CERTIFIED MAIL

November 8, 2006

Re: Director's Final Findings & Orders
Capital Resin Corporation
US EPA ID No. OHD 081 320 070

Mr. Daniel W. Yinger, President
Capital Resin Corporation
324 Dering Avenue
Columbus, Ohio 43207

Dear Mr. Yinger:

Here are the Director's Final Findings and Orders (Orders) issued to Capital Resin Corporation, on November 8, 2006. These Orders are effective today.

I have also enclosed the invoices for the penalty payments as required by Order No. 1.a & 1.c. Please remember that your payments are due no later than December 8, 2006.

If you have any questions concerning compliance with these Orders, do not hesitate to contact Steve Rath at (614) 728-3778.

Sincerely,

Pamela S. Allen, Manager
Regulatory and Information Services
Division of Hazardous Waste Management

Attachments

cc: Michael A. Savage, Chief, DHWM
    Harry Sarvis, Mgr., CAS, DHWM
    Todd Anderson, Legal
    Heidi Greismer, PIC
    Steve Rath, Mgr., DHWM, Central District Office
    Anne Tyler, P.E., Engineering Manager, Capital Resin Corporation

Bob Taft, Governor
Bruce Johnson, Lieutenant Governor
Joseph P. Koncelik, Director
BEFORE THE
OHIO ENVIRONMENTAL PROTECTION AGENCY

In the Matter of:

Capital Resin Corporation
324 Dering Avenue
Columbus, Ohio 43207

Respondent

Director's Final
Findings and Orders

PREAMBLE

It is agreed by the parties hereto as follows:

I. JURISDICTION

These Director's Final Findings and Orders (Orders) are issued to Capital Resin Corporation (Respondent) pursuant to the authority vested in the Director of the Ohio Environmental Protection Agency (Ohio EPA) under Ohio Revised Code (ORC) §§ 3734.13 and 3745.01.

II. PARTIES BOUND

These Orders shall apply to and be binding upon Respondent and successors in interest liable under Ohio law. No change in ownership of the Respondent or of the Facility shall in any way alter Respondent's obligations under these Orders.

III. DEFINITIONS

Unless otherwise stated, all terms used in these Orders shall have the same meaning as defined in ORC Chapter 3734, and the rules promulgated thereunder.

IV. FINDINGS

The Director of Ohio EPA has determined the following findings:

1. Respondent manufactures resins, sulfuric acid, formaldehyde and other
chemical products at its facility located at 324 Dering Avenue, Columbus, Ohio (Facility). Respondent is the operator of the Facility. Respondent was authorized to do business in Ohio on August 24, 1976.

2. Respondent is a "person" as defined in ORC § 3734.01(G) and Ohio Administrative Code (OAC) rule 3745-50-10(A).

3. Respondent notified Ohio EPA of its hazardous waste activities and was issued generator identification number OHD081232070.

4. At the Facility, Respondent generates "hazardous waste" as that term is defined by ORC § 3734.01(J) and OAC rules 3745-50-10(A) and 3745-51-03. Respondent is identified as a large quantity generator of hazardous waste. The hazardous wastes generated by Respondent at the Facility include spent methanol (D001), off-specification resins and spent resin filters (D001, F003, F005), scrap isocyanate (D001), spent acids (D002) and formaldehyde wastes (U122).

5. On March 23, 2006, Ohio EPA conduct an inspection of the Facility. As a result of the inspection, Ohio EPA determined that Respondent had, inter alia:

   a. Stored hazardous waste in the hazardous waste accumulation area beyond 90 days without a permit, in violation of ORC § 3734.02(E) and (F);

   b. Failed to properly label one satellite accumulation container, in violation of OAC rule 3745-52-34(C)(1);

   c. Failed to demonstrate that Respondent had a complete personnel training program at the time of the inspection, in violation of OAC rule 3745-65-16; and

   d. Failed to provide emergency communication equipment to personnel handling hazardous waste in the 90 day accumulation area, in violation of OAC rules 3745-65-32 and 3745-65-34.

6. By letter dated May 5, 2006, Ohio EPA notified Respondent of the violations referenced in Finding No. 5. of these Orders.

7. On May 12, 2006, Respondent submitted a response to Ohio EPA's letter referenced in Finding No. 6. of these Orders.
8. Based upon the information submitted in Respondent’s May 12, 2006 letter, the Director has determined that the violations referenced in Finding Nos. 5.b., 5.c. and 5.d. have been abated.

9. Because Respondent transported the hazardous wastes off-site on May 26, 2006 to a permitted facility, no releases of hazardous waste were observed at the time of the inspection and Respondent is still using the hazardous waste accumulation area referenced in Finding No. 5. of these Orders, the Director has determined that no further action is required at this time to address the violation referenced in Finding No. 5.a. of these Orders.

