATION OF APPLICATION FOR AIR QUALITY CONTROL PERMIT

APPLICABLE REGULATION	CONDITION	MEETS CONDITION			SEE RMK NO.	RVWD BY
		YES	NO	N/A		
	2. Have all air releases containing regulated air pollutants (including any hazardous air pollutants) been identified and characterized as to the concentration and type of pollutant?	X			3.	WCK
Articles 7, 9 and 11	3. Has the applicant demonstrated that each emission source is so designed, controlled, and/or equipped with such air pollution control equipment that it may be <u>expected</u> to operate without emitting or causing to be emitted air contaminants in violation of A.A.C. Title 18, Chapter 2, Articles 7, 9, and 11? (Attach calculations.)	X			4.	WCK
Article 6	4. Has the applicant demonstrated that each non-point emission source is so designed, controlled, and/or equipped with such air pollution control equipment that it may <u>expected</u> to be capable of complying with the requirements of Article 6 (emissions from existing and new non-point sources)?			X		WCK
Articles 7, 9 and 11	5. Has the source demonstrated that proposed air pollution controls or techniques can be maintained at full operational capacity? (Attach calculations)	X				WCK
Articles 6, 7 & 9	C. REGULATORY SUMMARY					
	1. Has the applicant supplied sufficient material/information to demonstrate that emission standards can be met for the following (be sure to attach calculations demonstrating this):					
	a. Visible emissions			X		WCK
	b. Particulate emissions			X		WCK
	c. Sulfur dioxide emissions			X		WCK
	d. Total sulfur emissions			X		WCK
	e. Volatile organic compounds	X				WCK
	f. Nitrogen dioxide emissions					WCK
	g. Other pollutants _____			X		WCK
Article 11	2. Has the applicant demonstrated that the emissions from the facility are such that they will meet hazardous air pollutant standards?	X				WCK
Article 2	3. Has the applicant submitted sufficient material to demonstrate that ambient air quality standards or guidelines can be met for the following:					
	a. Sulfur dioxide			X		WCK
	b. Ozone			X		WCK
	c. Carbon monoxide			X		WCK
	d. Nitrogen dioxide			X		WCK

APPLICABLE REGULATION	CONDITION	MEETS CONDITION			SEE RMK NO.	RVWD BY
		YES	NO	N/A		
	e. Lead	X			5.	WCK
	f. PM ₁₀	X				WCK
	g. Other Pollutants <u>OTHER HAPs</u>	X				WCK
R18-2-309.2	Does the permit contain a requirement for the submittal of compliance certifications (at least annually)?	X				WCK
R18-2-309.5	Does the permit contain a compliance plan which outlines how the source plans to comply with all requirements and the means for demonstrating compliance?	X			6.	WCK
R18-2-306.3.4	Does the permit contain sufficient monitoring, reporting and recordkeeping requirements to determine whether or not the source is in compliance at any time?	X			7.	WCK

Committee: United Musical Instruments, U.S.A., Inc.

DATE: November 3, 1997

PERMIT NO. 1000388

TECHNICAL REVIEW REMARKS

REM. NO.	REMARKS	REVIEWED BY
1.	The potential emissions from this source accounting for federally enforceable limits are below all major source thresholds. The total potential emissions of hazardous air pollutants have been calculated to be approximately 22 tons per year.	WCK
2.	This stationary source is located in Nogales, Santa Cruz County which ADEQ has jurisdiction over.	WCK
3.	Based upon the potential emissions calculations, the expected emissions from the source should not violate any of the applicable regulations contained in the A.A.C. Title 18, Chapter 2. However, using the worst case assumption that all of the VOCs contained in the metal surface coating are emitted to the air, the 4.3 lb VOC/gallon of coating limit contained in R18-2-730(L) is predicted to be exceeded. The applicant is considering switching to a powder coating for metal parts but at the time of notice has not determined if this type of coating will work.	WCK
4.	The applicant has included potential emissions calculations for all federal hazardous air pollutants. These calculations have been reviewed by the Department and all work practice limitations used in these calculations have been incorporated into the permit. Potential emissions were calculated from source tests, material balances, and emissions factors.	WCK
5.	Ambient air quality modeling was performed to compare the expected impacts from this source's potential emissions with the appropriate federal or state ambient level. In accordance with Air Permitting policy, emissions from the TCE degreasers were not modeled as these units are covered by a maximum available control technology (MACT) standard which addresses TCE. The modeling analysis does predict any federal or state exceedences.	WCK
6.	The compliance date for the degreaser MACT which the three TCE degreasers are subject to is December 1, 1997. The permit contains a provision that the applicant must submit a compliance plan to the Technical Review Section which outlines how they will achieve compliance with the MACT on or before October 1, 1997.	WCK
7.	The permit contains substantial recordkeeping requirements to ensure that compliance with conditions may be determined at any time. The applicant is also required to submit semi-annual reports which contain summaries of the required records.	WCK

PERMITTEE: United Musical Instruments, U.S.A., Inc.

DATE: November 3, 1997

PERMIT ENGINEER: Bill Kuby

PERMIT NO. 1000388

**SUPPORTING INFORMATION FOR
SPECIFIC RULES**

SPECIFIC RULES	
APPLICABLE RULE	SUPPORTING INFORMATION
R18-2-726	The buffing and polishing of the metal parts at the facility are covered under this regulation. The emissions from these operations are passed through cyclones to remove the relatively large diameter ^{particles of} dust generated.
R18-2-727	The spray painting of the metal parts are covered under this regulation and do take place in a spray booth.
R18-2-730(F)	The emissions from the acid baths which are used for the metal parts are covered under this regulation which requires sources which volatile components such as acid in a manner which minimizes their escape into the atmosphere. The emissions from this operation are vented through an acid fume scrubber which satisfies this requirement.
R18-2-730(J), (K)	The electroplating of metal parts at this facility is done using copper cyanide and sodium cyanide. Emissions from this operation are covered by Section J for hydrogen cyanide emissions and Section K for the potential sodium cyanide dust. These regulations state maximum predicted ambient air impacts of these compounds, which based upon the modeling analysis should be met.
R18-2-730(L)	Applies to the paint used in the spray booth.
R18-2-730	The lead kettle for refining furnace and the air strippers are subject to the general provisions of this regulation. The lead refining unit is not classified as a secondary lead smelting unit because it does use scrap metal but rather pure lead bars which are emitted in the unit and formed into parts of musical instruments.
R18-2-1011(B)(13) 14	The three remaining TCE degreasers at the facility are subject to the MACT for degreaser units contained in 40 CFR 63, Subpart T. The source has not determined how well they will comply with the MACT at this time but are required to be in compliance by December 1, 1997 (see discussion contained in the above technical review remarks).

TESTING - MONITORING - REPORTING - RECORDKEEPING	
PERMIT CONDITION	SUPPORTING INFORMATION
Recordkeeping/Reporting Requirements	All of the reporting and recordkeeping requirements contained in the permit are voluntary work practice limitations the applicant identified and used when calculating the potential emissions from this facility. These limitations were necessary to keep the facility's emissions below the major source threshold for hazardous air pollutants. A summary of required records are required to be submitted to ADEQ semi-annually along with a compliance certification. The keeping of the records in bound logbooks, should ensure that an inspector visiting the facility will be able determine compliance with permit conditions at any time.

CODE ASSIGNMENT AND SITE CHANGE FORM

Reporting Program: AQD/PERMITS Date Received: 06/02/93

Company (45 char) United Musical Instruments, U.S.A., Inc.

Previous Company Name (45 char) _____

Site/Op. # (if known) _____ County (Text name) Santa Cruz

Permit Description Manufacturing of Musical Instruments

Contact Name (40 char) Robert E. Hartman, Facilities Environmental Manager

Contact Phone 602-281-1970

Latitude _____ Longitude _____

UTM Vertical (Northing) _____ Km N UTM Horizontal (Easting) _____ Km E

UTM Zone (11 or 12 Only) _____ SIC Code 3931

If this is a Portable Source, no Lat/Long or UTM coordinates are needed.

Plant Name (Optional) Building #1

Street (60 char) 1310 West Fairway Drive

City (15 char) Nogales, Santa Cruz County, AZ ZIP Code (5+4 char) 85621

List program specific numbers for this facility below:

Name	Number
<u>F.I.D. Number</u>	<u>1286</u>
<u>Proposed Permit Number</u>	<u>231286P0-00</u>
<u>Current Permit Number</u>	_____
_____	_____

Engineer's Name: Joanie Wadas, Ext. 2382
Comments/relationship to other sites:

Please return to Julie before the end of the current pay period!

*Date this form printed:
January 10, 1995*

ARIZONA DEPARTMENT OF ENVIRONMENTAL QUALITY
Air Quality Division
3003 N. Central Ave. • Phoenix, AZ 85012-290703 • Phone: (602) 207-2338

AIR QUALITY CONTROL PERMIT

(As required by Title 49, Chapter 3, Article 2, Section 49-426, Arizona Revised Statutes)

This air quality control permit does not relieve applicants of responsibility for meeting all air pollution regulations

1. PERMIT TO BE ISSUED TO (Business license name of organization that is to receive permit) _____

United Musical Instruments, U.S.A., Inc.

2. NAME (OR NAMES) OF OWNER OR PRINCIPALS DOING BUSINESS AS THE ABOVE ORGANIZATION _____

Guy Hansen

3. MAILING ADDRESS 1310 West Fairway Drive

NUMBER STREET

Nogales, Arizona 85621

CITY OR COMMUNITY STATE ZIP CODE

4. ORIGINAL EQUIPMENT LOCATION/ADDRESS 1310 West Fairway Drive

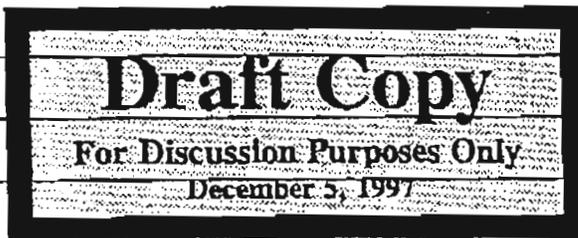
NUMBER STREET

Nogales, Arizona 85621, Santa Cruz County, Arizona 85621

CITY OR COMMUNITY STATE COUNTY ZIP CODE

5. FACILITIES OR EQUIPMENT DESCRIPTION See Attachment "C"

6. THIS PERMIT ISSUED SUBJECT TO THE FOLLOWING Conditions contained in Attachments "A" and "B"



7. ADEQ PERMIT NUMBER # 1000388 PERMIT CLASS II EXPIRATION DATE _____

PERMIT ISSUED THIS _____ DAY OF _____, 1997

SIGNATURE

Nancy C. Wrona, Director, Air Quality Division

TITLE

ATTACHMENT "A"

GENERAL PROVISIONS
Air Quality Control Permit No. 1000388
For
United Musical Instruments, U.S.A., Inc.

