BEFORE THE
OHIO ENVIRONMENTAL PROTECTION AGENCY

In the Matter of:

Mid Bus, Inc.
505 East Jefferson Street
Bluffton, Ohio 45817-1398

Respondent

Director's Final Findings and Orders

PREAMBLE

It is hereby agreed by and among the parties hereto as follows:

I. JURISDICTION

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

II. PARTIES BOUND

These Orders shall apply to and be binding upon Respondent, its assigns and successors in interest. No changes in ownership relating to the Facility will in any way alter Respondent's responsibilities under these Orders. Respondent's obligations under these Orders may be altered only by the written approval of the Director of Ohio EPA.

III. DEFINITIONS

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

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

IV. FINDINGS OF FACT

The Director of Ohio EPA has determined the following findings of fact:

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

2. Respondent operates a manufacturing facility located at 505 East Jefferson Street, Allen County, Bluffton, Ohio 45817-1398 (Facility). Respondent was incorporated to do business in the State of Ohio on April 6, 1981. On March 10, 2000, Respondent received hazardous waste generator identification number OHD005037221 from Ohio EPA.

3. At the Facility, Respondent generates or has generated "hazardous waste" as that term is defined by ORC § 3734.01(J) and OAC rules 3745-50-10(A) and 3745-51-03, including solvent rags (D001), paint sludge (F003, F005, and D035), spent solvents (F003, F005, and D035), and paint filters (D007).

4. On January 18, 2000, Ohio EPA conducted a compliance evaluation inspection at the Facility, and determined that Respondent had, *inter alia*:

   a. Failed to evaluate several waste streams to determine whether they were hazardous waste, in violation of OAC rule 3745-52-11;

   b. Failed to conduct personnel training for all employees involved in the handling or management of hazardous waste, in violation of OAC rule 3745-65-16;

   c. Failed to have a written contingency plan designed to minimize hazards to human health or the environment from fires, explosions or any unplanned sudden or non-sudden releases of hazardous waste or hazardous waste constituents to air, soil, or surface water, in violation of OAC rules 3745-65-50 through 3745-65-54 and 3745-65-56;

   d. Failed to conduct weekly inspections of emergency equipment, in violation of OAC rule 3745-65-33;

   e. Failed to label hazardous waste containers with the date upon which each period of accumulation begins and with the words "hazardous waste," in violation of OAC rules 3745-52-34(A)(2) and (3);

f. Failed to mark hazardous waste containers located near the point of generation with the words "hazardous waste" or other identifying words, in violation of OAC rule 3745-52-34(C);

g. Failed to keep all hazardous waste containers closed during storage except when it is necessary to add or remove waste, in violation of OAC rule 3745-66-73(A); and

h. Failed to inspect hazardous waste container storage areas on a weekly basis looking for leaks and for deterioration, in violation of OAC rule 3745-66-74.

By letter dated February 11, 2000, Ohio EPA notified Respondent of the results of this inspection.

5. By letter dated June 15, 2000, Ohio EPA notified Respondent that due to the volume of hazardous waste transported from the Facility to hazardous waste treatment, storage, and disposal facilities in Michigan for the 1999 calender year, Respondent should have filed a 1999 Annual Hazardous Waste Generator Report (Annual Report) with Ohio EPA. By letter dated June 15, 2000, Ohio EPA notified Respondent that Respondent had violated OAC rule 3745-52-41 through its failure to submit this Annual Report.

After receiving Respondent's 1999 Annual Report on July 17, 2000, by letter dated July 18, 2000, Ohio EPA notified Respondent that it had abated this violation of OAC rule 3745-52-41.

6. After receiving documentation from Respondent, by letter dated August 1, 2000, Ohio EPA notified Respondent that Respondent had violated ORC §§ 3734.02(E) and (F) by disposing of the Facility's primer room paint filters, hazardous waste D007, at a solid waste disposal facility.

7. Also in the August 1, 2000 letter, the Agency notified Respondent that Respondent had abated those violations referenced in Finding Nos.4.e and 4.h. By letter dated November 14, 2000, Ohio EPA notified Respondent that Respondent had abated those violations referenced in Finding No.4.d by submitting four weeks of emergency equipment inspections documentation.

8. Following receipt of submittals from Respondent dated November 29, December 5, and December 13, 2000, by letter dated December 21,

2000, Ohio EPA notified Respondent that Respondent had abated all remaining violations listed in Finding Nos. 4, 5 and 6.

9. Pursuant to Respondent's request, and review and approval by Ohio EPA, a credit is available against the civil penalty settlement amount in Order No.1 to account for supplemental environmental projects (SEPs) which may be implemented at the Facility. Through the implementation of any of these SEPs, Respondent's hazardous waste generation at the Facility may be reduced. These projects include:

   a. The new paint line cleaning technology as described in Attachment A to these Orders. This SEP is worth a maximum credit against the civil penalty settlement amount of $11,750.00.

   b. Paint gun washer and solvent recycling, as described in Attachment B to these Orders. This SEP is worth a maximum credit against the civil penalty settlement amount of $6,312.60; and

   c. The recycling of solvent laden rags though on-site laundering and re-use. This SEP is worth a maximum credit against the civil penalty settlement amount of $2,000.00.

