

BEFORE THE
OHIO ENVIRONMENTAL PROTECTION AGENCY

OHIO E.P.A.
DEC -7 2006

DIRECTOR'S JOURNAL

In the Matter of:

Cooper-Standard Automotive Inc.
39550 Orchard Hill
Novi, Michigan 48375

: Director's Final Findings
: and Orders

and

Cooper Tire & Rubber Company
701 Lima Avenue
Findlay, Ohio 45840

PREAMBLE

It is agreed by the parties hereto as follows:

I. JURISDICTION

These Director's Final Findings and Orders ("Orders") are issued to Cooper Tire & Rubber Company ("Cooper Tire"), and Cooper-Standard Automotive Inc. ("Cooper-Standard") (hereinafter collectively referred to as "Respondents" or individually as "Respondent") pursuant to the authority vested in the Director of the Ohio Environmental Protection Agency ("Ohio EPA") under Ohio Revised Code ("ORC") §§ 3704.03 and 3745.01.

II. PARTIES BOUND

These Orders shall apply to and be binding upon Respondents and successors in interest liable under Ohio law. No change in ownership of the Respondents or of the facility (as hereinafter identified) shall in any way alter Respondents' 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 3704 and the regulations promulgated thereunder.

I certify this to be a true and accurate copy of the official documents as filed in the records of the Ohio Environmental Protection Agency.

By: Joseph Jacobs Date: 12-7-06

IV. FINDINGS

The Director of Ohio EPA has determined the following findings:

1. Respondent Cooper Tire, with headquarters at 701 Lima Avenue, in Findlay, Ohio manufactures tires for automobiles and light trucks. Respondent Cooper Tire also formerly owned a variety of other divisions that manufacture other automotive components such as engine mounts, window seals and rubber hosing. In 1999, Respondent Cooper Tire purchased The Standard Products Company (an Ohio corporation) as a stock acquisition, and renamed it Cooper-Standard Automotive Inc. Cooper-Standard Automotive Inc. was a wholly owned subsidiary of Respondent Cooper Tire. Both Respondents engaged in the operation of the facility. The facility is located at 2130 West 110th Street, Cleveland, Cuyahoga County, Ohio, which they operated thereafter under a Title V permit (#13-18-00-7657). Specifically, the facility produced plastic exterior body moldings for the automotive industry. At this facility, Respondents, in part, operated three gas-fired boilers, which are identified by Ohio EPA as emissions units B001, B002 and B003; fourteen plastic extrusion lines, which are identified by Ohio EPA as emissions units P001, P002, P003, P004, P006, P007, P008, P009, P010, P011, P012, P022, P023 and P024; secondary trimming machines, which are or were identified by Ohio EPA as emissions unit P016; one spray coating line, which is or was identified by Ohio EPA as emissions unit K003; five plastic injection mold presses, which are or were identified by Ohio EPA as emissions unit P025; three storage tanks, which are or were identified by Ohio EPA as emissions units T001, T002 and T003; two 3,000 gallon storage tanks (Tanks A and B), which are or were identified by Ohio EPA as emissions units T004 and T005; and one 9,000 gallon nitrogen storage tank, which is or was identified by Ohio EPA as emissions unit T006. This facility is a Title V source, as defined in Ohio Administrative Code ("OAC") Rule 3745-77-01(LL), and is subject to the requirements of ORC Chapter 3704 and OAC Chapter 3745-77.

2. OAC Rule 3745-31-03(A)(1)(I)(iv) states, in part, that storage tanks for liquids with a capacity of less than or equal to ten thousand gallons, equipped with submerged fill and that store organic liquids with a vapor pressure of less than or equal to 1.5 pounds per square inch absolute at 70 degrees Fahrenheit are exempted from the requirement to obtain a permit to install ("PTI") pursuant to OAC Chapter 3745-31.

3. OAC Rule 3745-31-03(A)(1)(k) states, in part, that equipment used for injection molding of resins where no more than one million pounds of thermoplastic or thermosetting resins per rolling, twelve-month period are used in all injection machines at the facility are exempt from the requirement to obtain a PTI pursuant to OAC Chapter 3745-31.

4. OAC Rule 3745-77-01(U) states, in part, that "insignificant activities and emissions levels" means any emissions units excluded from the requirements to obtain PTIs under OAC Chapter 3745-31.

5. OAC Rule 3745-77-02(A) states, in part, that the owner or operator of a Title V source shall not operate such source after the date that a timely and complete Title V permit application is required, unless such an application has been timely submitted or the source is in compliance with a Title V permit.