- I. PERMIT EXPIRATION AND RENEWAL** [A.R.S. § 49-426.F, A.A.C. R18-2-304.C.2 and -306.A.1]
- A. This permit is valid for a period of five years from the date of issuance of the permit.
- B. The permittee shall submit an application for renewal of this permit at least 6 months, but not more than 18 months prior to the date of permit expiration.
- II. NOTIFICATION OF OPERATION STARTUP** [A.A.C. R18-2-306.A.2]
- Permittee shall furnish to the Department a written notification of the actual date of initial startup of the permitted facility postmarked within 15 days after such date.
- III. COMPLIANCE WITH PERMIT CONDITIONS** [A.A.C. R18-2-306.A.8]
- A. The permittee shall comply with all conditions of this permit including all applicable requirements of Arizona air quality statutes and the air quality rules. Any permit noncompliance constitutes a violation of the Arizona Revised Statutes and is grounds for enforcement action; for permit termination, revocation and reissuance, or revision; or for denial of a permit renewal application.
- B. Need to halt or reduce activity not a defense. It shall not be a defense for a permittee in an enforcement action that it would have been necessary to halt or reduce the permitted activity in order to maintain compliance with the conditions of this permit.
- IV. PERMIT REVISION, REOPENING, REVOCATION AND REISSUANCE, OR TERMINATION FOR CAUSE** [A.A.C. R18-2-306.A.8.c]
- The permit may be revised, reopened, revoked and reissued, or terminated for cause. The filing of a request by the permittee for a permit revision, revocation and reissuance, or termination; or of a notification of planned changes or anticipated noncompliance does not stay any permit condition.
- V. POSTING OF PERMIT** [A.A.C. R18-2-315]
- A. Permittee shall post such permit, or a certificate of permit issuance on location where the equipment is installed in such a manner as to be clearly visible and accessible. All equipment covered by the permit shall be clearly marked with one of the following:
1. Current permit number.
 2. Serial number or other equipment number that is also listed in the permit to identify that piece of equipment.
- B. A copy of the complete permit shall be kept on the site.

VI. FEE PAYMENT

[A.A.C. R18-2-326]

Permittee shall pay fees to the Director pursuant to A.A.C. R18-2-326.

VII. ANNUAL EMISSIONS INVENTORY QUESTIONNAIRE

[A.A.C. R18-2-327]

- A. Permittee shall complete and submit to the Director an annual emissions inventory questionnaire. The questionnaire is due by March 31 or ninety days after the Director makes the inventory form available each year, whichever occurs later, and shall include emission information for the previous calendar year.
- B. The questionnaire shall be on a form provided by the Director and shall include the information required by A.A.C. R18-2-327.

VIII. COMPLIANCE CERTIFICATION

[A.A.C. R18-2-309]

- A. Permittee shall submit a compliance certification to the Director annually, beginning six months subsequent to permit issuance.
- B. The compliance certification shall include the following:
 1. Identification of each term or condition of the permit that is the basis of the certification;
 2. Compliance status;
 3. Whether compliance was continuous or intermittent;
 4. Method(s) used for determining the compliance status of the source, currently and over the reporting period;
 5. Measures taken or to be taken to achieve compliance with any applicable requirement with which the source is not in compliance at the time of submittal of the compliance certification; and

Other facts that the Director may require to determine the compliance status of the source.

IX. COMPLIANCE WITH PERMIT

[A.A.C. R-18-309]

- A. The permittee shall continue to comply with applicable requirements.
- B. The permittee shall comply with requirements which become applicable during the permit term on a timely basis.

X. CERTIFICATION OF TRUTH, ACCURACY AND COMPLETENESS

[A.A.C. R18-2-304.H]

Any document required to be submitted by this permit, including reports, shall contain a certification by a responsible official of truth, accuracy, and completeness. This certification and any other certification required under this part shall state that, based on information and belief formed after reasonable inquiry, the statements or information in the document are true, accurate, and complete.

XI. INSPECTION AND ENTRY

[A.A.C. R18-2-309.4]

The permittee shall allow the Director or the authorized representative of the Director upon presentation of proper credentials to:

- A. Enter upon the permittee's premises where a source is located or emissions-related activity is conducted, or where records are required to be kept under the conditions of the permit;
- B. Have access to and copy, at reasonable times, any records that are required to be kept under the conditions of the permit;
- C. Inspect, at reasonable times, any facilities, equipment (including monitoring and air pollution control equipment), practices, or operations regulated or required under the permit;
- D. Sample or monitor, at reasonable times, substances or parameters for the purpose of assuring compliance with the permit or other applicable requirements; and
- E. Record any inspection by use of written, electronic, magnetic and photographic media.

XII. PERMIT REVISION PURSUANT TO FEDERAL HAZARDOUS AIR POLLUTANT STANDARD [A.A.C. R18-2-304.C]

If this source becomes subject to a standard promulgated by the Administrator pursuant to section 112(d) of the Act, then the permittee shall, within twelve months of the date on which the standard is promulgated, submit an application for a permit revision demonstrating how the source will comply with the standard.

XIII. PERMIT DEVIATION REPORTING [A.A.C. R18-2-306.A.5 and 6, -306.E.3.d and -310]

A. EXCESS EMISSIONS REPORTING

A.A.C. R18-2-310 will become federally enforceable upon approval by EPA of the Department's Title V operating permits program or when A.A.C. R18-2-310 is approved by EPA for incorporation into the State Implementation Plan, whichever comes first.

Emissions in excess of an applicable emission limitation contained in this permit shall constitute a violation. In all situations that constitute an emergency as defined in R18-2-306(E), the affirmative defense and reporting requirements contained in that provision shall apply.

2. It shall be the burden of the Permittee of the source to demonstrate, through submission of the data and information required by this section, that all reasonable and practicable measures within the Permittee's control were implemented to prevent the occurrence of excess emissions.
3. Excess emissions shall be reported as follows:
 - a. The Permittee of any source issued a permit shall report to the Director any emissions in excess of the limits established by this permit. Such report shall be in two parts as specified below:
 - (1) Notification by telephone or facsimile within 24 hours of the time when the Permittee first learned of the occurrence of excess emissions including all available information from paragraph b. of this subsection.
 - (2) Detailed written notification within 72 hours of the notification pursuant to subparagraph (1) of this paragraph.
 - b. Report shall contain the following information:

- (1) Identity of each stack or other emission point where the excess emissions occurred.
 - (2) Magnitude of the excess emissions expressed in the units of the applicable emission limitation and the operating data and calculations used in determining the magnitude of the excess emissions.
 - (3) Date, time and duration or expected duration of the excess emissions.
 - (4) Identity of the equipment from which the excess emissions emanated.
 - (5) Nature and cause of such emissions.
 - (6) If the excess emissions were the result of a malfunction, steps taken to remedy the malfunction and the steps taken or planned to prevent the recurrence of such malfunctions.
 - (7) Steps taken to limit the excess emissions. If the source's permit contains procedures governing source operation during periods of start-up or malfunction and the excess emissions resulted from start-up or malfunction, the report shall contain a list of the steps taken to comply with the permit procedures.
4. In the case of continuous or recurring excess emissions, the notification requirements of this section shall be satisfied if the source provides the required notification after excess emissions are first detected and includes in such notification an estimate of the time the excess emissions will continue. Excess emissions occurring after the estimated time period or changes in the nature of the emissions as originally reported shall require additional notification pursuant to subsection A.3.a.(2) of this Section.
5. **Emergency Provision**
- a. An "emergency" means any situation arising from sudden and reasonably unforeseeable events beyond the control of the source, including acts of God, which situation requires immediate corrective action to restore normal operation, and that causes the source to exceed technology-based emission limitation under the permit, due to unavoidable increase in emissions attributable to the emergency. An emergency shall not include noncompliance to the extent caused by improperly designed equipment, lack of preventative maintenance, careless or improper operation, or operator error.
 - b. An emergency constitutes an affirmative defense to an action brought for noncompliance with such technology-based emission limitations if the conditions of paragraph d of this section are met.
 - c. The Permittee shall submit notice of the emergency to the Director by certified mail, facsimile or hand delivery within 2 working days of the time when emission limitations were exceeded due to an emergency. This notice shall contain a description of the emergency, any steps taken to mitigate emissions, and corrective action taken.
 - d. The affirmative defense of emergency shall be demonstrated through properly signed, contemporaneous operating logs, or other relevant evidence that:
 - (1) An emergency occurred and that the Permittee can identify the cause(s) of the emergency;
 - (2) The permitted facility was at the time being properly operated;

- (3) During the period of the emergency the Permittee took all reasonable steps to minimize levels of emissions that exceeded the emissions standards or other requirements in the permit; and
- (4) The notice was submitted per paragraph e above.
- e. In any enforcement proceeding, the Permittee seeking to establish the occurrence of an emergency has the burden of proof.
- f. This provision is in addition to any emergency or upset provision contained in any applicable requirement.

B. OTHER PERMIT DEVIATIONS

- 1. Permittee shall promptly report deviations from permit requirements, including those attributable to upset conditions as defined in the permit, the probable cause of such deviations, and any corrective actions or preventive measures taken. Prompt reporting shall mean that the report was submitted to the Director by certified mail, facsimile, or hand delivery within two working days of the time the deviation occurred.
- 2. In addition to subparagraph 1 above, the Permittee shall submit reports of any deviations from permit requirements at least every six months, beginning six months subsequent to permit issuance.

XIV. RECORDKEEPING

[A.A.C. R18-2-306.A.4]

- A. Permittee shall keep records of all required monitoring information including, but not limited to, the following:
 - 1. The date, place as defined in the permit, and time of sampling or measurements;
 - 2. The date(s) analyses were performed;
 - 3. The name of the company or entity that performed the analyses;
 - 4. Description of the analytical techniques or methods used;
 - 5. The results of such analyses; and
 - 6. The operating conditions as existing at the time of sampling or measurement.

B. Permittee shall retain records of all required monitoring data and support information for a period of at least 5 years from the date of the monitoring sample, measurement, report, or application. Support information includes all calibration and maintenance records and all original strip-chart recordings for continuous monitoring instrumentation, and copies of all reports required by the permit.

XV. REPORTS

[A.A.C. R18-2-306.A.5.a]

Permittee shall submit reports of any required recordkeeping at least every six months, beginning six months subsequent to permit issuance. However, more frequent submittal of reports may be required in Attachment B to this permit.

XVI. DUTY TO PROVIDE INFORMATION

[A.A.C. R18-2-304.G and 306.A.8.c]

- A. The permittee shall furnish to the Director, within a reasonable time, any information that the Director may request in writing to determine whether cause exists for revising, revoking and reissuing, or terminating the permit or to determine compliance with the permit. Upon request, the permittee shall also furnish to the Director copies of records required to be kept by the permit.
- B. If the permittee has failed to submit any relevant facts or if the permittee has submitted incorrect information in the permit application, the permittee shall, upon becoming aware of such failure or incorrect submittal, promptly submit such supplementary facts or corrected information.

XVII. PERMIT REOPENING FOR CAUSE

[A.A.C. R18-2-321]

The permit shall be reopened and revised under any of the following circumstances:

- A. The Director determines that the permit contains a material mistake or that inaccurate statements were made in establishing the emissions standards or other terms or conditions of the permit.
- B. The Director determines that the permit needs to be revised or revoked to assure compliance with the applicable requirements.

XVIII. PERMIT AMENDMENT OR REVISION

[A.A.C. R18-2-318, -319 and -320]

Permittee shall apply for a permit amendment or revision for changes to the facility which do not qualify for a facility change without revision under Section XIX as follows:

- A. Administrative Permit Amendment (A.A.C. R18-2-318)
- B. Minor Permit Revision (A.A.C. R18-2-319) for
- C. Significant Permit Revision (A.A.C. R18-2-320).