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 to Ohio EPA the amount of $47,000.00 in settlement of Ohio EPA's claims for civil penalties which may be assessed for noncompliance pursuant to Chapter 3734. of the ORC pursuant to the following:

   a. Respondent shall pay to Ohio EPA the amount of $35,250.00, in settlement of Ohio EPA's claims for civil penalties which may be assessed for noncompliance pursuant to ORC Chapter 3734. and which will be deposited into the hazardous waste cleanup fund established pursuant to ORC § 3734.28. Respondent shall pay the $35,250.00 civil penalty settlement in four payments pursuant to the following schedule:

      i. Within thirty (30) days after the effective date of these Orders, Respondent shall pay to Ohio EPA the amount of $8,812.50;

ii. Within sixty (60) days after the effective date of these Orders, Respondent shall pay to Ohio EPA the amount of $8,812.50;

iii. Within ninety (90) days after the effective date of these Orders, Respondent shall pay to Ohio EPA the amount of $8,812.50; and

iv. Within one hundred and twenty (120) days after the effective date of these Orders, Respondent shall pay to Ohio EPA the amount of $8,812.50.

Each of the four payments above shall be made by tendering a certified check in the stated amount to Ohio EPA, Department 631, Columbus, Ohio 43265-0631, made payable to "Treasurer, State of Ohio." A copy of each check shall be submitted in accordance with Section IX of these Orders.

b. In lieu of paying up to $11,750.00 of the civil penalty, Respondent may implement one or more of the agreed upon SEPs referenced in Finding No. 9 at the Facility as follows. Within forty-five (45) days after the effective date of these Orders, Respondent shall either:

i. Identify the agreed upon SEP(s) referenced in Finding No. 9. which Respondent agrees to implement in accordance with Order No. 1.c.; or

ii. Pay to Ohio EPA the amount of $11,750.00, to be deposited into the hazardous waste cleanup fund established pursuant to ORC § 3734.28. Payment shall be made by tendering a certified check in the stated amount to Ohio EPA, Department 631, Columbus, Ohio 43265-0631, made payable to "Treasurer, State of Ohio." Respondent shall submit a copy of the certified check in accordance with Section IX of these Orders.

c. If Respondent chooses the option set out in Order No. 1.b.i., then within one hundred and eighty (180) days after the effective date of these Orders Respondent shall fully implement the agreed upon SEP(s).

i. Within thirty (30) days after completing implementation of the SEP(s) at the Facility, Respondent shall submit to Ohio EPA a written report, including any receipts associated with expenses and photographic documentation which demonstrate that the SEP(s) have been implemented in accordance with these Orders, including the maximum value limits for each SEP contained in Finding No. 9.

d. Should Respondent fail to implement the SEP(s) pursuant to Order No.1.c., or fail to fully implement the SEP(s) in the total amount of actual cost of at least $23,500.00, Respondent shall, within thirty (30) days after submittal of the report referenced in Order No. 1.c.i., pay to Ohio EPA the remaining balance of the $11,750.00 credit which was allowed against the civil penalty settlement amount, which will be deposited into the hazardous waste cleanup fund established pursuant to ORC § 3734.28. The amount Respondent shall pay shall be determined by dividing by two the actual amount spent as documented by the report required by Order No. 1.c.i., and subtracting that amount from $11,750.00. Payment shall be made by tendering a certified check in the stated amount to Ohio EPA, Department 631, Columbus, Ohio 43265-0631, made payable to "Treasurer, State of Ohio." A copy of this check shall be submitted in accordance with Section IX of these Orders.

VI. TERMINATION

Respondent's obligations under these Orders shall terminate when Respondent demonstrates in writing and certifies to the satisfaction of Ohio EPA that all obligations under these Orders have been performed and Ohio EPA's Division of Hazardous Waste Management acknowledges, in writing, Ohio EPA's acceptance of this demonstration and certification.

This certification shall be submitted by Respondent and shall be signed by a responsible official of Respondent. The certification shall make the following attestation: "I certify that the information contained in or accompanying this certification is true, accurate and complete."

For purposes of these Orders, a responsible official is a corporate officer who is in charge of a principal business function of Respondent.

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 signatory to these Orders, for any liability arising out of or relating to the operations of the 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. Nothing in these Orders shall be construed as waiving or compromising in any way the applicability and enforcement of any other statutes or regulations applicable to Respondent's operation of the Facility. Ohio EPA reserves all rights and privileges except as specified herein.

