State of Wisconsin \ DEPARTMENT OF NATURAL RESOURCES

WISCONSIN
DEPT. OF NATURAL RESOURCES

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December 22, 2006

Mike Schmitt
Roundy's Supermarkets, Inc
PO Box 473
Milwaukee, WI 53201

Subject: Green Tier Acceptance Letter for Tier 1

Dear Mr. Schmitt:

Thank you for completing an application for a Tier 1 agreement. The Department of Natural Resources (DNR) is pleased to approve your application and accept you into the Green Tier program. This letter of acceptance covers the Roundy's Supermarkets Inc. Oconomowoc Distribution Center, Oconomowoc, Wisconsin. This letter of acceptance is authorized by The Environmental Results Program Act, § 299.83, Wis. Stats., created by 2003 Wisconsin Act 276 (effective on May 1, 2004), which is commonly called the "Green Tier Law."

This letter recognizes that Roundy's has already satisfied one of its Green Tier commitments by voluntarily retrofitting more than one quarter of its Class 8 truck fleet with diesel oxidation catalysts (DOC). 32 Fleetguard DOCs were installed as direct replacements to the existing exhaust system on its 2001-2004 model year tractors. The DOCs are designed to reduce the emissions of certain air pollutants contained in diesel exhaust. As you will recall, this commitment was identified in your Indirect Source permit issued on May 18, 2004. Roundy's participation in the Green Tier program reflects your continuing commitment to superior environmental performance and continuous improvement. If future circumstances necessitate stepping back from this commitment, please notify us.

In addition to the DOC upgrade mentioned above, you have also agreed to the following examples of superior environmental performance:

a) Continue to implement energy use minimization ideas, including occupancy sensors, daylighting, and use of high efficiency replacement bulbs and ballasts.
b) Minimize waste cardboard and packaging waste from the distribution facility
c) Evaluate whether certain technological and operational equipment, processes, and/or devices present an actual benefit to reducing mobile emissions and improved fuel economy. The scope of this evaluation will be developed and implemented on an ongoing basis with Mike Friedlander. Roundy's will commit to sharing this information with the DNR in a mutually agreed format.
d) Educate stakeholders about the benefits of daylighting and green design

With this letter, you are encouraged to use the Green Tier Program logo on written materials that are related to your facilities. Attached to this Acceptance Letter is a unique certificate that recognizes you for participating in the Green Tier Program. The DNR will work with you to

annually celebrate your participation in the Green Tier program through a joint press release to local newspapers and will maintain your company's name on a list of participants that is available on the DNR's website.

As a participant in the Green Tier program, you are entitled to Deferred Civil Enforcement, as described in §299.83(6m)(d). In brief this means that if you discover either a non-conformance in your EMS, or you discover a violation with an existing environmental requirement, and if you provide us notice of your discovery along with a corrective action plan that conforms to the requirements in the statute, and if you successfully and timely implement the corrective action plan, we will not seek to impose penalties on Roundy's for the non-conformance or violation. You are reminded that nothing in this acceptance letter replaces any obligation that you have to report on, and correct, any violations of law or regulation.

If you choose not to certify your EMS under ISO 14000, please document that your EMS is functionally equivalent to an ISO 14000 EMS by following the guidance attached. As you know, Roundy's needs to have in place within one year of this letter an EMS that either is demonstrated to be functionally equivalent to an ISO 14001 EMS, or is certified to ISO 14001. As a reminder, you also need to have audited your EMS by the end of the first year of this agreement.

You are also asked to update the DNR annually, beginning in March, 2008, on your consultation with interested persons in the area. You are also asked to update the DNR annually on your progress in meeting your objectives and targets and implementing your EMS. Both of these requirements can be incorporated into your annual report to the DNR on your environmental performance accomplishments, and any EMS non-conformances or violations. Please also provide the DNR with documentation of your management review of your environmental management system at that time.

We would encourage you, as part of your annual report, to prepare an executive summary of your accomplishments over the last year that can be placed on the DNR's web site, and which could also be posted on Roundy's web site.

As a reminder, by the third year of your participation in the Green Tier program you must have your EMS audited by an outside environmental auditor. The results of this audit should also be reported to the DNR.

Finally, if you have any questions about your interaction as a Tier 1 participant with the DNR, Mike Friedlander has been assigned as your single point of contact. Please coordinate with Mike on an annual meeting that will be used to brief the DNR on your environmental performance, and the progress made on the objectives and targets. This meeting may also be used to gather input on the objectives and targets to be set for the coming year.

Your acceptance into the Green Tier Program is good for 5 years, and your status as a Green Tier company can be extended as we mutually agree. You may withdraw from the program at any time by notifying us of your decision to withdraw. We may also withdraw you from the program if we believe that it is in the best interests of the Green Tier program to end the relationship that is created with this letter.

We want to welcome you as a Tier 1 company and encourage you to work toward Tier II status in the future.

Sincerely,

Scott Hassett, Secretary
WI Department of Natural Resources

Attachment:

Tier 1 Application
Certificate of Recognition
Environmental Results Program Logo
Functional Equivalency Guidance
Generic Suite of Green Tier Indicators