

December 8, 2010

2241960 Ontario Inc.
carrying on business as Earthworx Industries
13471 Lakeridge Rd.,
Scugog, Ontario, L9L 1W3
Canada

Attention: Mr. Gordon Churchill & Mr. Claudio Villa

Re: Provincial Officer's Order No. 7671-8AGPMT – Amendment No. 2

Further to discussions held with 2241960 Ontario Limited operating as Earthworx Industries, (Earthworx) and its legal counsel, this letter constitutes an amendment, Amendment No. 2, to my Provincial Officer's Order No. 7671-8AGPMT (Order) which was issued on October 25, 2010 and initially amended on November 15, 2010.

This amendment amends and constitutes part of the Order. The terms herein that are capitalized have the meanings described in the Order.

Reasons for this Amendment:

I am amending the Order in response to submissions made by Earthworx to my previous Order as amended. Based on Ministry review of this information, additional measures are being included in the Order to ensure incoming fill materials are appropriately characterized and reviewed prior to site acceptance, and to require, and implement, revisions to the Site environmental assessment plan regarding the potential impacts to on-site soil and groundwater. In addition this Order amendment includes two new requirements: (a) to develop a plan to establish a Public Liaison Committee, which has been suggested by some of the concerned community members and is a step that the Ministry often uses in these situations and (b) to submit a procedure regarding noise and dust from activities at the Site and truck traffic to and from the Site.

Since the issuance of the Order Amendment No 1 on November 15, 2010 the following key events have occurred as set out below in regards to the reasons for this amendment:

On November 19, 2010, I met with Earthworx, its legal counsel, my District Manager and the Ministry's legal counsel, to discuss the requirements of the Order, including Amendment No.

1. Submitted documentation and procedures that were in place at the Site were discussed. It was agreed that additional documentation needed to be provided by Earthworx.

On November 19, 2010, Earthworx submitted a proposed plan for an environmental site assessment which had been prepared by D.L. Services Inc., a second Qualified Person retained by Earthworx. The plan proposed the installation of four 60' deep wells in the four corners of the Site in order to assess local groundwater conditions. Ministry staff reviewed the plan and concluded that it is very general and has been identified as a 'Limited Confirmatory Phase II Environmental Site Assessment' and that while this will provide useful information to help assess local groundwater conditions (depth to groundwater, site soils and hydrogeology, groundwater flow direction etc.) it does not include any examination of the fill and site soils to assess potential contamination and risk to groundwater. On November 21, 2010 Earthworx counsel forwarded an updated Work Plan from D.L. Services Inc.

On November 22, 2010 Ministry staff attended a meeting that was arranged by a local ratepayers association and listened to concerns from the local residents about the continued operation of the Site, quality of materials already received, noise and dust and traffic concerns and sensitivity of the site setting.

On November 22, 2010, I received a report from Earthworx which outlined activities that occurred on November 4, 2010 when a HydroVac truck deposited material at the Site. The material was sampled and reviewed by the Qualified Person who concluded that the material was acceptable at the Site.

Today I am expecting Earthworx counsel to forward to me an updated report from Canadian Engineering Services Inc. (CESI) prepared to satisfy the requirements of Order Item No. 4 (the CESI Source Report).

I have continued to visit the Site on a variety of occasions to observe operations at the Site for compliance with the Order.

Greater detail is required in the environmental site assessment plan provided in response to Order Item No.5 to ensure that the site investigation will provide a comprehensive assessment of environmental conditions at the property and potential risk to off-site receptors. I encourage Earthworx to consider the approach outlined in site assessments that is referred to in "Schedule E" of O. Reg. 153/04. and to review with CESI the CESI Source Report in order to provide a reasonable rationale for the updated plan.

The Order was originally issued to Earthworx pursuant to subsection 157.1 of the EPA. I am amending the Order pursuant to my authority under section 157.2 (1) of the EPA. I reasonably believe that the requirements specified in the amendment are necessary or advisable so as to (a) prevent or reduce the risk of a discharge of a contaminant into the natural environment from an undertaking or a property or (b) to prevent, decrease or eliminate an adverse effect that may result from the presence or discharge of a contaminant in, on or under the property.

I am amending the Order, by adding five new requirements, Items No. 8, 9, 10, 11 and 12, as set out below.

Work Ordered:

I order Earthworx to do or cause to be done the following:

Item No 8.

By December 15, 2010, submit to the undersigned Provincial Officer a plan to establish and participate in a Public Liaison Committee (PLC) with the surrounding community.

The objectives of the PLC shall include:

- a) keeping the community informed about:
 - i the existing operations of the Site and including requirements of this Order,
 - ii the recent and proposed activity undertaken at the Site, potential risks associated therewith, ongoing monitoring and the remedial measures, if any, being implemented,
 - iii future operations of the Site, and
- b) keeping Earthworx informed of any community concerns about the operations of the Site.