IX. NOTICE

All documents demonstrating compliance with these Orders, and other documents required under these Orders to be submitted to Ohio EPA, shall be addressed to:

Ohio Environmental Protection Agency
Northwest District Office
Division of Hazardous Waste Management
Attn: DHWM Manager
347 North Dunbridge Road
Bowling Green, Ohio 43402

and Ohio EPA Central Office at the following address:

For mailings, use the post office box number:

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

For deliveries to the building and courier services:

Christopher Jones, Director
Ohio Environmental Protection Agency
Lazarus Government Center
Division of Hazardous Waste Management
Attn: Manager, Compliance Assurance Section
122 South Front Street
Columbus, Ohio 43215

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

X. RESERVATION OF RIGHTS

Nothing contained herein shall be construed to prevent Ohio EPA from seeking legal or equitable relief to enforce the terms of these Orders or from taking administrative, legal or equitable action as deemed appropriate and necessary, including seeking penalties against Respondent for noncompliance with these Orders. Nothing contained herein shall be construed to prevent Ohio EPA from exercising its lawful authority to require Respondent to perform additional activities pursuant to ORC Chapter 3734. or any other applicable law in the future. Nothing herein shall restrict the right of Respondent to raise any administrative, legal or equitable claim or defense with respect to such further actions which Ohio EPA may seek to require of Respondent. Nothing in these Orders shall be construed to limit the authority of Ohio EPA to seek relief for violations not addressed in these Orders.

XI. SIGNATORIES

Each undersigned representative of a signatory to these Orders certifies that he or she is fully authorized to enter into these Orders and to legally bind such signatory to this document.

IT IS SO ORDERED:

Christopher Jones
Director

JAN 1 8 2002
Date

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 addressed in these Orders, Respondent agrees that these Orders are lawful and reasonable, that the times provided for compliance herein are reasonable and that Respondent agrees to comply with these Orders. Compliance with these Orders shall be a full accord and satisfaction for Respondent's liability for the violations cited herein.

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

Notwithstanding the preceding, Ohio EPA and Respondent agree that in the event that 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.

IT IS SO AGREED:

Mid Bus, Inc.

Jack Cowden — 1-4-02
Date

V.P. Human Ressources
Title

Ohio Environmental Protection Agency

JAN 18 2002

Christopher Jones — Date
Director

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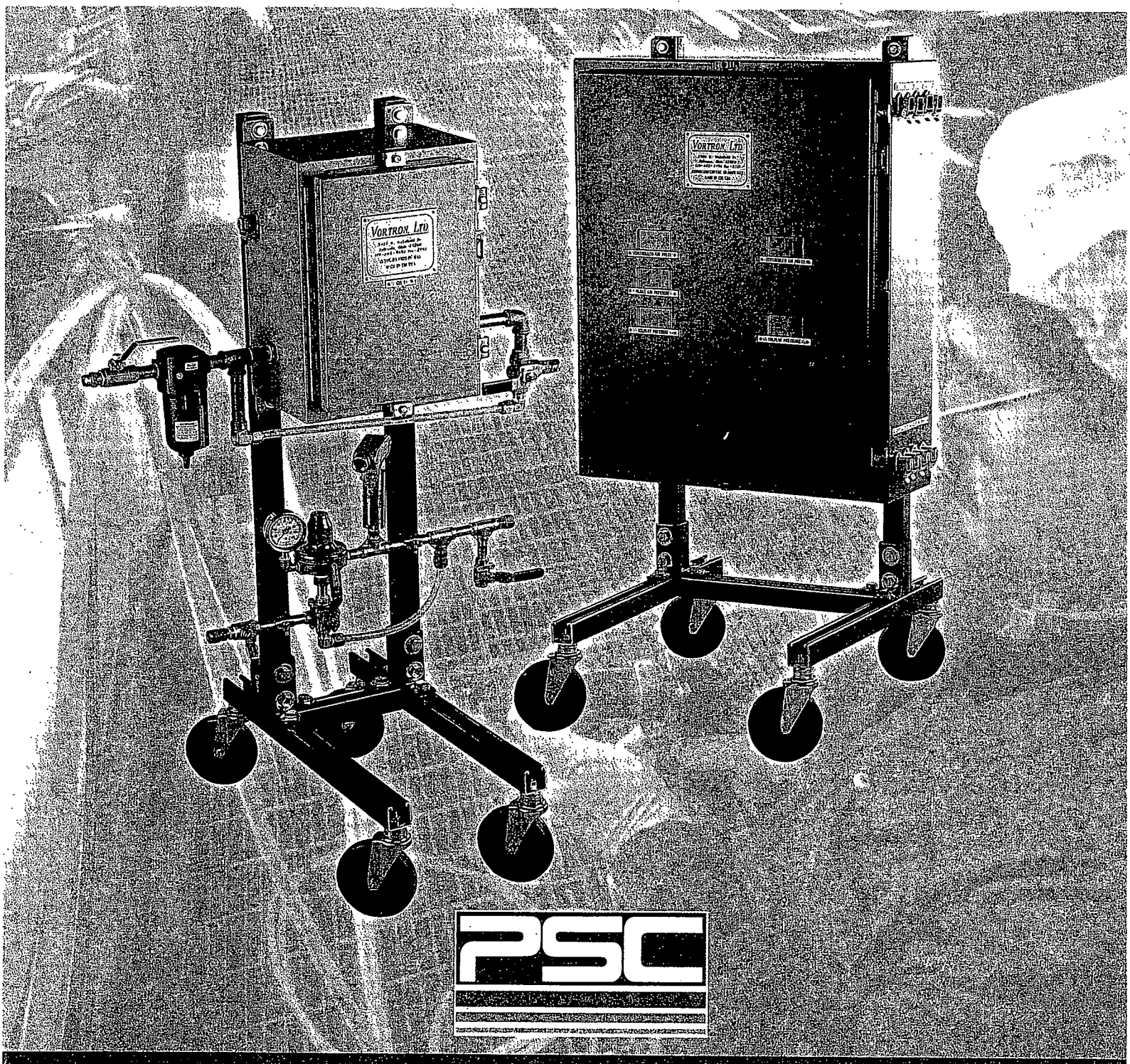
Attachment A