The applicability and requirements for such actions are defined in the above referenced regulations.

XIX. FACILITY CHANGE WITHOUT PERMIT REVISION

[A.A.C. R18-2-317]

- A. Permittee may make changes at the permitted source without a permit revision if all of the following apply:
 1. The changes are not modifications under any provision of Title I of the Act or under A.R.S. §49-40101(17).
 2. The changes do not exceed the emissions allowable under the permit whether expressed therein as a rate of emissions or in terms of total emissions;
 3. The changes do not violate any applicable requirements or trigger any additional applicable requirements;
 4. The changes satisfy all requirements for a minor permit revision under R18-2-319(A); and
 5. The changes do not contravene federally enforceable permit terms and conditions that are monitoring (including test methods), recordkeeping, reporting, or compliance certification requirements.
- B. The substitution of an item of process or pollution control equipment for an identical or substantially

similar item of process or pollution control equipment shall qualify as a change that does not require a permit revision, if it meets all of the requirements of subsections (A) and ^o of this Section.

C. For each such change under subsections (A) and (B) of this Section, except as provided in C.1 below, a written notice by certified mail or hand delivery shall be received by the Director a minimum of 7 working days in advance of the change. Notifications of changes associated with emergency conditions, such as malfunctions necessitating the replacement of equipment, may be provided less than 7 working days in advance of the change as but must be provided as far in advance of the change as possible or, if advance notification is not practicable, as soon after the change as possible.

1. Examples of changes that do not require notification:

- a. Changes that are not physical changes or changes in the method of operation of a source and that do not have the potential to affect emissions;
- b. Routine maintenance activities; and
- c. Changes to activities that are insignificant under A.A.C. R18-2-10, unless such changes would trigger one or more applicable requirements.

2. Each notification shall include:

- a. When the proposed change will occur;
- b. A description of each such change;
- c. Any change in emissions of regulated air pollutants;
- d. The pollutants emitted subject to the emissions trade, if any;
- e. The provisions in the implementation plan that provide for the emissions trade with which the source will comply and any other information as may be required by the provisions in the implementation plan authorizing the trade;
- f. ~~10~~ permit requirements with which the source will comply, if the emissions trading provisions of the implementation plan are invoked; and
- g. Any permit term or condition that is no longer applicable as a result of the change.

XX. TRANSFER OF PERMIT

[A.A.C. R18-2-323]

This permit may be transferred from permittee to another person whether by operation of law or otherwise if the permittee notifies the Director in writing at least thirty (30) days before the transfer. The notice shall be in writing and shall include the name, address, telephone number and statutory agent of the person to whom the permit will be transferred, the effective date of the proposed transfer and other information as specified in A.A.C. R18-2-323(A).

B. If the Director determines that the transferee is not capable of operating the source in compliance with the requirements of the Article 2, Chapter 3 of Title 49 of Arizona Revised Statutes, and the conditions established in the permit, the transfer shall be denied. Notice of the denial shall be sent to the permittee by certified mail stating the reason for the denial within ten (10) working days of the Director's receipt of the permittee's notice. If the transfer is not denied within ten (10) working days after receipt of the permittee's notice, it shall be deemed approved.

XXI. PROPERTY RIGHTS

[A.A.C. R18-2-306.A.8.d]

This permit does not convey any property rights of any sort, or any exclusive privilege.

XXII. SEVERABILITY CLAUSE

[A.A.C. R18-2-306.A.7]

The provisions of this permit are severable, if any provision of this permit is held invalid, the remainder of this permit shall not be affected thereby.

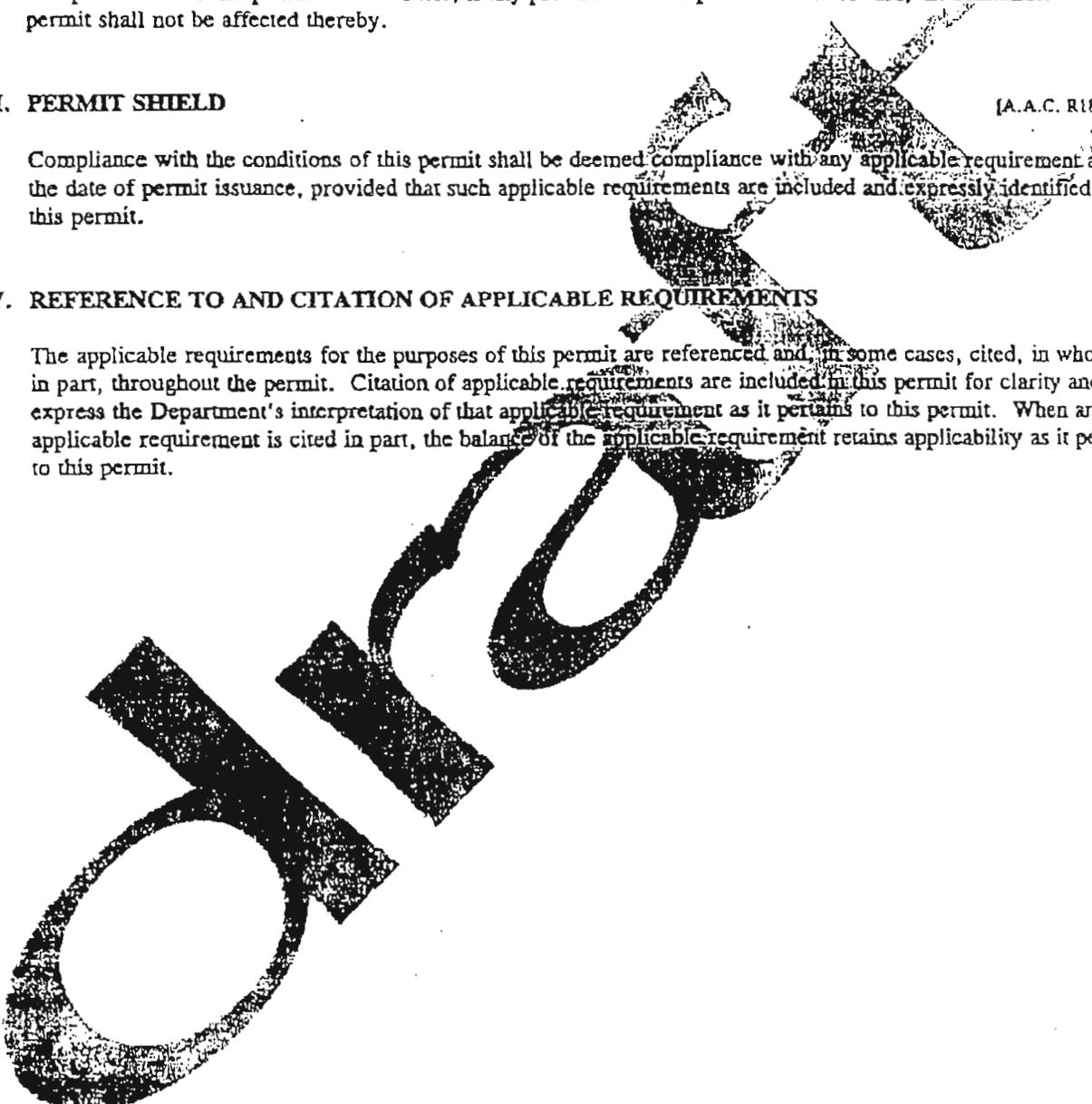
XXIII. PERMIT SHIELD

[A.A.C. R18-2-325]

Compliance with the conditions of this permit shall be deemed compliance with any applicable requirement as of the date of permit issuance, provided that such applicable requirements are included and expressly identified in this permit.

XXIV. REFERENCE TO AND CITATION OF APPLICABLE REQUIREMENTS

The applicable requirements for the purposes of this permit are referenced and, in some cases, cited, in whole or in part, throughout the permit. Citation of applicable requirements are included in this permit for clarity and/or to express the Department's interpretation of that applicable requirement as it pertains to this permit. When an applicable requirement is cited in part, the balance of the applicable requirement retains applicability as it pertains to this permit.



ATTACHMENT "B"

SPECIFIC CONDITIONS
Air Quality Control Permit No. 1000388
For
United Musical Instruments, U.S.A., Inc.

I. RELATIONSHIP OF PERMIT TO APPLICABLE STATE IMPLEMENTATION PLAN

This permit is issued pursuant to the provisions of the Arizona Revised Statutes (A.R.S.) §49-404.C, and constitutes an installation permit for the purpose of the applicable SIP.

II. APPLICABLE REQUIREMENTS

Emission Sources Reference Table		
Unit ID	Description; Location	Applicable Regulation (A.A.C.)
P1	Buffing of Metal Parts; Building #1	R18-2-702 and 730
P2	Metal Buffing and Polishing; Building #2	R18-2-702 and 730
P3	Plastic Machining; Building #1	R18-2-726 and 730
P4	Acid Baths for Metal Parts; Building #1	R18-2-306.01, R18-2-730(F)
P7	TCE Solvent Cleaning Machine; Building #2	R18-2-306.01, R18-2-1101(A)(1) and (B)(14) (40 CFR 63, Subparts A and T)
P8	TCE Solvent Cleaning Machine; Building #2	R18-2-306.01, R18-2-1101(A)(1) and (B)(14) (40 CFR 63, Subparts A and T)
P10	Lead Kettle Refining; Building #1	R18-2-724
P11	Spray Booth; Building #2	R18-2-306.01, R18-2-727, R18-2-730
P12	Spray Booth; Building #2	R18-2-306.01, R18-2-727, R18-2-730
P13	TCE Solvent Cleaning Machine; Building #2	R18-2-306.01, R18-2-1101(A)(1) and (B)(14) (40 CFR 63, Subparts A and T)
P14	Electroplating Baths; Building #1	R18-2-306.01, R18-2-730
P15	Air Stripper; Outside Building #1	R18-2-730
P16	Air Stripper; Outside Building #1	R18-2-730

III. EMISSION LIMITS

A. BUFFING, POLISHING, AND MACHINING OPERATIONS

[A.A.C. R18-2-730]

The permittee shall use good modern practices to minimize the dust generated from the buffing, polishing, and machining operations. Prior to being exhausted to the atmosphere, the emissions from these operations

shall pass through a cyclone. [This is a Material Permit Condition]

B. ACID BATHS

[A.A.C. R18-2-306.01, A.A.C. R18-2-730(F)]

1. The permittee shall process, store, use, and transport all solvents and acids in such a manner and by such means that they will not evaporate, leak, or escape into the ambient air as to cause or contribute to air pollution.
2. The exhaust gases from the acid washing of metal parts shall be collected and passed through a acid fume scrubber. [This is a Material Permit Condition]
3. The permittee shall not use more than 20,000 pounds of a maximum 35% HCl solution in any one year period. Compliance with this limit shall be determined using a rolling annual total. The daily amount of solution used shall be recorded in ink by the permittee into a bound, on-site logbook with numbered pages. Each entry shall indicate the date and amount of solution used in pounds. [This is a Material Permit Condition]

[A.A.C. R18-2-306.01]

C. TCE SOLVENT CLEANING MACHINE

[A.A.C. R18-306.01, A.A.C. R18-2-1101(A)(1) and (B)(14)]

1. The TCE solvent cleaning machines, unit numbers P7, P8, and P13 are subject to 40 CFR §63, Subparts A and T, National Emissions Standards for Halogenated Solvent Cleaning. In accordance with 40 CFR §63.460(d) the permittee shall be in compliance with this subpart no later than December 2, 1997.
2. Compliance with emission limits below shall be determined by summing the additions and deletions of TCE at each solvent cleaning machine. The daily amount of TCE additions or deletions shall be recorded in ink (or in an electronic form) by the permittee into a bound, on-site logbook with numbered pages for each solvent cleaning machine. Each entry shall indicate the date, the solvent cleaning machine identification number and amount of TCE additions or deletions in gallons or pounds. Each calendar month these entries shall be summed and this sum shall be recorded in ink by the permittee into a bound, on-site logbook with numbered pages. A yearly total and a 3 - month rolling average monthly emission rate shall be computed based on the monthly totals.