6. OAC Rule 3745-77-03(A) states, in part, that the owner or operator of a source that is subject to the Title V permit program as provided in OAC Rule 3745-77-02 shall submit Title V permit applications in the manner and form prescribed by the Director for that purpose. The applicant shall submit the information required by this rule for each emissions unit at the source to be permitted, except for insignificant activities and emissions levels. The applicant must list any such insignificant activities and emissions levels that are exempted because of size or production rate. An applicant may not omit information, including the emission levels for insignificant activities, that is necessary to determine the applicability of any applicable requirement, or to impose any applicable requirement.

7. OAC Rule 3745-77-04(E) requires, in part, that a Title V permit renewal application be filed no earlier than eighteen months and no later than six months prior to the expiration of any Title V permit.

8. OAC Rule 3745-77-05(B)(1) states, in part, that the Director shall promptly provide notice to the applicant for a Title V permit of whether the application is complete.

9. OAC Rule 3745-77-06(A) states, in part, that if the owner or operator of a Title V source submits a timely and complete application for permit renewal, the failure to have a Title V permit is not a violation of this Chapter until the Director takes final action on the application.

10. ORC § 3704.05(C) states, in part, that no person who is a holder of a permit issued under ORC § 3704.03(F) or (G) shall violate any of its terms or conditions.

11. ORC § 3704.05(G) states, in part, that no person shall violate any order, rule, or determination of the Director issued, adopted, or made under ORC Chapter 3704.

12. ORC § 3704.05(J)(2) states, in part, that no person shall violate any filing requirement of the Title V permit program.

13. ORC § 3704.05(K) states, in part, that no person shall operate a source that is required to obtain a Title V permit unless a Title V permit has been issued authorizing operation of the source or unless a complete and timely application for the issuance, renewal, or modification of a Title V permit for the source has been submitted to the Director.

14. ORC § 3704.06(C) provides, in part, that any person violating ORC § 3704.05 shall pay a civil penalty of not more than \$25,000 for each day of each violation.

15. On August 6, 1998, Ohio EPA issued a final Title V permit for Respondents' facility (Ohio EPA facility identification number 13-18-00-7657). The permit's expiration date of August 6, 2003 was given in the Final Issuance cover page of the permit, as well as a statement that Title V permit renewal applications are to be filed no earlier than eighteen months and no later than six months prior to the expiration of any Title V permit. The final Title V permit did not include emissions units K003, P024, P025, T004, T005, and T006, as these sources were not included in the application, in violation of OAC Rule 3745-77-03(A) and ORC § 3704.05(G) and (J)(2).

16. On July 5, 2000, Respondents submitted a PTI application for a PVC plastic extrusion line identified by Ohio EPA as emissions unit P023. The PTI was issued on November 21, 2000. Respondents commenced operation of emissions unit P023 on November 21, 2000, and continued the operation beyond November 21, 2001 (i.e., one year after the commencement), without submitting a revised Title V permit application to include emissions unit P023, in violation of OAC Rule 3745-77-04(D).

17. In a letter to the Cleveland Division of Air Quality ("CDAQ"), the contractual representative of Ohio EPA in Cuyahoga County, dated January 31, 2002, Respondents requested, in part, that the Title V permit issued on August 6, 1998 and PTI # 13-03721 issued on November 21, 2000 be modified to allow the use of photochemically reactive materials ("PRMs") for emissions units, P004, P009, P010, P012, and P024 because it had been unsuccessful in finding a non-PRM alternative.

18. On July 30, 2002, Respondents submitted a second quarter deviation report for 2002. The report indicated the use of PRM in emissions units P003, P004, P005, P007, P008, P009, P010, P012, P016 and P024.

19. In a letter dated September 6, 2002, Ohio EPA sent a notice of Title V permit expiration to Respondents. This letter stated that Respondents' Title V permit was to expire on August 6, 2003, and provided a description of the renewal application requirements and procedures.

20. Respondents submitted an application to renew its Title V permit to Ohio EPA on April 30, 2003. This application did not contain insignificant emissions units P025, T004, T005 and T006, making it incomplete, and in violation of OAC Rule 3745-77-03(A) and ORC § 3704.05(G) and (J)(2). These emissions units were required to be included in the Title V permit application because they were insignificant emissions units exempted due to size by OAC Rule 3745-31-03(A)(1)(k) and (A)(1)(l)(iv).