VORTECH™ TECHNOLOGY

COMPUTER REGULATED CONTROL OF PAINT SYSTEM PURGING & CLEANING



PSC

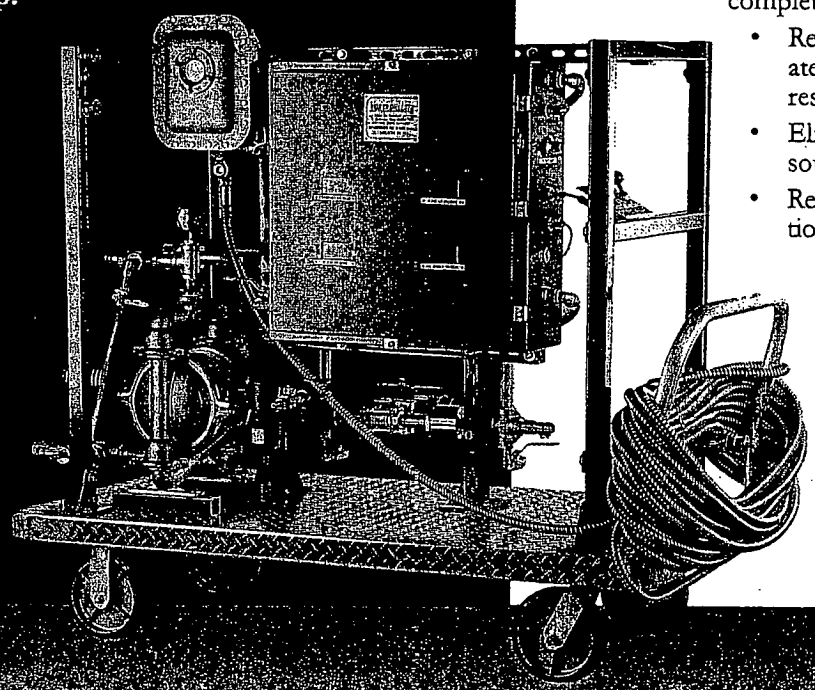
A Revolutionary System Designed to Effectively Purg

ortech Technology is a novel, patented device for cleaning paint transfer lines and purging color trees and paint application equipment.

Vortech Technology employs proprietary electronics and transducers to regulate and generate a high velocity/low pressure controlled solvent/air mixture. This solvent/air mixture is transported through paint lines and application equipment, creating a two-phase turbulent flow pattern that effectively cleans the interior surface.

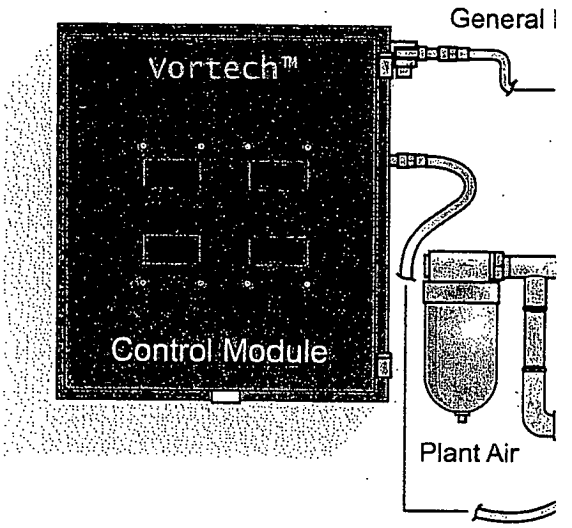
Vortech Technology is available in two forms:

- A mobile cart for use in the periodic cleaning of paint kitchen transfer lines that is effective on one, two, and three pipe systems.
- Modular controllers that are permanently installed to enhance the purging/ color changes from the color tree to the application tip.