Permittee shall ensure that the 3-month rolling average monthly emission rate from each solvent cleaning machine does not exceed the following values: [This is a Material Permit Condition.]

Solvent Cleaning Machine I.D. Number	Emission Limit lbs/month
P13 - Graviflo	196
P7 - Buffing	140
P8 - Lacquer	209

4. Permittee shall remove or replace the solvent cleaning machines such that the annual emissions of TCE are reduced according to the following schedule:

- a. Starting with the issuance of this permit, the emissions of TCE shall not exceed 3.3 ton per year.
- b. Starting on January 1, 1999, the emissions of TCE shall not exceed 2.7 tons per year.
- c. Starting on January 1, 2000 and thereafter, the emissions of TCE shall not exceed 1.2 tons

per year.

D. METAL PARTS COATING

[A.A.C. R18-2-306.01, A.A.C. R18-2-727, A.A.C. R18-2-730]
[A.A.C. R18-2-727(A)]

- 1. The permittee shall conduct all coating of metal parts in a spray booth with a minimum of 96 percent over spray controls.
2. The permittee shall not emit Volatile Organic Compounds, as measured by EPA Method 25, in excess of 4.3 pounds per gallon of coating (excluding water).
3. If the permittee notifies the Department in writing within 180 days of permit issuance that a powder coating method for metal parts coating has been implemented, the performance test required in Section V.A.2 of Attachment "B" of this permit is waived.
4. The permittee shall not use more than 300 gallons of Flashdur or 150 gallons of Reducer in any one year period. Compliance with this limit shall be determined using a rolling annual total. The daily amount of each type of coating used shall be recorded in ink by the permittee into a bound, on-site logbook with numbered pages. Each entry shall indicate the date, the type of coating (Reducer or Flashdur), and amount used in pounds. Each week's entries shall be summed and this sum shall be recorded in ink by the permittee into a bound, on-site logbook with numbered pages. A rolling annual total for each coating shall be computed based on the weekly totals.

E. LEAD KETTLE REFINING

[A.A.C. R18-2-724]

- 1. Permittee shall not cause to be discharged into the atmosphere exhaust gases which exhibit greater than 40 percent opacity, as measured by EPA Method 9.
2. Permittee shall not cause to be discharged into the atmosphere particulate matter, as measured by EPA Method 5, caused by the combustion of fuel from any fuel-burning operation in excess of the amounts calculated by the following equation:

E = 1.02 * Q^0.769

E = the maximum allowable particulate emissions rate in pounds-mass per hour.

Q = the heat input in million Btu/hour.

- 3. Permittee shall not cause to be discharged into the atmosphere lead, as measured by EPA Method 12, in excess of 0.02 pounds per hour.
4. Permittee shall not cause to be discharged into the atmosphere sulfur dioxide, as measured by EPA Method 6, in excess of 1.0 lb per million Btu heat caused by the combustion of fuel.

F. ELECTROPLATING BATHS

[A.A.C. R18-2-306.01, A.A.C. R18-2-730(F)]

- 1. The permittee shall process, store, use, and transport all solvents and acids in such a manner and by such means that they will not evaporate, leak, or escape into the ambient air as to cause or contribute to air pollution.

[A.A.C. R18-2-306.01, A.A.C. R18-2-730(I)(K)]

- 2. The permittee shall not use more than 200 pounds of Copper Cyanide or 600 pounds of Sodium Cyanide in any one year period. Compliance with this limit shall be determined using a rolling annual total. The daily amount of each type of electrolyte solution used shall be recorded in ink by the permittee into a bound, on-site logbook with numbered pages. Each entry shall indicate the date, the type of solution (Copper Cyanide or Sodium Cyanide), and amount used in pounds. Each

week these entries shall be summed and this sum shall be recorded in ink by the permittee into a bound, on-site logbook with numbered pages. A rolling annual total for each coating shall be computed based on the weekly totals. [This is a Material Permit Condition]

G. SPRAY BOOTHS

[A.A.C. R18-2-727, A.A.C. R18-2-730(L)]

1. Permittee shall conduct spray paint operations in an enclosed area equipped with controls containing no less than 96 percent of the over spray.
2. Permittee shall not emit volatile organic compounds (VOC) in excess of 4.3 pounds per gallon of coating, excluding water, delivered to the coating applicator that applies the coating.

H. AIR STRIPPERS

[A.A.C. R18-2-306.01, A.A.C. R18-2-730]

Permittee shall operate the air stripping towers at a maximum air flow rate of 3250 standard cubic feet per minute. The concentrations of the following contaminants in the groundwater, prior to the air strippers shall not exceed the limits contained in the following table:

Contaminant	Maximum Inlet Concentration (µg/L)
Chloroform	6.4
1,2-Dichloroethane	44
Trichloroethylene	1250
1,1,2-Trichloroethane	43
Methylene Chloride	197
Toluene	5

IV. AIR POLLUTION EQUIPMENT

[A.A.C. R18-2-726, R18-2-730, R18-2-306.A.,2, and R18-2-310]

- A. Permittee shall continuously operate and maintain the following air pollution control devices according to manufacturer's specifications. All maintenance on pollution control devices shall be logged. The log entry should contain the date, reason for, and outcome of the maintenance work as well as the identity of the control equipment which was worked on. This information shall be stored on-site and be made available to the Department upon request.

The use of these air pollution control devices are necessary to ensure that specific emissions limitations are met and to avoid new source review permitting requirements. The requirement to use these pollution controls are Material Permit Conditions as defined in A.A.C. R18-2-331.

Required Air Pollution Control Devices		
Unit ID	Description; Location	Control Device
P1	Buffing of Metal Parts; Building #1	Cyclone
P2	Metal Buffing and Polishing; Building #2	Cyclones (4)
P3	Plastic Machining; Building #1	Cyclone
P4	Acid Baths for Metal Parts; Building #1	Acid Fume Scrubber

P7	TCE Solvent Cleaning Machine; Building #2	Work Practices
P8	TCE Solvent Cleaning Machine; Building #2	Work Practices
P10	Lead Kettle Refining; Building #1	Fume Hood
P11	Spray Booth; Building #2	Work Practices, Over spray Control
P12	Spray Booth; Building #2	Work Practices, Over spray Control
P13	TCE Solvent Cleaning Machine; Building #2	Work Practices
P14	Electroplating Baths; Building #1	Work Practices
P15	Air Stripper; Outside Building #1	n/a
P16	Air Stripper; Outside Building #1	n/a

- B. Where a stack, vent, or other outlet is at such a level that fumes, gas, mist, odor, smoke, vapor, or any combination thereof constituting air pollution are discharged to adjoining property, the Director may require the installation of additional abatement equipment or the alteration of such stack, vent, or other outlet by the owner or operator thereof to a degree that will adequately dilute, reduce, or eliminate the discharge of air pollution to adjoining property.
- C. The permittee shall not emit gaseous or odorous materials from equipment, operations, or premises under his control in such quantities or concentrations as to cause air pollution.

V. PERFORMANCE TESTS

[A.A.C. R18-2-306.A.3, -311 and -312]

A. TESTING FREQUENCIES

Within 90 days after issuance of this permit, Permittee shall conduct or cause to be conducted a performance test (as required in A.A.C. R18-2-312) for the concentration and mass emission rate of particulate matter and lead from the Lead Kettle Refining process. EPA Reference Methods 5 and 12 (or an ADEC approved equivalent method), shall be used to determine the PM and lead values respectively.

The Department may require additional testing when deemed necessary based on site/operation inspections.

B. STACK TESTING FACILITIES

Permittee shall provide, or cause to be provided, performance testing facilities as follows:

1. Sampling ports adequate for the applicable test methods;
2. Safe sampling platforms;
3. Safe access to sampling platforms; and
4. Utilities for sampling and testing equipment.

C. PROCESS RATE DURING TESTING

The performance test shall be conducted at a minimum of 95 percent of the permitted operating capacity. However, should this not be feasible, the performance test may be conducted at a lower rate upon receipt of prior written approval from the Department. This alternative testing process rate shall not be less than 80 percent nor greater than 100 percent of the permitted operating capacity. If testing is performed at a lower rate, subsequent operation shall be restricted to the process input rate used during the testing period until a subsequent performance test establishes a higher process input rate.

D. OPERATIONAL CONDITIONS DURING TESTING

The performance test shall reflect representative operational conditions of the plant. Operations during start-up, shutdown, and malfunction (as defined in A.A.C. R18-2-101) shall not constitute representative operational conditions.

E. TESTING METHODS

The performance test shall be conducted and data reduced (as required by A.A.C. R18-2-312.B) in accordance with the following test methods and procedures contained in the Arizona Testing Manual or 40 CFR Part 60, Appendix A:

1. EPA Reference Method 9 shall be used to determine opacity from process emission sources. The procedures set forth in 40 CFR §60.11 shall be used to determine initial compliance; the minimum total time of observations shall be three hours (30 / six minute averaging periods).
2. EPA Reference Method 9 and procedure in 40 CFR §60.386(b)(2) shall be used to determine opacity from process fugitive emissions.
3. EPA Reference Method 5 shall be used to determine the particulate matter concentration and mass emission rate. The sampling time and sample volume for each run shall be at least 60 minutes and 31.8 dry standard cubic feet (dscf), respectively.
4. EPA Reference Method 12 shall be used to determine the lead concentration and mass emission rate.

F. TESTING PLAN

The Department shall be notified in writing at least 30 days prior to the performance test, and a pre-test meeting with the Department shall be arranged at least 14 calendar days prior to testing to allow time for the development of an appropriate testing plan and to arrange for an observer to be present at the test. Permittee shall submit test plan to the Department at least seven (7) calendar days prior to the pre-test meeting. Such test plan shall be in accordance with the Arizona Testing Manual and must be approved, in writing, by the Department before the test is performed.

G. TESTING PROCEDURES

Permittee shall conduct three (3) separate test runs using the required test method. Each run shall be conducted in accordance with the applicable standard and test method. Except as provided for in A.A.C. R18-2-312.C, compliance with an applicable standard shall be determined based on the arithmetic mean of the results of the three (3) test runs. If a sample is accidentally lost or conditions occur which are not under Permittee's control and which may invalidate the run, compliance may, upon the Director's approval, be determined using the arithmetic mean of the other two (2) runs. If the Director, or the Director's designee is present, tests may only be stopped with the Director's or such designee's approval. If the Director, or the Director's designee is not present, tests may only be stopped for good cause, which includes force shutdown, failure of an irreplaceable portion of the sample train, extreme meteorological conditions, or other circumstances beyond Permittee's control. Termination of testing without good cause after the first run is commenced shall constitute a failure of the test. Supporting documentation which demonstrates good cause must be submitted.