V. ORDERS

Respondent shall achieve compliance with Chapter 3734. of the ORC and the regulations promulgated thereunder according to the following compliance schedule:

1. Respondent shall pay Ohio EPA the amount of $20,000.00 in settlement of Ohio EPA’s claims for civil penalties, which may be assessed pursuant to ORC Chapter 3734., in accordance with the following provisions:

   a. Within 30 days after the effective date of these Orders, Respondent shall pay Ohio EPA the amount of $10,400.00 in settlement of Ohio EPA’s claims for civil penalties which will be deposited into the hazardous waste cleanup fund established pursuant to ORC § 3734.28. Payment shall be made by an official check made payable to “Treasurer, State of Ohio” for $10,400.00. The official check shall be submitted to Ohio EPA, Office of Fiscal Administration, Department L-2711, Columbus, Ohio 43260-2711, together with a letter identifying Respondent. A copy of this check shall be submitted in accordance with Section X. of these Orders.

   b. In lieu of paying $5,600.00 of the civil penalty to Ohio EPA, Respondent has implemented a supplemental environmental project (SEP) by hiring a full-time environmental technician to handle hazardous waste compliance issues at the Facility as described in the position description attached to these Orders. Respondent shall maintain this position with a full-time employee for no less than two years from the effective date of these Orders. Should Respondent fail to maintain this position or fail to staff the position for the required time-frame outlined in these Orders, Respondent shall pay to the Ohio EPA $5,600.00 which will be deposited into the hazardous waste cleanup fund established pursuant to ORC § 3734.28. Payment shall be due no later than 7 days after the date upon which Respondent fails to maintain or staff the position by tendering a certified check for
$5,600.00 made payable to "Treasurer, State of Ohio" to Ohio EPA, Office of Fiscal Administration, P.O. Box 1049, Columbus, Ohio 43216-1049, together with a letter identifying the Respondent and the Facility. A copy of this check shall be submitted in accordance with Section X of these Orders.

c. In lieu of paying the remaining $4,000.00 of civil penalty to Ohio EPA, Respondent shall fund a SEP by making a contribution in the amount of $4,000.00 to the Ohio EPA Clean Diesel School Bus Program (Fund 5CD). Respondent shall make the payment within 30 days after the effective date of these Orders by tendering an official check made payable to "Treasurer, State of Ohio" for $4,000.00. The official check shall be submitted to Brenda Case, or her successor, Ohio EPA, Office of Fiscal Administration, Department L-2711, Columbus, Ohio 43260-2711, together with a letter identifying Respondent. A copy of this check shall be submitted in accordance with Section X of these Orders, and an additional copy of this check shall be sent to James A. Orlemann, Assistant Chief, SIP Development and Enforcement, or his successor, Ohio EPA, Division of Air Pollution Control, P.O. Box 1049, Columbus, Ohio 43216-1049.

d. Should Respondent fail to fund the SEP within the required time frame established in Order No. 1.c., Respondent shall pay to Ohio EPA, within 7 days after failing to comply with Order No. 1.c., the amount of $4,000.00 in accordance with the procedures in Order No. 1.a.

VI. TERMINATION

Respondent's obligations under these Orders shall terminate upon Ohio EPA's receipt of the official checks required by Section V. of these Orders.

VII. OTHER CLAIMS

Nothing in these Orders shall constitute or be construed as a release from any claim, cause of action or demand in law or equity against any person, firm, partnership or corporation, not a party to these Orders, for any liability arising from, or related to, the operation of Respondent's Facility.

VIII. OTHER APPLICABLE LAWS

All actions required to be taken pursuant to these Orders shall be undertaken in
IX. MODIFICATIONS

These Orders may be modified by agreement of the parties hereto. Modifications shall be in writing and shall be effective on the date entered in the journal of the Director of Ohio EPA.

X. NOTICE

All documents required to be submitted by Respondent pursuant to these Orders shall be addressed to:

Ohio Environmental Protection Agency
Central District Office
Division of Hazardous Waste Management
Attn: DHWM Manager
122 South Front Street
Columbus, Ohio 43215

and Ohio EPA Central Office at the following address:

For mailings, use the post office box number:

Joseph P. Koncelik, Director
Ohio Environmental Protection Agency
Lazarus Government Center
Division of Hazardous Waste Management
P.O. Box 1049
Columbus, Ohio 43216-1049
Attn: Manager, Compliance Assurance Section

For deliveries to the building:

Joseph P. Koncelik, Director
Ohio Environmental Protection Agency
Lazarus Government Center
Division of Hazardous Waste Management
122 South Front Street
Columbus, Ohio 43215
Attn: Manager, Compliance Assurance Section
XII. WAIVER

In order to resolve disputed claims, without admission of fact, violation or liability, Respondent consents to the issuance of these Orders and agrees to comply with these Orders. Except for the rights to seek closure of the hazardous waste unit and corrective action at the Facility, which rights Ohio EPA does not waive, compliance with these Orders shall be a full accord and satisfaction for Respondent’s liability for the violations specifically cited herein.