Vortech Portable Cleaning System

- A unique and patented method for paint line cleaning
- Effective on solvent-based, waterborne, or multi-component coatings
- Compatible for use on stainless steel or black iron piping systems
- Adaptable to 1 inch or 2 inch diameter piping systems
- Works on 1, 2, or 3 pipe recirculation systems
- Explosion-proof electronics - safe for use in hazardous locations
- Recognized as quality enhancement tool and best practice by major clients



Portable Cleaning System Benefits

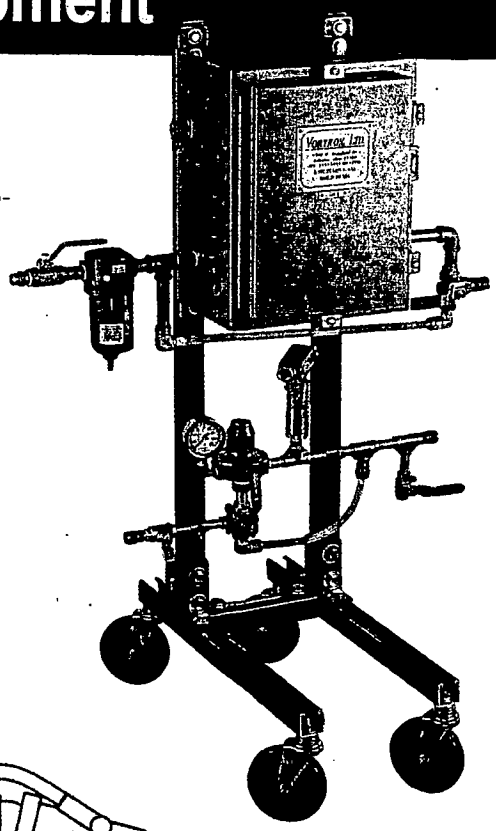
Cleans better, faster, and generates less waste as compared to conventional methods

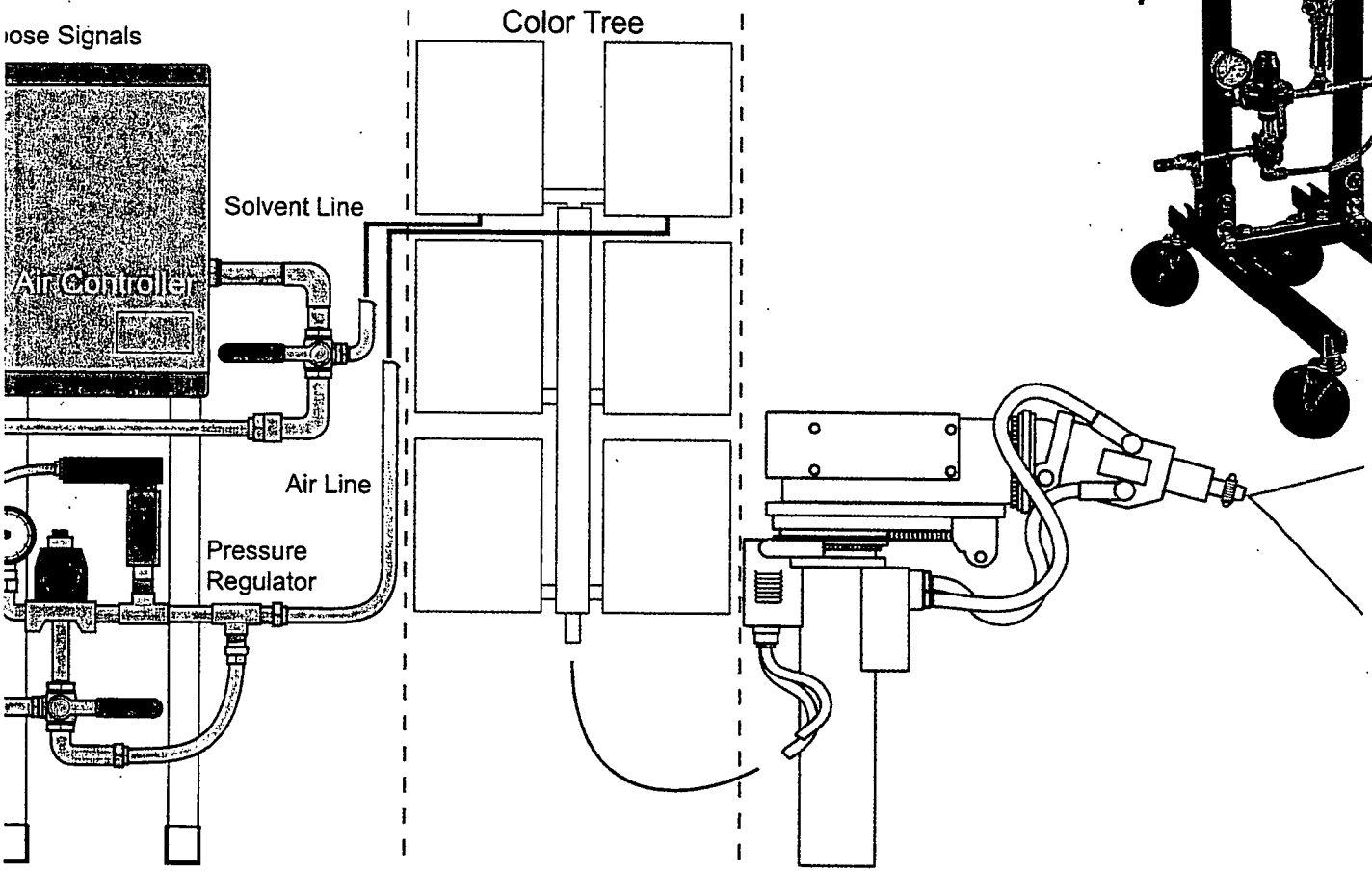
- Requires no special set-up; operates on standard plant air pressure (~85 psi) and electricity (110 vac)
- Reduces source of dirt-in-paint defects by completely cleaning inner pipe surfaces
- Reduces warranty costs associated with paint finish defects resulting from poor paint line cleanliness
- Eliminates the need for gritty strippers - a potential source of paint line contamination and dirt-in-paint
- Reduces cleaning time from days to hours; recirculation systems may be back on-line in as little as 8 hours
- Eliminates need to remove back pressure regulators or disconnect application equipment before cleaning
- Reduces the purchase amount for solvent needed to perform the cleaning operation
- Reduces the disposal costs of waste solvent resulting from cleaning operations
- Provides a means to apply statistical process control to paint kitchen operations