21. Respondents failed to submit a timely application to renew their Title V permit to Ohio EPA at least six months prior to the permit expiration date (i.e., by February 7, 2003), in violation of OAC Rule 3745-77-04(E) and ORC § 3704.05(G) and (J)(2). Also, from August 6, 2003, Respondents operated their Title V source without possessing a Title V permit or timely filing of a complete Title V permit renewal application, in violation of OAC Rule 3745-77-02(A) and ORC § 3704.05(G) and (K).

22. On May 20 and 28, 2003, CDAQ conducted full compliance evaluations of the facility. During the evaluations, CDAQ determined, in part, that Respondents:

- a. as stated in the second quarter deviation report for 2002, used PRMs in emissions units P003, P004, P005, P007, P008, P009, P010, P012, P016 and P024 during the second quarter of 2002. [These deviations were not included, however, in the 2002 annual compliance certification, which erroneously indicated that no deviations occurred, in violation of Respondents' Title V permit and ORC § 3704.05(C) and (J)(2).];
- b. failed to list emissions units P025, T004, T005 and T006 in the Title V permit renewal application submitted on April 30, 2003, in violation of OAC Rule 3745-77-03(A) and ORC § 3704.05(G) and (J)(2); and
- c. replaced, in year 2000, the existing emissions unit P001 with another unit without obtaining a PTI, in violation of OAC Rule 3745-31-02(A) and ORC § 3704.05(G); submitted a PTI application for the installed replacement for emissions unit P001 on March 15, 2002; before PTI #13-3977 was issued final on August 27, 2002, submitted a letter dated September 16, 2002 requesting to

withdraw PTI #13-3977 based on "de minimis" status; and submitted a Title V permit renewal application on April 30, 2003, listing the replacement for emissions unit P001 as a non-insignificant source.

Emissions unit P024 was not part of the expired Title V permit; as such, it was not required to be included in the Title V annual compliance certification. Respondents' use of PRMs in emissions unit P024 constituted violations of PTI # 13-3721 (Part III.A.1.2.a) and ORC § 3704.05(C). Respondents' use of PRMs in the remaining emissions units (P003, P004, P005, P007, P008, P009, P010, P012 and P016) constituted violations of ORC § 3704.05(C) and (J)(2), and failure to note these deviations in the Title V annual compliance certification for calendar year 2002, submitted to CDAQ on May 20, 2003 (from Ohio EPA Central Office), constituted violations of the Title V permit and ORC § 3704.05(C) and (J)(2).

23. Because the April 30, 2003 Title V permit renewal application did not include a complete listing of insignificant emissions units as required by OAC Rule 3745-77-03(A), and the June 10, 2003 NOV served as "prompt notice" as such term is used in OAC Rule 3745-77-05(B)(1) of deficiencies within the application, the renewal application was deemed incomplete in accordance with the provisions of OAC Rule 3745-77-05(B)(1).

24. On May 29, 2003, Respondents resubmitted an annual compliance certification which CDAQ returned to Respondents as incomplete because it did not include the use of PRMs in the emissions units.

25. On June 10, 2003, CDAQ sent a Notice of Violation ("NOV") to Respondents. The NOV cited, in part, Respondents for the aforementioned violations and requested Respondents to submit a Title V permit renewal application which included all insignificant emissions units, information detailing emissions unit P001 as a de minimis or non-insignificant source, and an updated Ohio EPA compliance certification for 2002, within fourteen (14) days after receipt of the NOV.

26. In a letter dated June 27, 2003, Respondents requested an extension of time until July 25, 2003 to comply with the June 10, 2003 NOV. In a letter dated July 1, 2003, CDAQ granted an extension of time until July 25, 2003.

27. On July 29, 2003, CDAQ received a written response from the Respondents to the June 10, 2003 NOV. The response, in part, noted emissions unit P001 was an insignificant source and would be noted as such on the updated Title V permit renewal application. Also, the letter states that

emissions units P025, T004, T005 and T006 would be included as exempt emissions units.

28. On August 8, 2003, Respondents submitted to CDAQ, a Title V permit renewal application that included emissions unit P023, and a corrected Title V annual compliance certification for 2002, in response to the June 10, 2003 NOV. The compliance certification stated that PRMs were used in emissions units P003, P004, P005, P007, P008, P009, P010, P012, P016 and P024 from December 1, 2001 through July 31, 2003.