H. TEST FAILURE

1. Except as limited by 40 CFR §60.8^c and A.A.C. R18-2-312.C, a performance test failure constitutes a violation of the applicable emission standard. According to A.R.S. §49-464.C, a person who knowingly operates a source in violation of an emission standard is guilty of a class 5 felony. If a performance test demonstrates an exceedance, Permittee shall follow the procedures outlined in this section. Adherence to such procedures does not relieve Permittee of any enforcement action resulting from a performance test failure. Ceasing operation of the emission unit(s) immediately after Permittee discovers the test failure may relieve Permittee of an enforcement action resulting from a violation of A.R.S. §49-464.C.
2. Except when A.A.C. R18-2-306.E or R18-2-310 applies, if Permittee discovers that a performance test indicates an exceedance either by direct examination of the preliminary test results or through notification by the Department, Permittee shall:
 - a. Notify the Department by telephone or facsimile, as soon as practical after Permittee's discovery that the preliminary test results indicate an exceedance, and
 - b. Immediately after discovery, take all necessary measures to ensure that the applicable emission standard is met. At the direction of the Department, necessary measures may include ceasing or reducing operations, immediately repairing equipment, and/or other measures which will ensure that the emission standard will be met.
3. If Permittee continues to operate the emission unit(s) after the test failure is documented, a complete re-test shall be completed as soon as practical, but no later than 48 hours after the appropriate measures have been completed. If the test continues to show a test failure, Permittee shall take additional measures and re-test within 48 hours of the completion of any additional measures until a performance test demonstrates compliance with the emission standard or the Department determines that the unit(s) shall be shut down for a detailed investigation of the problem. Re-testing does not relieve Permittee from further enforcement action, which may include a temporary restraining order issued pursuant to A.R.S. §49-462.
4. If Permittee continues to operate the emission unit(s) after the test failure is documented, a compliance schedule shall be submitted to the Department as soon as practical, but no later than 48 hours after discovery, which includes the following:

A sequential list of all actions and measures taken or to be taken to achieve compliance, indicating those actions and measures that the permittee considers to be significant;

 - b. Deadlines for completion of each significant action;
 - c. Deadlines for submitting progress reports and a test plan;
 - d. Deadlines for performing a second test; and
 - e. A certification of truth, accuracy, and completeness from a responsible official.

5. If any significant deadline listed in the compliance schedule is not met, Permittee shall submit a revised compliance schedule which includes an explanation of why any significant dates in the previous schedule were not met.

I. REPORTING OF TEST RESULTS

Permittee shall submit a written report of the results of all performance tests to the Director within 30 calendar days after the test is performed. The report shall be submitted in accordance with the Arizona Testing Manual and A.A.C. R18-2-312.B.

V. **REPORTING REQUIREMENTS**

- A. All submittals to ADEQ required by this permit shall be certified as true, accurate, and complete by the responsible official.
- B. The permittee shall submit a report to the ADEQ-Air Quality Compliance Section for each six-month period, January 1 to June 30 and July 1 to December 31. The report shall be submitted within 45 days of the close of a reporting period. At a minimum this report shall contain the following information:
 - 1. Total amount of 35% HCl solution used in the acid baths (lbs);
 - 2. Total amount of TCE used in the solvent cleaning machines (lbs; tons);
 - 3. Total amount of Flashdur and Reducer used in the metal coating operation (gallons);
 - 4. Total amount of Copper Cyanide and Sodium Cyanide used in the electroplating operation (lbs).

VOID



CITY of NOGALES

JOSEPH R. McKINNEY
CITY ATTORNEY

August 17, 1988

Hugh A. Holub, Esq.
3390 N. Campbell
Suite 132
Tucson, Arizona 85719

RE: City of Nogales/ C.G. Conn Golf Course Agreement

Dear Mr. Holub:

Pursuant to our recent telephone conversation wherein I informed you that the City was in agreement with the changes to the agreement referred to above, and pursuant to the instructions in your letter dated August 2, 1988, I am enclosing the signed agreement.

Please do not hesitate to call me if you have any questions.

Very truly yours,

A handwritten signature in black ink, appearing to read "Joseph R. McKinney", written over a horizontal line.

Joseph R. McKinney
Nogales City Attorney

JRM:cl

Enclosures

AGREEMENT

THIS AGREEMENT is made and entered into on this 17 day of August, 1988, by and between United Musical Instrument USA, Inc., hereinafter "UMI", and the City of Nogales, hereinafter "Nogales", an Arizona municipal corporation.

WHEREAS, UMI is the owner and operator of a musical instrument manufacturing facility located within the City of Nogales, Arizona; and,

WHEREAS, UMI is required by various state and federal laws to remove certain groundwater from an aquifer that had previously been impacted by UMI's manufacturing activities, and treat said groundwater to remove volatile organic compounds associated with the UMI manufacturing activities to levels at or below applicable state and federal water quality standards; and,

WHEREAS, Nogales is the owner of a golf course known as the Meadow Hills Country Club Golf Course, more particularly described on the map attached hereto and made a part hereof as Exhibit "A" hereinafter referred to as the "Golf Course"; and

WHEREAS, Nogales desires the right to use the treated groundwater produced by UMI to irrigate the Golf Course; and,

WHEREAS, UMI desires to grant Nogales the right to use the treated groundwater on the Golf Course;

NOW, THEREFORE IT IS AGREED by the parties as follows:

1. UMI shall install, at its sole cost and expense, the necessary groundwater withdrawal, treatment, and conveyance facilities to extract, treat, and convey the groundwater removed, to the Golf

Course at two holding ponds shown on Exhibit "A" and denominated as the "Delivery Point" or "outfall". The ground water extracting, treatment and conveyance facilities (hereinafter referred to as the "System") shall be as more particularly described in the "Notice of Disposal" filed by UMI with the Arizona Department of Health Services, [Arizona Department of Environmental Quality] and which is attached hereto and made a part hereof as Exhibit "B".

2. UMI agrees to deliver to the Golf Course Delivery Point a maximum of 150 gallons per minute of treated groundwater through the System.

3. UMI shall bear the sole cost and responsibility of operating, maintaining and repairing the System to the point of the outfall of the System into the two Golf Course holding ponds at the Delivery Point so long as UMI is in the process of treating the groundwater.

4. UMI warrants and guarantees to Nogales that the treated groundwater delivered to the Delivery Point on the Golf Course shall be treated to remove volatile organic compounds associated with the UMI manufacturing activities to levels at or below applicable state and federal water quality standards for use of said treated groundwater to irrigate a golf course, as set forth in Exhibit "B".

5. It shall be the sole cost and responsibility of Nogales to store, distribute and use said treated groundwater upon delivery of said groundwater by UMI to the Delivery Point on the Golf Course. Nogales shall not use the treated groundwater for any purposes other than for irrigation of the Golf Course and any other uses permitted by the Arizona Department of Health Services and/or the Arizona

Department of Environmental Quality. It shall be the sole responsibility of Nogales to obtain any such permits for use of the treated groundwater for uses other than the irrigation of the golf course. UMI does not warrant nor in any way imply or guarantee that such treated water would be suitable for human consumption.

6. It shall be the sole cost and responsibility of UMI to obtain any easements and/or rights of way for construction, installation and operation of the System through property not owned by Nogales. Nogales, by this Agreement, grants to UMI a right and license to install, maintain and operate the System on Nogales property to the Delivery Point, including an easement for the pipeline, said easement as more particularly shown on Exhibit "C".

7. UMI shall hold the City of Nogales, its officers, agents, employees, and elected officials free and harmless from any and all claims and liabilities of any nature whatsoever arising from or relating to in any way the following:

- (a) the withdrawal of the groundwater by UMI;
- (b) the treatment of the groundwater by UMI;
- (c) the installation, operation, maintenance and repair of the System by UMI;
- (d) the quality of the groundwater at the Delivery Point.

It is expressly understood and agreed that upon delivery of said treated groundwater to the Delivery Point, UMI transfers control, dominion and responsibility for the treated groundwater to Nogales. Nogales, therefore, shall hold UMI, its officers, agents, employees,

shareholders and directors free and harmless from any and all claims or liabilities of any nature whatsoever arising from or relating to in any way the following:

(e) the use, possession and control of the groundwater upon the Golf Course and at any point beyond the Delivery Point of the System into the two holding ponds by Nogales;

(f) the quality of the groundwater beyond the Delivery Point of the System into the two holding ponds on the Golf Course.

8. For purposes of this Agreement, UMI shall be designated as the Operator of the System, and Nogales the landowner of the Golf Course, which for purposes of state and federal laws and regulations the Golf Course is denominated as the "disposal facility". All permits and applications necessary and required by state or federal agencies to implement the treatment of the groundwater and the use of said groundwater on the Golf Course shall reflect this status.

9. UMI shall be the applicant to the Arizona Department of Water Resources (hereinafter "ADWR") for a "Poor Quality Groundwater Withdrawal Permit" pursuant to A.R.S, 45-516. However, in the event ADWR requires Nogales to be the applicant for said permit as the "user" of said groundwater, Nogales agrees to be said applicant. All costs associated with said application shall be borne by UMI.

10. This Agreement shall be for a term of thirty-five (35) years, the term of the "Poor Quality Groundwater Withdrawal Permit" issued by ADWR, or until the groundwater being withdrawn and treated by UMI is

of such quality that treatment by UMI is no longer required by state or federal agencies, whichever shall first occur.

11. Upon the date at which UMI is no longer required to treat the groundwater to state or federal standards for reuse on the Golf Course, Nogales may, at its sole option, agree to continue receiving groundwater from the System, provided however,

(a) Nogales agrees to take title to the System (except for the groundwater treatment plant) in its own name, including the easements and/or rights-of-way and all facilities necessary to withdraw, pump and transport the groundwater to the Golf Course;

(b) Nogales agrees to operate, maintain and repair said System (excluding the groundwater treatment plant) at its sole cost and expense;

(c) That any and all hold harmless or other covenants entered into by UMI in favor of Nogales relating to the System (excluding the groundwater treatment plant) and the groundwater shall be deemed of no further force and effect, except as to any prior occurrences or acts before the date UMI is no longer required to treat the groundwater.

Within six (6) months of the date at which this Agreement would terminate as provided for in Paragraph 10 hereinabove, UMI shall notify Nogales in writing of the termination date. Nogales shall have six (6) months from said notice to elect to take over ownership, possession, control, operation and liability for the System (excluding the groundwater treatment plant).

There shall be no charge or cost to Nogales from UMI in the

event Nogales elects to so take over ownership, possession, control, operation and liability for the System (excluding the groundwater treatment plant). The conveyance of ownership of the System (excluding the groundwater treatment plant) and its easements and rights-of-way shall be by such documents as the parties may then agree to at the time, including, but not limited to deeds, bills of sale, and other evidences of ownership and right satisfactory in the opinion of the City Attorney of Nogales. The System (excluding the groundwater treatment plant) shall be conveyed free and clear of any liens or other encumbrances.

(d) UMI will retain the groundwater treatment plant ownership and keep said treatment plant on-site for a period of five (5) years after this Agreement terminates pursuant to Paragraph 10.