Paint Lines & Paint Application Equipment

Vortech Air Controller System

- Easily integrated into existing paint application logic control infrastructure
- Effective on all types of paint application equipment, including manual guns, reciprocators, HVLP atomizers, robots, and atomizing bells
- Effective on solvent-based, waterborne, or multi-component coatings
- Explosion-proof electronics - safe for use in hazardous locations
- Recognized as quality enhancement tool and best practice by major clients





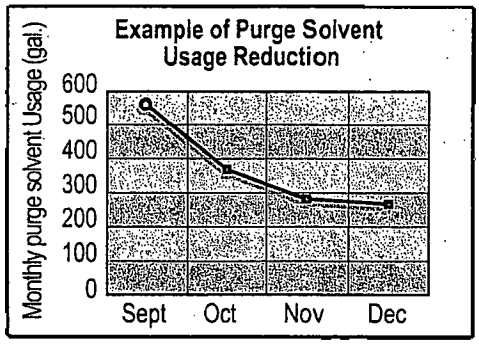
Air Controller System Benefits

Purges more completely, faster, and generates less waste as compared to conventional methods

- Requires no special utilities; operates on standard plant air pressure (~85 psi) and electricity (110 vac)
- Helps reduce warranty costs associated with defects resulting from incomplete or ineffective purging
- Reduces source of dirt-in-paint defects by completely cleaning inner paint line surfaces
- Reduces defects related to color carry-over, spits, and paint agglomerates
- Reduces purge cycle time by 50% or more; eliminates potential constraint on production
- No need to remove flow meters or disconnect application equipment
- Cleans all points of paint system, including flow meters, regulators, color changers, and dump lines
- Reduces the purchase amount for solvent needed to perform the purging operation by up to 50% or more
- Reduces the disposal costs of waste solvent resulting from purging operations by up to 50% or more
- Provides a means to apply statistical process control to painting operations

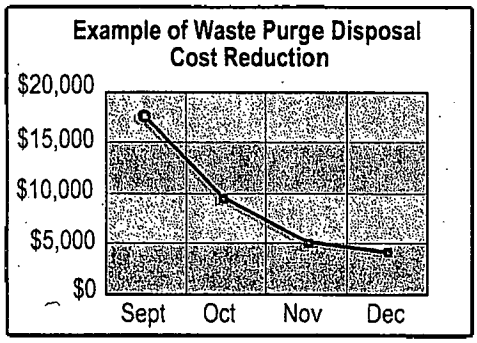
Vortech Technology provides several advantages as compared to conventional paint line cleaning and purging practices, including:

- Reduction in the volume of solvent needed for line purging/color changes
- Reduction in the time required to complete purge cycles/color changes
- Reduction in paint defects attributable to ineffective/incomplete purging
- Reduction in waste volumes generated from spent purge solvent
- Elimination of chemical strippers for periodic paint kitchen transfer line cleaning, as the Vortech's cleaning action is effective using only the normal purge solvent formula.
- Increased productivity in paint finishing operations
- Improved economics in paint finishing operations



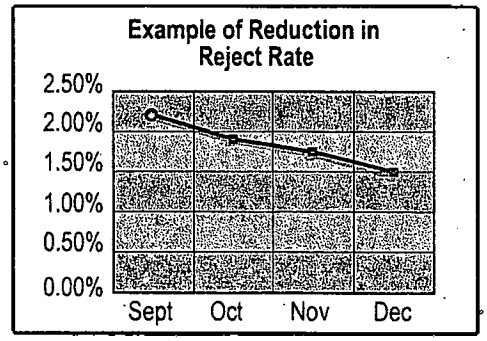
Portable Cleaning System Services Provided

- Routine preventive maintenance cleaning services for paint kitchen operations
- First-time (post construction) system cleaning services
- Turn-key project management, including all ancillary industrial services and waste management activities
- Paint system design consulting engineering



Controller System Services Provided

- Direct purchase of permanent hardware for installation in customers paint shop
- Turn-key project management, including all engineering and installation activities
- Paint system design consulting engineering
- Equipment licensing agreements also available
- Operations training also available