29. On August 11, 2003, Respondents submitted an electronic fee emission report for calendar year 2002 pursuant to OAC Rule 3745-78-02 which reported actual particulate emissions data for emissions units K003, P002, P005, P016 and P022 as 0.02, 0.12, 0.00, 0.00 and 0.15 ton per year ("tpy"), respectively. Because the particulate emissions for each of these emissions units is below 1.0 tpy, such data is not required to be reported in the fee emission report, as stated in Ohio EPA Engineering Guide 71.

30. In a letter to Respondents dated August 21, 2003, CDAQ confirmed the receipt of the corrective action plan, Title V annual compliance certification for 2002, a revised complete Title V permit renewal application, and fee emission report for 2002.

31. In the fourth quarter of 2004, Respondents shut down emissions unit K003, thereby reducing the facility's potential to emit below the threshold for Title V applicability. During this period, Respondents also shut down the following emissions units: P002, P003, P006, P009, P010, P011 and P024. The remaining emissions units P001, P004, P005, P007, P012, P016, P022 and P023 continue to be in operation.

32. On April 27, 2004, Ohio EPA notified CDAQ that the Title V permit renewal application received from Respondents was not timely. Based on this, CDAQ issued another NOV to Respondents on May 11, 2004, citing them for the violations of OAC Rule 3745-77-04(E) for failure to submit a timely and complete Title V permit renewal application and OAC Rule 3745-77-02(A) for operating a Title V source after the date the Title V permit expired without a timely and complete Title V renewal application submission or without a Title V permit.

33. D&N Bending Corp. (a Michigan corporation) is a diversified supplier in the automotive and non-automotive industries. The Cleveland location manufactures plastic exterior body moldings strips for the automotive industry. On December 23, 2004, Respondent Cooper Tire sold its Cooper-Standard Automotive Inc. subsidiary to CSA Acquisitions Corp Respondent

Cooper Tire retained ownership of the real estate Cleveland facility but leased the facility to D&N Bending Corporation ("D&N").

34. The lease contract between both Cooper- Standard Automotive Inc. and D&N included provisions that they obtain the necessary permits.

35. In a letter dated June 14, 2005, CDAQ informed D&N that it would be conducting a full compliance evaluation and inspection of the facility on June 23, 2005, and requested assistance in obtaining the following information: current list of emissions units located at the facility; and the list of emissions units shut down or removed from the facility.

36. In a letter dated July 19, 2005, D&N confirmed that emissions unit K003 was shut down in the fourth quarter of 2004, while emissions units P002, P003, P006, P009, P010, P011 and P024 were removed from the facility in 2004. The remaining emissions units P001, P004, P005, P007, P012, P016, P022 and P023 continued to be in operation under D&N.

37. On July 28, 2005, Respondents submitted the Transfer of Ownership Form indicating that the permitted operations of Cooper-Standard Automotive Inc. were transferred to D&N on January 6, 2005.

38. With the withdrawal of emissions unit K003, the facility is no longer a Title V facility and the remaining emissions units P001, P004, P005, P007, P012, P016, P022 and P023 are each required to have a State PTO. Therefore, on November 21, 2005, D&N submitted State PTO applications for emissions units P001, P004, P005, P007, P012, P016, P022 and P023.

39. Since D&N is currently responsible for the operation of all the equipment at the facility, the facility identification #13-18-00-7657 was transferred to it. However, because the aforementioned violations occurred before the transfer, Respondents remain accountable for the previous violations.

40. The Director has given consideration to, and based his determination on, evidence relating to the technical feasibility and economic reasonableness of complying with the following Orders and their relation to benefits to the people of the State to be derived from such compliance.

V. ORDERS

The Director hereby issues the following Orders:

1. Pursuant to ORC § 3704.06, Respondent Cooper Tire is assessed a civil penalty in the amount of fifteen thousand dollars (\$15,000) in settlement of Ohio EPA's claims for civil penalties, which may be assessed pursuant to ORC Chapter 3704. Pursuant to ORC § 3704.06, Respondent Cooper-Standard is assessed a civil penalty in the amount of fifteen thousand dollars (\$15,000) in settlement of Ohio EPA's claims for civil penalties, which may be assessed pursuant to ORC Chapter 3704. Within thirty (30) days after the effective date of these Orders, payment to Ohio EPA shall be made by an official check from each Respondent made payable to "Treasurer, State of Ohio" for twelve thousand dollars (\$12,000) of the total amount. Each official check shall be submitted to Brenda Case, or her successor, together with a letter identifying the Respondents, to:

Ohio EPA
Office of Fiscal Administration
P.O. Box 1049
Columbus, Ohio 43216-1049

2. In lieu of paying the remaining three thousand dollars (\$3,000) of civil penalty, each Respondent shall, within thirty (30) days of the effective date of these Orders, fund a Supplemental Environmental Project ("SEP") by making a contribution in the amount of \$3,000 to the Ohio EPA's Clean Diesel School Bus Program Fund (Fund 5CD). Each Respondent shall tender an official check made payable to "Treasurer, State of Ohio" for \$3,000. The official check shall be submitted to Brenda Case, or her successor, together with a letters identifying the Respondent, to the above-stated address.