The purpose for which the groundwater treatment plant will be retained on-site is in the event that further treatment to remove volatile organic compounds associated with the UMI manufacturing activities is required. The cost of such treatment will be borne by UMI.

(e) As further consideration for this Agreement, UMI agrees to provide to Nogales an easement for a wellsite of approximately 20 feet by 20 feet along the northeastern boundary of the UMI property and a 10 foot wide easement (if necessary) across UMI property between said wellsite and the existing pipeline to the Golf Course, at a specific location to be subsequently determined by mutual agreement of the parties.

Nogales shall exercise its right to obtain such wellsite easement

within ten (10) years of the date of commencement of this Agreement. Nogales shall exercise its right to obtain such wellsite easement by written notice to UMI designating its proposed location.

Such wellsite easement shall be granted by UMI to Nogales at no additional cost to Nogales by UMI.

(f) UMI shall provide Nogales with copies of reports made by it to the Arizona Department of Environmental Quality (DEQ) related to the performance of the groundwater treatment plant, and UMI shall further provide to Nogales copies of any reports or notices received by UMI from DEQ related to the operation or performance of the groundwater treatment plant.

In the event Nogales shall not elect to take over ownership, possession, control, operation and liability for the System by the termination date of this Agreement, this Agreement shall then terminate on the termination date and be of no further force and effect, and neither party shall have any right or liability one to another arising in any way from this agreement, except as to any prior occurrences or acts before the date of termination of this Agreement.

12. For purposes of this Agreement the following consideration is recognized and agreed to by the parties:

(a) the consideration to UMI for this Agreement shall be the right granted to UMI to dispose of the treated groundwater to and upon property owned by Nogales, namely the aforementioned and described Golf Course, which right constitutes a valuable right and cost savings to UMI;

(b) the consideration to Nogales for this Agreement shall be the right granted to Nogales by UMI to receive the treated groundwater at the Delivery Point, at no cost or liability to Nogales for the extraction, treatment, and conveyance of said groundwater to its Golf Course, which right constitutes a valuable right and cost savings to Nogales.

13. The duty and obligation by UMI to deliver treated groundwater to the Golf Course shall be subject to, and limited by, the following: Acts of God and other events beyond the control of UMI, including but not limited to breakdowns of the System; the acts or decisions of any governmental agency or authority whether local, state or federal.

This paragraph shall be specifically limited to delivery of quantities of water, and not to quality of water. UMI agrees and warrants to Nogales that the System shall be constructed, installed, operated and maintained so as to prevent any untreated groundwater from reaching the Golf Course Delivery Point. Nogales shall have no obligation pursuant to this Agreement to accept delivery of any groundwater from UMI which has not been treated to remove volatile organic compounds associated with the UMI manufacturing activities to levels at or below applicable state and federal water quality standards for use of said water to irrigate the Golf Course.

It is expressly understood and agreed that if for any reason UMI is unable for any length of time to deliver treated groundwater to the Golf Course, such inability to deliver treated groundwater shall not constitute a breach of this Agreement; and, further, that UMI shall be under no duty or obligation to provide an alternative

supply of water to the Golf Course. In the event UMI's withdrawal, treatment, pumping or conveyance system shall cease to operate due to any physical defect or breakdown, UMI shall promptly attempt to repair or restore said System to operational status using its best efforts and at UMI's sole cost and expense. UMI shall attempt to make the System operational within five (5) working days of any breakdown.

14. This Agreement shall be binding on the successors, trustees, and assigns of the parties. Either party shall have the right of assignment in whole or in part to any individual, group or entity. Responsibility for operation and maintenance of the system will be assumed by the assignee.

15. This Agreement shall be subject to all applicable local, state and federal laws, rules and regulation.

16. In the event any local, state or federal consent or approval is required before his Agreement can be implemented, this Agreement shall be subject to such approval or consent.

17. This Agreement shall commence on the date all required local, state and/or federal permits, consents or approvals have been obtained and the System has been installed by UMI and becomes operational, presently anticipated to be on or about January 1, 1989. Upon completion of the System and all permits, approvals and consents having been obtained, Nogales agrees to then commence accepting delivery of the treated groundwater to the Golf Course.

18. For purposes of this Agreement, any notices required shall be given by the one party to the other by first class mail, certified or registered return receipt requested, postage prepaid, to the

following:

Page 10

UMI

United Musical Instruments
3972 Fairway Drive
Nogales, Arizona 85621

NOGALES

City Engineer
City of Nogales
1018 Grand Avenue
Nogales, Arizona 85621

or to such other parties and addresses as may be subsequently designated by this noticing process.

19. This Agreement shall not be amended or modified except by writing mutually agreed to and executed by the parties.

20. This Agreement represents the entire Agreement between the parties and there are no other Agreements orally or in writing between the parties except as hereinbefore set forth, and there are no warranties implied or expressed except as set forth herein.

21. UMI has provided to Nogales and Nogales acknowledges receipt of a copy of the 1987 financial statement of Skane Gripen, the owner of UMI, as satisfaction of the City Attorney's requirement for UMI to evidence it's ability to perform this Agreement.

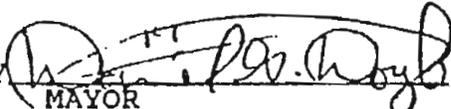
IN WITNESS WHEREOF the parties have entered into this Agreement on the day and date first above written.

UMI

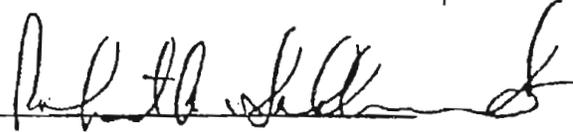
United Musical Instruments U.S.A.

By *Thomas Bugzda*
Its *President*

NOGALES
City of Nogales, an Arizona
Municipal corporation

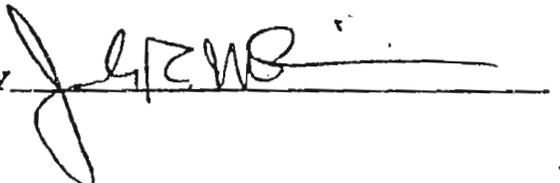
By 
MAYOR

Attest:

By 

City Clerk

Approved as to form:

By 

City Attorney



Musical Instruments U.S.A., Inc. • 1000 Industrial Parkway • Elkhart, IN 46516 • (219) 295-0079 • FAX (219) 295-8613

September 16, 1996

Mr. Mike Hein
City of Nogales
777 N. Grand Avenue
Nogales, AZ 85621

Dear Mike:

I would first like to personally thank you for all your efforts in making the amendment to the 1998 agreement a reality. I believe that this document addresses all the issues that were concerns of the citizens of Nogales, the City of Nogales and those of UMI. We at UMI feel that we are a part of the Nogales community and we will continue to work hard for our employees and our community.

Enclosed are two signed amendments to the agreement. Once the Mayor has signed for the City of Nogales, please have one of the originals returned to me for our records.

Once again, thank you for your efforts.

Sincerely,

A handwritten signature in black ink, appearing to read 'Rob Palmer', written in a cursive style.

Rob Palmer

RESOLUTION NO. 96-09-75

A RESOLUTION OF THE MAYOR AND BOARD OF ALDERMEN OF THE CITY OF NOGALES ("CITY") AUTHORIZING THE MAYOR TO EXECUTE AN AGREEMENT WITH UNITED MUSICAL INSTRUMENTS USA, INC. ("UMI") AMENDING THE AGREEMENT DATED AUGUST 17, 1988, BETWEEN UMI AND THE CITY; AND DECLARING AN EMERGENCY

WHEREAS, UMI is the owner and operator of a musical instrument manufacturing facility located within the City of Nogales, Arizona. City is the owner of a golf course known as the "Meadow Hills Country Club Golf Course" (the "Golf Course"). UMI and the City are parties to an Agreement dated August 17, 1988 (the "Agreement"), which provides for the delivery by UMI of treated groundwater to be used by the City to irrigate the Golf Course. UMI entered into a Consent Order No. D-47-93 on August 19, 1993, and amendments (the "Consent Order") with the Arizona Department of Environmental Quality concerning certain procedures with respect to remediating trichloroethylene, otherwise referred to as "TCE", in the groundwater; and

WHEREAS, UMI has installed, at its sole cost and expense, groundwater withdrawal, treatment conveyance, and storage facilities and UMI has obtained a gas chromatography test system, to extract, treat, field test, store and convey the treated water to the Pond (as defined in the Agreement) (the "System") in accordance with the Consent Order; and

WHEREAS, the Pond, as defined in Section 1.1 of this Amendment, is not part of the System; UMI will have certain responsibilities relating to the Pond, as provided in the Amendment; and

WHEREAS, the System has been designed to treat contamination in the groundwater to a concentration which has been established by Arizona state regulatory standards for drinking water quality; and

WHEREAS, UMI has obtained consent for construction, installation and operation of the System through, under, on, or above property not owned by City; and

WHEREAS, UMI is not charging the City for the treated water based on the City's representation that the City will not receive any income or payments from the lessee of the Golf Course specifically for that treated water; and

WHEREAS, UMI and the City desire to amend the Agreement to address various concerns expressed at previous public hearings,

NOW, THEREFORE, BE IT RESOLVED by the Mayor and Board of Aldermen of the City of Nogales as follows:

1. That Louie Valdez, Mayor, is hereby authorized to execute on behalf of the City of Nogales the Amendment to Agreement between the City of Nogales, Arizona, and United Musical Instruments USA, Inc., an Indiana corporation.

2. That the above named Amendment to Agreement will be in substantially the proposed form attached with such additions, deletions, and modifications as approved by the city attorney. Execution by the Mayor on behalf of the City of Nogales shall constitute conclusive evidence of the approval and execution on behalf of the City of Nogales and of the approval by the Board of Aldermen of any departures from the forms attached. The Mayor is further authorized to execute any additional documents necessary to implement the agreements as approved herein.

BE IT FURTHER RESOLVED that the Mayor be and is hereby authorized to execute said agreement and that city staff be directed to do all acts necessary and consistent with the purposes and intents as therein stated.

WHEREAS, the preservation of the public peace, health, and safety of the City of Nogales require that this resolution shall become immediately operative,

AN EMERGENCY IS HEREBY DECLARED TO EXIST; and this resolution is hereby exempted from the referendum provisions of the Charter of the City of Nogales and shall take effect and be in full force from and after its passage and approval.

Passed and adopted this 18th day of September 1996.

Approved this 18th day of September 1996.

Louie Valdez
Mayor

ATTEST:
[Signature]
City Clerk

APPROVED AS TO FORM:

OFFICE OF THE CITY ATTORNEY
O'Connor, Cavanagh, Anderson
Killingsworth & Beshears

By [Signature]

AMENDMENT TO AGREEMENT

This Amendment (the "Amendment") is entered into as of September 18, 1996 between United Musical Instruments USA, Inc., an Indiana corporation ("UMI") and the City of Nogales, Arizona, an Arizona municipal corporation (the "City"), and amends the Agreement dated August 17, 1988 between UMI and the City.

RECITALS

A. UMI is the owner and operator of a musical instrument manufacturing facility located within the City of Nogales, Arizona. City is the owner of a golf course known as the "Meadow Hills Country Club Golf Course" (the "Golf Course"). UMI and the City are parties to an Agreement dated August 17, 1988 (the "Agreement"), which provides for the delivery by UMI of treated groundwater to be used by the City to irrigate the Golf Course. UMI entered into a Consent Order No. D-47-93 on August 19, 1993, and amendments (the "Consent Order") with the Arizona Department of Environmental Quality ("ADEQ") concerning certain procedures with respect to remediating trichloroethylene ("TCE") in the groundwater.