PSC

Attachment B

Purg Clean SolvXtractor

Electronic Solvent Recycling & Automatic Paint Gun Washing System

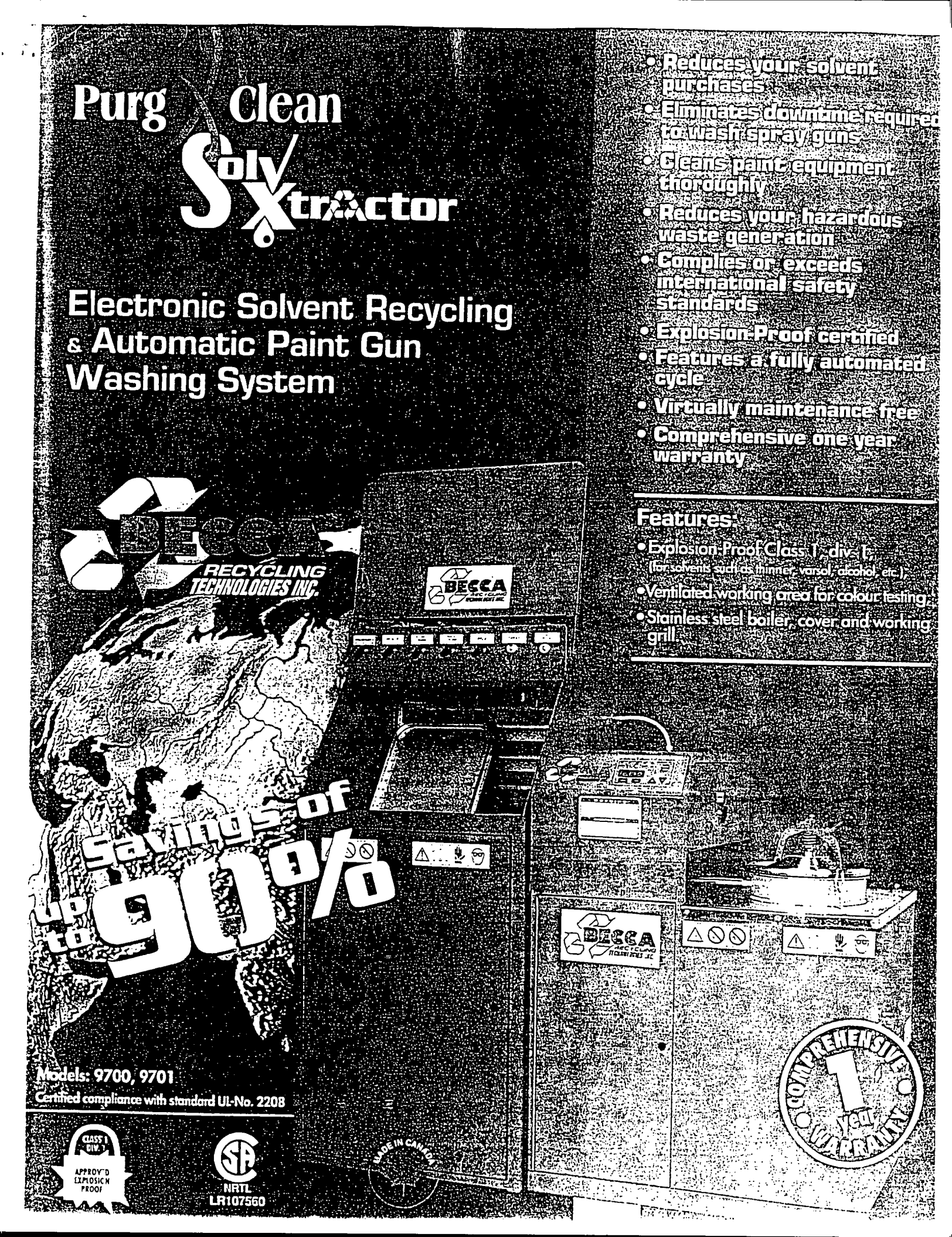
- Reduces your solvent purchases
- Eliminates downtime required to wash spray guns
- Cleans paint equipment thoroughly
- Reduces your hazardous waste generation
- Complies or exceeds international safety standards
- Explosion Proof certified
- Features a fully automated cycle
- Virtually maintenance free
- Comprehensive one year warranty

Features:

- Explosion-Proof Class 1 - div. 1 - (for solvents such as thinner, varsol, alcohol, etc.)
- Ventilated working area for colour testing
- Stainless steel boiler cover and working grill

BECCA RECYCLING TECHNOLOGIES INC.