3. A copy of each of the above checks shall be sent to James A. Orlemann, Assistant Chief, SIP Development and Enforcement, or his successor, at the following address:

Ohio EPA
Division of Air Pollution Control
P.O. Box 1049
Columbus, Ohio 43216-1049

4. Should either Respondent fail to fund the SEP within the required timeframe set forth in Order 2, such Respondent shall immediately pay

to Ohio EPA \$3,000 of the civil penalty in accordance with the procedures in Order 2.

VI. TERMINATION

Respondents' obligations under these Orders shall terminate when Respondents certifies in writing and demonstrates to the satisfaction of Ohio EPA that Respondents has performed all obligations under these Orders and the Chief of Ohio EPA's Division of Air Pollution Control acknowledges, in writing, the termination of these Orders. If Ohio EPA does not agree that all obligations have been performed, then Ohio EPA will notify Respondents of the obligations that have not been performed, in which case Respondents shall have an opportunity to address any such deficiencies and seek termination as described above.

The certification shall contain the following attestation: "I certify that the information contained in or accompanying this certification is true, accurate and complete."

This certification shall be submitted by Respondents to Ohio EPA and shall be signed by a responsible official of Respondents. For purposes of these Orders, a responsible official is as defined in OAC Rule 3745-35-02(B)(1) for a corporation.

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 Respondents' facility.

VIII. OTHER APPLICABLE LAWS

All actions required to be taken pursuant to these Orders shall be undertaken in accordance with the requirements of all applicable local, state, and federal laws and regulations. These Orders do not waive or compromise the applicability and enforcement of any other statutes or regulations applicable to the Respondents.

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 Respondents pursuant to these Orders shall be addressed to:

City of Cleveland
Department of Public Health and Welfare
Division of Air Quality
1925 St. Clair Ave
Cleveland, Ohio 44114
Attention: George Baker, Chief of Field Enforcement

and to:

Ohio Environmental Protection Agency
Division of Air Pollution Control
P.O. Box 1049
Columbus, Ohio 43216-1049
Attention: Thomas Kalman, Manager, Enforcement
Section

or to such persons and addresses as may hereafter be otherwise specified in writing by Ohio EPA.

XI. RESERVATION OF RIGHTS

Ohio EPA and Respondents each reserve all rights, privileges and causes of action, except as specifically waived in Section XII of these Orders.

XII. WAIVER

In order to resolve disputed claims, without admission of fact, violation or liability, and in lieu of further enforcement action by Ohio EPA for only the violations specifically cited in these Orders, Respondents consent to the issuance of these Orders and agree to comply with these Orders. Compliance

with these Orders shall be a full accord and satisfaction for Respondents' liability for the violations specifically cited herein.

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

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

XIII. EFFECTIVE DATE

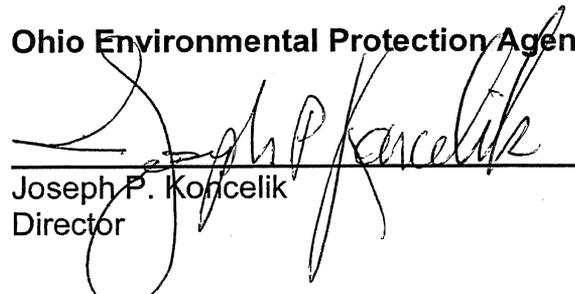
The effective date of these Orders is the date these Orders are entered into the Ohio EPA Director's journal.

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



Joseph P. Korcelik
Director

12/5/06 Date

IT IS SO AGREED:

Cooper-Standard Automotive Inc.



Signature

11/22/2006
Date

Gerry King

Printed or Typed Name

Corp. Director, HSSE

Title

Cooper Tire & Rubber Company



Signature

11-29-06
Date

S.O. SCHROEDER
VICE PRESIDENT-TREASURER

Printed or Typed Name

Title