B. UMI has installed, at its sole cost and expense, groundwater withdrawal, treatment conveyance, and storage facilities and UMI has obtained a gas chromatography test system, to extract, treat, field test, store and convey the treated water to the Delivery Point (as defined in the Agreement) (the "System") in accordance with the Consent Order. The Pond, as defined in Section 1.1 of this Amendment, is not part of the System, but UMI will have certain responsibilities relating to the Pond, as provided in this Amendment. The System has been designed to treat contamination in the groundwater to a concentration which has been established by Arizona state regulatory standards for drinking water quality. UMI has obtained easements and/or rights of way for construction, installation and operation of the System through, under, on, or above property not owned by City.

C. The City encountered public concerns regarding the use of treated groundwater at the Golf Course. No treated water has been used until now to irrigate the Golf Course. UMI and the City desire to amend the Agreement to address the concerns expressed at various public hearings. UMI is not charging the City for the treated water based on the City's representation that the City will not receive any income or payments from the lessee of the Golf Course specifically for that treated water. Defined Terms used in this Amendment apply to and supplement the provisions or definitions contained in the Agreement, unless otherwise specifically provided in this Amendment.

The City and UMI agree as follows:

AGREEMENT

ARTICLE I Obligations of UMI

1.1 UMI, at its sole cost and expense, shall provide for the design and installation of an impermeable liner for the northernmost of two existing irrigation ponds owned by the City

(the "Pond") for the temporary retention of treated water prior to delivery of the treated water solely for use by the City for irrigation of the Golf Course. UMI shall routinely inspect the Pond to assure that the impermeable liner is in good condition and shall repair and replace as needed. UMI shall bear the cost for acquisition, placement and maintenance of a chainlink fence, at least six feet (6') in height, that shall surround the Pond in its entirety. UMI shall also place "No Trespassing" signs, in English and Spanish, on each side of that chainlink fence.

1.2 UMI shall be solely responsible for all costs associated with the System, including but not limited to the operation, maintenance, and repair of the System, and with the maintenance and repair of the lining, fencing and "No Trespassing" signs as provided in Section 1.1 so long as UMI operates or is obligated to operate the System.

1.3 UMI agrees to be the only applicant and permit holder for all permits required for the System, and UMI shall be solely responsible for all costs associated with obtaining such permits, provided however that the City shall cooperate with UMI in obtaining such permits and shall not charge UMI for such cooperation.

1.4 UMI agrees to operate the System in compliance with all requirements set forth by the ADEQ in all applicable orders, amendments, laws, regulations, ordinances, governmental directives applicable to the System so long as the approved end use of the treated groundwater continues to include irrigation at the Golf Course; provided, however, that UMI may also use alternative operational uses for the groundwater approved by the ADEQ.

1.5 UMI will acquire at its expense testing equipment selected by UMI and during the first six months of this Amendment will use that equipment to test the treated water for TCE at the point where the treated water enters the pipeline to the Pond (the "Field Tests"), daily (except weekends and public holidays), and will make available to the City the results of those daily tests. After the first six months of this Amendment, if the treated water has not exceeded the Alert Level (as defined in Section 1.6) during that period, UMI will perform periodic Field Tests not less frequently than weekly, and make available to the City the results of those Field Tests.

In addition, UMI will perform sampling and outside laboratory analysis of the treated water in the Pond (the "Laboratory Tests") at least once every seven (7) days during the first eight (8) weeks of delivery. If the results of the Field Tests and the results of the Laboratory Tests are both under the Alert Level during that eight (8) week period, then Laboratory Tests shall thereafter be performed at least monthly during the next two (2) months. If the results of the Field Tests and the results of the Laboratory Tests are both under the Alert Level during that two (2) month period, then Laboratory Tests shall thereafter be performed at least once during each three month period thereafter so long as treated water being supplied by UMI to the Delivery Point and in the Pond does not exceed the Alert Level. UMI shall be responsible for the costs of such Laboratory Tests and shall be entitled to utilize reasonable procedures available to reduce expense, consistent with producing reliable and timely sampling and analysis. For Laboratory Tests during the first three (3) weeks of delivery, UMI shall cause the results of the Laboratory Tests to be provided to the City within 72 hours of such tests. For Laboratory Tests after the first three (3) weeks of delivery, UMI shall cause the results of the Laboratory Tests to be provided to the City within a reasonable time, it being understood that UMI shall not be

required to incur additional costs for expediting sampling or analysis. If at any time the results of Laboratory Tests exceed the Alert Level, the testing regime described above shall begin anew when treated water is again provided to the Pond, with Laboratory Tests every week for eight (8) weeks, then monthly and quarterly as provided above if the results of the Field Tests and the Laboratory Tests do not exceed the Alert Level.

1.6 UMI shall shut down the System or the pipeline used for delivery of treated water in the event and as soon as UMI is in receipt of any results of sampling events indicating that the treated water exceeds the Alert Level. The Alert Level is defined as concentration of TCE or subsequent degradation products in concentrations exceeding 3.2 parts per billion, or such lower concentration of TCE as may be applicable by law, regulation, order, or judgment.

1.7 In the event that tests conducted, upon the treated water delivered to the Pond exceeds the Alert Level or the tests required by ADEQ shows other contaminants, wastes, substances, toxins, pollutants or elements thereof, above those allowable for drinking water by any applicable regulatory authority, as well as any applicable law, regulation, order or judgment, and it is determined by ADEQ that UMI is responsible, then UMI shall take reasonable and prompt steps to treat the water so as to reduce the TCE or other contaminants for which UMI has been determined to be responsible in the water to concentrations below the Alert Level. In such event, UMI shall have in place the necessary equipment to either re-treat the contaminated water through the system, or have aeration or other treatment devices which are approved by ADEQ installed at the retention ponds. Such further treatment and installation of equipment shall be at the sole cost and expense of UMI. In this event, UMI shall obtain all necessary permits to conduct the required activity. UMI shall not be determined to be responsible for TCE or other contaminants the presence of which results from the act or omission, including criminal acts, of any person or entity other than UMI.

1.8 In the event the System shall cease to operate due to any physical defect or breakdown, or if there is damage to the lining of the Pond or the fence around the Pond, or to the "No Trespassing" signs, UMI shall promptly and reasonably attempt to repair or restore the System or damaged item to operational status using its best efforts at UMI's sole cost and expense and in compliance with any and all applicable laws, regulations, orders and judgments.

1.9 UMI shall discharge treated water to the Pond. After proper analysis and testing by the City is accomplished of treated water in the Pond, and it is established that the treated water has been treated to acceptable levels as required by ADEQ, then the City may transfer the water to and utilize such water for irrigation purposes of the Golf Course.

1.10 UMI shall conduct pressure tests on the water lines used by the System to supply treated water to the Pond every six (6) months subsequent to the first pressure test which shall be conducted by UMI within fifteen (15) days prior to startup of the System.

1.11 UMI agrees that the City may during regular business hours review and copy UMI's maintenance plan for the System and UMI's maintenance logs, activity reports, and other associated documentation, all agreements, orders, and amendments to them, executed between UMI, the state or any other governmental authority that in any manner concerns or is related to the System, the Pond, lining of, fencing or signage around the Pond, and/or the contaminated

groundwater and any orders, letters, notices, demands, or inquiries from any governmental authority, citizens' group, individual, or entity concerning the System, the Pond, lining of, fencing or signage around the Pond, and/or the contaminated groundwater.

1.12 UMI agrees to allow City reasonable access to the System to obtain random samples of treated water from the System.

1.13 UMI agrees that the existing System in place when treated water is first delivered to the Pond will remain operable so long as UMI is required to continue to operate the System by the ADEQ or the Environmental Protection Agency.

1.14 UMI agrees and warrants to City that the System shall be constructed, installed, operated and maintained so as to provide treated water with concentration levels of TCE below the Alert Level.

1.15 Upon the termination of the Agreement, as modified by this Amendment, UMI shall, upon written request of the City made within thirty (30) days after termination of the Agreement, remove the liner, fencing and signs referred to in Section 1.1 and return the Pond to substantially the condition it was in immediately after the City prepared the Pond for lining under Section 2.1.

ARTICLE II City's Obligation and Rights

2.1 The City shall prepare the Pond for lining to the specifications of the liner installation contractor as set forth on attached Addendum A, using the City's workforce without charge to UMI. The City will use reasonable efforts to complete the preparation of the Pond for lining within 45 days after the effective date of this Agreement.

2.2 City shall use its best efforts to provide UMI with licenses, and permits, within its authority, to construct, operate and manage the System and to allow UMI to line and fence the Pond in a manner consistent with all applicable laws, regulations, orders, or other applicable directive. UMI shall not be in breach of this Agreement based on any matter resulting from the City not providing UMI with any necessary licenses or permits within the City's authority. The City shall cooperate with UMI in obtaining all licenses and permits from all state and local agencies necessary to carry out this Agreement, without charge to UMI for such cooperation. City irrevocably (but subject to the conditions of the Agreement and this Amendment) grants to UMI all necessary rights to install, maintain, and operate the System where it is currently located on City's property as shown on the attached drawing.

2.3 City agrees only to accept for irrigation purposes treated water that does not contain concentrations of any contaminants, wastes, substances, toxins, pollutants or elements, above those allowable by any applicable regulatory authority as well as any applicable law, regulation, order or judgment. Further, City shall accept treated water from the Pond for irrigation purposes only so long as the concentrations in the treated water do not exceed the Alert Level. City agrees to accept only the amount of treated water which can be reasonably

held by the Pond until such stored water is determined to meet the standards set forth in the Amendment.

2.4 City shall have the right, but not the obligation, to undertake sampling and analysis of the treated water in the Pond at any reasonable time. In the event the sampling event results in a finding of concentrations exceeding the Alert Level, City shall immediately report such finding to UMI. City shall not utilize that treated water for irrigation purposes until the concentrations are below the Alert Level, as established by the testing and analysis procedures set forth in Section 1.5.

2.5 City agrees that it shall be solely responsible for the costs associated with the irrigation process of the Golf Course. These costs shall include but not be limited to transferring water from the Pond to the Golf Course irrigation system and operation and maintenance of the golf course irrigation system and all costs and expense associated with employees or maintenance personnel necessarily utilized to operate the golf course irrigation system.

2.6 City shall not, and shall not authorize any person or entity other than UMI to, place or deliver water or any other material to the Pond during the term of the Agreement.

2.7 City has provided UMI with a copy of the lease of the Golf Course between the City, as lessor and Medici Properties, Inc., as lessee, as currently in effect, and will promptly provide UMI with all future amendments, agreements and understandings relating to that lease or to the use of the treated water.

2.8 City agrees to accept delivery of treated water, upon the terms and conditions as provided in this Amendment.

ARTICLE III General Provisions

3.1 City shall have no obligation pursuant to this Amendment or the Agreement to accept delivery of any treated water from UMI which has not been treated to levels identified in this Amendment or that otherwise is not in full compliance with applicable law, regulations, or other applicable directives.