The PLC shall not exercise any supervisory, regulatory or approval roles with respect to the operation of the Site.

Item No. 9

By December 15, 2010 submit to the undersigned Provincial Officer procedures relating to managing any noise and dust from activities at the Site and truck traffic to and from the Site.

Item No. 10

Effective immediately and for the duration of this Order, Earthworx shall collect monthly, audit soil samples from trucks representing each source site that has been accepted to ship material to the Site. This soil samples shall be analyzed for metals, soluble chloride, volatile organic compounds, petroleum hydrocarbons, benzene, toluene, ethylbenzene, xylenes and semi-volatile organic compounds. Copies of these analysis results shall be maintained on the Site and be made available to Ministry staff upon request.

Item No. 11

By December 15, 2010 submit to the undersigned Provincial Officer an updated plan for the environmental site assessment of the Site as required by Item No. 5 of the Order. The site assessment plan shall include, at a minimum:

- a) a site soil and fill characterization program including test pitting and boreholes as appropriate to determine the concentration and vertical and horizontal extent of any contaminant in the fill received at the Site and underlying native soils, and
- b) a groundwater characterization program including intrusive investigations to characterize the depth to groundwater, groundwater flow direction and a survey of on and off site groundwater uses and/or the relation to surface water features for all groundwater aquifers at the Site that may be impacted by the Earthworx activities at the Site.

Item No. 12

By January 15, 2011, implement the initial field work (soil sampling and groundwater monitoring) set out in the environmental site assessment plan referred to in Item No. 11 above.

Issued at Ajax this 8th day of December, 2010.



David Fisher
Senior Environmental Officer
Badge No. 1215
York Durham District Office
Tel: (905) 427 5608

APPEAL/REVIEW INFORMATION

REQUEST FOR REVIEW

You may request that this order be reviewed by the Director. Your request must be made in writing (or orally with written confirmation) within seven days of service of this order and sent by mail or fax to the Director at the address below. In the written request or written confirmation you must,

- specify the portions of this order that you wish to be reviewed;
 - include any submissions to be considered by the Director with respect to issuance of the order to you or any other person and with respect to the contents of the order;
- apply for a stay of this order, if necessary; and provide an address for service by one of the following means:
 - 1. mail
 - 2. fax

The Director may confirm, alter or revoke this order. If this order is revoked by the Director, you will be notified in writing. If this order is confirmed or amended by order of the Director, the Director's order will be served upon you. The Director's order will include instructions for requiring a hearing before the Environmental Review Tribunal.

DEEMED CONFIRMATION OF THIS ORDER

If you do not receive oral or written notice of the Director's decision within seven days of receipt of your request, this order is deemed to be confirmed by order of the Director and deemed to be served upon you.

You may require a hearing before the Environmental Review Tribunal if, within 15 days of service of the confirming order deemed to have been made by the Director, you serve written notice of your appeal on the Environmental Review Tribunal and the Director. Your notice must state the portions of the order for which a hearing is required and the grounds on which you intend to rely at the hearing. Except by leave of the Environmental Review Tribunal, you are not entitled to appeal a portion of the order or to rely on grounds of appeal that are not stated in the notice requiring the hearing. Unless stayed by the Environmental Review Tribunal, the order is effective from the date of service.

Written notice requiring a hearing must be served personally or by mail upon:

The Secretary	and	Director (Provincial Officer Orders)
Environmental Review Tribunal		Ministry of the Environment
655 Bay Street, 15th Floor		York-Durham District Office
Toronto ON		5 th Floor
M5G 1E5		230 Westney Rd S
		Ajax ON, L1S 7J5
		Fax: (905) 427-5602
		Tel: (905) 427-5600

Where service is made by mail, it is deemed to be made on the fifth day after the date of mailing and the time for requiring a hearing is not extended by choosing service by mail.

Further information on the Environmental Review Tribunal's requirements for an appeal can be obtained directly from the Tribunal by:

Tel: (416) 314-4600

Fax: (416) 314-4506

www.ert.gov.on.ca

FOR YOUR INFORMATION

- Unless stayed by the Director or the Environmental Review Tribunal, this order is effective from the date of service. Non-compliance with the requirements of this order constitutes an offence.
- The requirements of this order are minimum requirements only and do not relieve you from complying with the following:
 - any applicable federal legislation;
 - any applicable provincial requirements that are not addressed in the order; and
 - any applicable municipal law.
- The requirements of this order are severable. If any requirement of this order or the application of any requirement to any circumstance is held invalid, the application of such requirement to other circumstances and the remainder of the order are not affected.
- Further orders may be issued in accordance with the legislation as circumstances require.
- The procedures to request a review by the Director and other information provided above are intended as a guide. The legislation should be consulted for additional details and accurate reference.