Respondent hereby waives the right to appeal the issuance, terms and conditions, and service of these Orders, and Respondent hereby waives any and all rights Respondent may have to seek administrative or judicial review of these Orders either in law or equity.

Notwithstanding the preceding, Ohio EPA and Respondent agree that if these Orders are appealed by any other party to the Environmental Review Appeals Commission, or any court, Respondent retains the right to intervene and participate in such appeal. In such an event, Respondent shall continue to comply with these Orders notwithstanding such appeal and intervention unless these Orders are stayed, vacated or modified.

XIII. EFFECTIVE DATE

The effective date of these Orders is the date these Orders are entered into the Ohio EPA Director’s journal.

XIV. SIGNATORY AUTHORITY

Each undersigned representative of a party to these Orders certifies that he or she is fully authorized to enter into these Orders and to legally bind such party to these Orders.
IT IS SO ORDERED AND AGREED:

Ohio Environmental Protection Agency

[Signature]

Joseph P. Koncelik
Director

Date: 1/6/06

IT IS SO AGREED:

Capital Resin Corporation

[Signature]

Daniel W. Yinger

Signature

Date: 10-20-2006

Printed or Typed Name

Daniel W. Yinger

Title

President
ATTACHMENT
Position Description

TITLE: Environmental Technician

DEPARTMENT: Environmental/Engineering

Organizational Relationships:
Reports to: Environmental Manager
Supervises Directly: None

Duties:

NONCONFORMING MATERIAL DRUMS (NMD)

Check production areas and labs for NMDs. Be sure they are properly filled, closed, and labeled. Transport drums to runhouse. Production is responsible for filling drums and labeling.

Filter Drums: (filters, jars, PPE, buckets etc.)

Line Flushes and Clean outs:

Off-spec materials: (Drums or Totes)

Spills and Dike Clean up:

10K TANK – (BULK WASTEWATER)

Check tank level daily. Be aware of I-Resin production and boil outs from R-4 and R-1, 2, and 3. Plan for weekend boil outs etc. Coordinate closely with Production Management. Environmental Manager will schedule shipments.

Kurcos near the supervisors office are usually reserved for R-2 distillate that is higher in phenol levels. This is blended with 10k tank distillate for shipments.

Contaminated dikes and loading pads are at times included in this waste stream.

Shipments are usually planned for around 8:00 am. Communicate with driver. Weigh out and sign manifest.

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DIKE INSPECTIONS

Water that accumulates in dikes and loading pads must be inspected, and in some cases analyzed, before releasing to the storm sewers.

Acid Room Dike, Methanol Dike, and M/F Resin Loading Pad are typically visual inspections.

Formaldehyde Dike needs to be analyzed for HCHO level.

PTO loading pad is checked for pH

If the dikes cannot be released to the storm sewer then they will need to be loaded onto a vacuum truck.

COMPACTOR

Inspect the compactor daily. No liquids or hazardous material are allowed. Check this area for general house keeping.

The compactor will need to be emptied every 2-3 weeks. All drums and totes etc. need to be removed from the front of the compactor to allow Waste Management access.

HAZARDOUS WASTE AREA

All drums must be labeled, lids and bungs secured, and banded four to a pallet. They must be placed in rows with enough space to permit access to each container. The hazardous waste storage area and the main aisle between area 51 and product storage must be kept clear and organized. Managing reusable product from waste is an ongoing job. Specialized training will be required for the hazardous waste management of this area. Proper profiling, and characterization will be accomplished in conjunction with Environmental Manager.

Organizing for shipments of hazardous and non-hazardous waste will occur on a continual basis.

SITE INSPECTION

Daily site inspections using the Environmental Inspection Report form. Communicate any issues with plant supervisors and Environmental Manager.

Assist in various annual environmental inspections as needed.
STORMWATER SAMPLING

Stormwater samples are collected on a monthly basis. This work will be done in conjunction with the Environmental Manager.

AREA 51

Keep Area 51 organized. Keep production aware of the materials that can be reused. When necessary transport these materials to production area in a timely manner for reuse by the operators. Be proficient in the movement of materials through Area 51 either to production for reuse or to waste area for disposal.