savings of up to 90%



Models: 9700, 9701

Certified compliance with standard UL-No. 2208

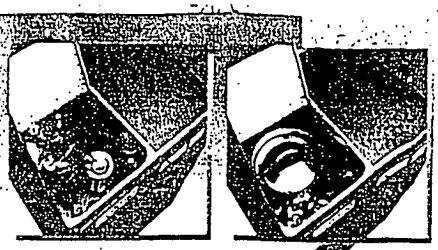
CLASS 1 DIV. 1 APPROVED EXPLOSION PROOF

NRTL LR107560

MADE IN CANADA

COMPREHENSIVE 1 YEAR WARRANTY

Purg&Clean

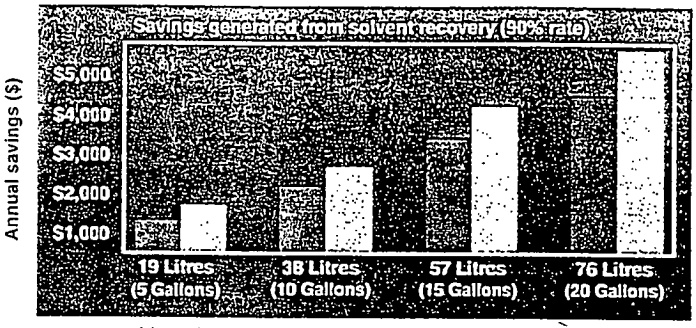


The BECCA Purg&Clean i equipped with a large cap stainless steel basin that m spray gun washing simple convenient. And it's fully automated, freeing you fc more productive tasks.

Now, you can reduce your solvent purchases, downtime required to wash your equipment and your hazardous waste generation – substantially!

Enter the new-generation *BECCA* solvent recycler and paint gun washing system – simply the most practical solutions for your solvent utilisation and recovery needs. The new *Purg&Clean-SolvXtractor* combines a paint gun washing system to a high performance solvent recycler unit!

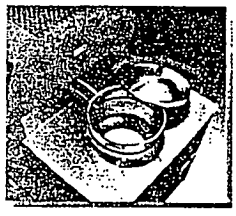
Through a distillation process, *BECCA SolvXtractor* separates the contaminants from the original solvent. The result is a clean, distilled solvent ready for reuse in subsequent washing applicctions. The solvent recovery rate exceeds 90%!

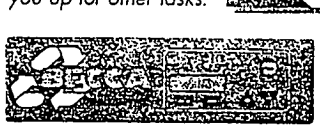


Litres (or gallons) of recycled solvent per week

Cost of solvent per litre	$1.30	$1.60
Cost of solvent per gallon	$5.00	$6.00

Available with boiler options of three to six gallons (11 or 25 litres), our SolvXtractor solvent recycling systems refine polluted solvent automatically freeing you up for other tasks.





All control functions are conveniently located on an electronic command board.

The *BECCA Purge&Clean* keeps your paint equipment always clean and user ready like never before.

The *BECCA Purge&Clean* is a fully automated system specifically designed for internal and external washing of spray guns and paint cans. Clean up to two guns automatically and simultaneously while you tend to other work. Ideal for all types of spray guns, including gravity and electric models.

You have the option of performing your washing manually on the grilled working surface, which you can use for colour testing.

A suction system inhales harmful fumes to a safe outside environment. You can link the exhaust duct tube to your paint shop's exhaust network or any other vapour discharge system.

Purg&Clean/SolvXtractor Models 9700 · 9701

Specifications — solvent recycler

Boiler capacity	6 gallons (25 l) / 3 gallons (11 l)
Boiler construction	stainless steel
Working temperature	40° - 200° C
Heating	thermic oil
Cooling	air fan motor
Solvent recovery rate	95 - 100%
Electrical construction	Class 1, Div. 1, Group D, T2B-260° C
Voltage	220 V, 50/60 Hz
Amperage	9.5 / 4.5*
Operating time per cycle	3 - 4 hours
Dimensions	838 mm x 660 mm x 1,075 mm (H) 33" x 26" x 43" (H)
Weight	117 kg (260 lbs) / 108 kg (240 lbs)*

Specifications — paint gun washing system

Cleaning capacity	2 spray guns
Basin/grilled working surface construction	stainless steel
Solvent recovery capacity	3 gallons (11 litres)
Capacity of clean solvent container	5 gallons (20 litres)
Compressed air pressure	85-140 PSI
Operation	2 pneumatic pumps
Dimensions	660 mm x 660 mm x 1,447 mm (H) 26" x 26" x 57" (H)
Weight	126 kg (280 lbs)

*Model 9700

The Purg&Clean also features a grilled work surface for manual brush cleaning operatio recommended for parts requiring special attent And for added convenience, you may conne cleaning brush to the solvent pump's nozzle. Linked to a suction system that eliminates hari fumes, the grilled work station can be used i accurate, safe colour trials.

BECCA: For peace of mind!

All *BECCA* appliances comply or exceed international safety, health and fire standards. Each unit is Explosion-Proof certified for all type of solvents and is stamped accordingly. A copy of certification is provided for your insurance company.

Every unit is individually factory-tested and is covered by a comprehensive one year worry-free warranty on parts and labour.

Catalog number: 89

BECCA RECYCLING TECHNOLOGIES INC.

8071 Henri-Bourassa Boul. East
Montreal, Qc, Canada H1E 2Z3
Tel.: (514) 643-3723 1-877-643-3723
Fax: (514) 643-0668

Internet: http://www.becca.ca
E-Mail: sales@becca.ca

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