3.2 The parties agree that the Agreement as modified by this Amendment, shall be binding on, and inure to the benefit of, their successors, trustees, and assigns. The benefits and responsibilities of this Agreement will be fully assumed by the assignee, however, such assignment does not release the assignor from its obligations under the Agreement.

3.3 The parties agree that they will use their best efforts to obtain any required local, state or federal consent or approval that may be required for implementation of the Agreement or this Amendment, and if necessary, the Agreement and this Amendment will be subject to obtaining such approval or consent.

3.4 By entering into the Agreement or this Amendment with UMI, City in no way represents that it has the ability to control, manage, operate, maintain, direct operation of, or

in any way associate with the day-to-day, week-to-week or other routine operation and management of the System. UMI is solely responsible for the construction, location, operation, maintenance, and management of all aspects of the System, and for routine maintenance of the Pond and fencing around the Pond.

ARTICLE IV **Governing Law**

4.1 The Agreement shall be subject to all applicable local, state and federal laws, rules, regulations, orders, ordinances and statutes, provided however, that City may not by rule, regulation, order, ordinance, or other governmental action change any term or provision of the Agreement without the written consent of UMI. The terms of the Agreement shall be construed under Arizona law. In the event any provision in the Agreement is deemed unenforceable, only by mutual agreement of the parties will the remaining terms of the Agreement have any force and effect.

ARTICLE V **Term of the Agreement**

5.1 The Amendment shall become effective on the latest to occur of (i) the due execution and delivery of this Amendment by the City and UMI; (ii) the due execution and delivery of an amendment to the Consent Order satisfactory to UMI; and (iii) the issuance of an Aquifer Protection Permit satisfactory to UMI. The term of the Agreement as modified by this Amendment shall run parallel with UMI's obligation to treat the groundwater, provided however, that UMI may use other operational uses for the groundwater if permitted by the ADEQ.

ARTICLE VI **Notice**

6.1 Any notices required or permitted under this Agreement by one party to the other shall be effective when hand delivered or sent by facsimile transmission, or the day after delivery by overnight courier service, or three days after mailing, by first-class mail, certified or registered, return receipt requested, postage prepaid, to the following:

UMI:

United Musical Instruments, USA, Inc.
1000 Industrial Parkway
Elkhart, Indiana 46516
Attn: Mr. Robert W. Palmer, President
Facsimile Number: (219) 295-8613

CITY:

City Attorney's Office
City of Nogales
777 N. Grand Avenue
Nogales, Arizona 85621
Facsimile Number: (520) 287-9159

or to such other persons or addresses as may be subsequently designated by these notice provisions.

ARTICLE VII
Effect of Amendment

7.1 In the event that there is a conflict between the provisions of the Agreement and the provisions of this Amendment, the provisions of this Amendment shall control. The following portions of the Agreement are superseded and replaced in their entirety by the provisions of this Amendment, and shall be null and void and have no force and effect, paragraphs 3, 4, the first three sentences of paragraph 5, and paragraphs 6, 7, 8, 9 and 10 of the Agreement.

7.2 All other provisions of the Agreement remain in full force and effect except as specifically modified by this Amendment.

ARTICLE VIII
INDEMNIFICATION

8.1 UMI will defend, indemnify and hold the City, its officers, agents, employees, officials, appointed or elected, and aldermen, harmless for, from, and against any suits, demands, claims, notices, liabilities, orders, and causes of action arising out of or based upon any action taken or directed by UMI under or relating to the Agreement or this Amendment. The City will give prompt written notice to UMI of any claim or event which might give rise to a claim by the City for indemnification against UMI, stating the nature and basis of such claim or event and the amount of such claim, to the extent known. If within thirty (30) days after receiving such notice, UMI advises the City that UMI will conduct the defense of such claim or event at UMI's expense, the City will not settle or admit liability with respect to the claim or event and shall afford to UMI and defending counsel all reasonable assistance in defending against such claim or event.

ARTICLE IX
Entire Agreement

9.1 This Agreement shall not be amended or modified except by the mutual consent of both parties in writing executed by the parties.

9.2 The Agreement as amended by this Amendment represents the entire agreement between the parties concerning its subject matter and there are no other agreements orally or in writing concerning its subject matter between the parties except as set forth in the Agreement as amended by this Agreement.

United Musical Instruments USA, Inc.

By: _____

Robert W. Palmer, President

6



SECONDARY CONTAINMENT CALCULATIONS - REVISED 1/28/98
 UMI Groundwater Treatment System - Nogales, AZ

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Objective: Determine the as-built capacity of the secondary containment structure at the UMI Groundwater Treatment Facility.

Code Requirements: 40 CFR 265.193(e)(2)(i) - Containment structure should contain 100 percent of the capacity of the largest tank.
 40 CFR 265.193(e)(2)(ii) - Additional capacity must be sufficient to contain precipitation from a 25-year, 24-hour rainfall event.

Approach:

- (1) Measure as-built containment structure dimensions with accuracy of +/- 1 inch.
- (2) Calculate total volume available within secondary containment structure
- (3) Calculate volume of tanks, equipment, piping, and other structures in containment structure
- (4) Calculate as-built capacity and compare to capacity required by code.

Notes:

- (a) As-built dimensions were measured by UMI personnel and verified by WCIA personnel.
- (b) 25-year, 24-hour precipitation data for Nogales, AZ obtained from the Arizona State University Office of Climatology (Personal Correspondence, 1997).
- (c) Assumptions are noted within calculations.

Step One: As-Built Dimensions

Structure	Length [feet]	Width [feet]	Depth [feet]	Comments
Containment Area at corners	29.94	29.94	---	Inside dimensions presented; containment area floor is sloped to middle of sump.
at sump	---	---	1.78	
Sump	2.00	1.83	1.70	
Stairs (4)	3.00	---	---	Heights of stairs presented as depths; The highest stair is not solid; under this stair a 12 inch by 5 inch "open area" extends the length of the stair (3 feet).
first	---	0.85	0.58	
second	---	0.85	1.17	
third	---	0.80	1.77	
fourth	---	1.65	2.08	
Tank Pad at corner near sump	24.04	12.92	---	The corner near the sump is labeled as "M" and the opposite corner is labeled as "N" in Attachment 1.
at opposite corner	---	---	0.60	
Air Stripper Pad at corner near sump	14.54	10.04	---	The corner near the sump is labeled as "K" and the opposite corner is labeled as "L" in Attachment 1.
at opposite corner	---	---	0.50	
Tanks (2)	---	---	---	Tanks are 10.1 feet in outer diameter.
Air Strippers (2)	---	---	---	Air strippers are 3.6 feet in outer diameter.
Process Piping	80.00	---	---	Piping is 3.6 inches in outer diameter.
Piping Supports (11)	---	---	---	Supports are 3.0 inches in outer diameter.
Blowers (2)	3.20	1.40	0.90	Blowers are elevated 0.3 ft above pad.

If more than one structure exists, the number of structures is presented in parentheses.

SECONDARY CONTAINMENT CALCULATIONS (Continued)

UMI Groundwater Treatment System - Nogales, AZ

Step Two: Total Volume of Containment Structure

The total volume of the containment structure is equal to:	(1) The volume above the sloped floor
	(2) The volume of the sloped floor
	(3) The volume of the sump
Volume above the sloped floor [cubic feet] = (length x width x depth at corners)	1595.3
Volume of the sloped floor [cubic feet] = (1/3 x length x width x {depth at sump - depth at corners}) <<Assumes that the sloped floor is a pyramid>>	95.6
Volume of the sump [cubic feet] = (length x width x depth)	6.2
Total volume of containment structure [cubic feet] =	1697.2

Step Three: Volume of Other Structures Within the Secondary Containment Structure

The volume of other structures is equal to:	(1) The volume of the stairs
	(2) The volume of the tank pad
	(3) The volume of the air stripper pad
	(4) The volume of the tanks
	(5) The volume of the air strippers
	(6) The volume of piping and supports
	(7) The volume of blowers and pumps
Volume of stairs [cubic feet] = (length x width x height) for each stair - (volume of open area)	1.5 (first stair) 3.0 (second stair) 4.2 (third stair) 10.3 (fourth stair) <u>-1.3</u> (open area) 17.8 (total)
Volume of tank pad [cubic feet] = (length x width x depth at N) - {1/3 x length x width x {depth at N - depth at M}} <<Assumes that the top of the pad is level>> <<Assumes that the depth at O and P are equal to the depth at N in Attachment 1>> <<Assumes that the sloped portion of the pad is a pyramid>>	108.7 (unsloped volume) <u>25.9</u> (sloped volume) 134.6 (total)
Volume of air stripper pad [cubic feet] = (length x width x depth at L) - {1/3 x length x width x {depth at K - depth at L}} <<Assumes that the top of the pad is level>> <<Assumes that the depth at I and J are equal to the depth at L in Attachment 1>> <<Assumes that the sloped portion of the pad is a pyramid>>	51.1 (unsloped volume) <u>7.3</u> (sloped volume) 58.4 (total)

SECONDARY CONTAINMENT CALCULATIONS (Continued)

UMI Groundwater Treatment System - Nogales, AZ

Step Three: Volume of Other Structures Within the Secondary Containment Structure (Continued)

Volume of tanks [cubic feet] = 118.6
 ((π x square of tank radius) x (depth at containment corner - depth at tank pad relative to containment corner))
 <<Assumes that the top of the pad is level>>
 <<Assumes that the elev. at top of tank pad is 0.3 ft higher than the base of the containment corner>>
 <<Assumes that only one tank must be accounted for in the event of a tank rupture>>

Volume of air strippers [cubic feet] = 31.8
 (No. of air strippers x ((π x square of air stripper radius) x (depth at containment corner - depth at tank pad relative to containment corner) + volume of air stripper window))
 <<Assumes that the top of the pad is level>>
 <<Assumes that the elev. at top of tank pad is 0.3 ft higher than the base of the containment corner>>
 <<Assumes volume of each air stripper window is 1 cubic foot>>

Volume of piping and supports [cubic feet] = 5.7 (piping)
 ((π x square of air stripper radius x length of piping) + 1.0 (supports)
 { π x square of air stripper radius x number of supports x 6.6 (total)
 length of supports})
 <<Assumes supports are 1.8 feet long>>

Volume of blowers and pumps [cubic feet] = 8.1 (blowers)
 (No. of blowers x (length x width x depth)_{blower} + 5.0 (pumps)
 {number of pumps x volume of pump} + volume of 1.0 (conduit)
 electrical conduit) 14.1 (total)
 <<Assumes that the top of the pad is level>>
 <<Assumes that the elev. at top of tank pad is 0.3 ft higher than the base of the containment corner>>
 <<Assumes volume of each pump is 1 cubic foot>>
 <<Assumes volume of electrical conduit is 1 cubic foot>>

Volume of other structures [cubic feet] = 381.8

Step Four: As-Built Capacity and Required Capacity

As-built capacity [cubic feet] = 1315.4

The required capacity is equal to:

- (1) The capacity of the largest tank
- (2) The volume of a 25-yr, 24-hr event

Capacity of largest tank [cubic feet] = 868.9
 <<Based on a rated capacity of 6500 gallons>>

Volume of 25-year, 24-hr precipitation event [cubic feet] = 270.4
 (length of containment area x width of containment area x depth of precipitation event)
 <<Depth of precipitation event is 3.62 inches>>

Required capacity [cubic feet] = 1139.3