

STATE OF MICHIGAN
DEPARTMENT OF ENVIRONMENTAL QUALITY
OFFICE OF THE DIRECTOR

In the matter of administrative proceedings)
against FAURECIA AUTOMOTIVE)
SEATING, INC., a corporation organized)
under the laws of the State of Delaware,)
located at 6200 26 Mile Rd, in Shelby)
Township, County of Macomb, State of)
Michigan)

AQD No. 31-2008

SRN: N7707

STIPULATION FOR ENTRY OF FINAL ORDER
BY CONSENT

This proceeding resulted from allegations by the Michigan Department of Environmental Quality ("MDEQ") Air Quality Division ("AQD") against Faurecia Automotive Seating ("Company"), located at 6200 26 Mile Rd, in Shelby Township, County of Macomb, State of Michigan, with State Registration Number ("SRN") N7707. The MDEQ alleges that the Company is in violation of the requirements of the federal Clean Air Act; Part 55, Air Pollution Control, of the Natural Resources and Environmental Protection Act, 1994 PA 451, as amended (Act 451), and the conditions of Air Use Permit to Install No. 303-06. Specifically, the MDEQ alleges that the Company has emitted approximately 108.8 tons of volatile organic compounds (VOC's) from the G6 Line (RT Line) which is in violation of its 79.8 ton limit; had not obtained a permit for the D Segment (CF Line); did not equip the manual spray applicators on EU-G6Line with electrostatic or comparable technology; and did not perform federal Reference Test Method 24 on materials used on the G6 Line. These violations are cited herein and in the Letter of Violation ("LOV") dated January 28, 2008. The Company and MDEQ stipulate to the termination of this proceeding by entry of a Stipulation for Entry of a Final Order by Consent ("Consent Order")

The Company and MDEQ stipulate as follows:

1. The Natural Resources and Environmental Protection Act, 1994 PA 451, ("Act 451"), MCL 324 101 et seq. is an act that controls pollution to protect the environment and natural resources in the State.
2. Article II, Pollution Control, Part 55 of Act 451 ("Part 55"), MCL 324 5501 et seq. provides for air pollution control regulations in this State.

3. The Michigan Department of Natural Resources ("MDNR") is authorized pursuant to Section 5503 of Part 55 to administer and enforce all provisions of Part 55. Section 301 of Part 3 provides the authority to the Director of the MDNR to delegate powers and duties.

4. The MDEQ was created as a principal department within the Executive Branch of the State of Michigan pursuant to Executive Order 1995-18. All statutory authority, powers, duties, functions and responsibilities of the MDNR AQD were transferred to the Director of the MDEQ ("Director").

5. The Director has delegated authority to the Chief of the AQD ("AQD Chief") to enter into this Consent Order.

6. The termination of this matter by a Consent Order pursuant to Section 5528 of Part 55 is proper and acceptable.

7. The Company and the MDEQ agree that the signing of this Consent Order is for settlement purposes only and does not constitute an admission by the Company that the law has been violated.

8. This Consent Order becomes effective on the date of execution ("effective date of this Consent Order") by the AQD Chief.

9. The Company shall achieve compliance with the aforementioned regulations in accordance with the requirements contained in this Consent Order.

COMPLIANCE PROGRAM AND IMPLEMENTATION SCHEDULE

10 A Permit[s]

Upon issuance of Permit to Install No. 303-06A, it shall be attached hereto as Exhibit A of this Consent Order, incorporated by reference, and made an enforceable part of this Consent Order.

B. Final Emission Limitations

1. On and after the effective date of this Consent Order, the VOC emission rate from EU-RTLine shall not exceed 79.8 tons per year (tpy) on a 12-month rolling time period as determined at the end of each calendar month, as specified in Special Condition No. 1.1 of Exhibit A.

2. On and after the effective date of this Consent Order, the VOC emission rate from EU-CFLine shall not exceed 58.4 tpy on a 12-month rolling time period as determined at the end of each calendar month, as specified in Special Condition No. 2.1 of Exhibit A.

3. On and after the effective date of this Consent Order, the individual Hazardous Air Pollutant (HAP) emission rate from FG-Facility shall not exceed 9.5 tpy on a 12-month

rolling time period as determined at the end of each calendar month, as specified in Special Condition No. 3.1a of Exhibit A.

4. On and after the effective date of this Consent Order, the aggregate HAPs emission rate from FG-Facility shall not exceed 24.5 tpy on a 12-month rolling time period as determined at the end of each calendar month, as specified in Special Condition No. 3.1b of Exhibit A.

5. On and after the effective date of this Consent Order, the VOC emission rate from FG-Facility shall not exceed 99.5 tpy on a 12-month rolling time period as determined at the end of each calendar month, as specified in Special Condition No. 3.1c of Exhibit A.

C Final Material Limitations

1. On and after the effective date of this Consent Order, the EU RTLine's material limits for the VOCs from Spray Mold Release shall be 6.1 lb/gal as applied and specified in Special Condition No. 1.2a of Exhibit A.

2. On and after the effective date of this Consent Order, the EU RTLine's material limits for the VOCs from the Paste Wax shall be 5.1 lb/gal as applied and specified in Special Condition No. 1.2b of Exhibit A.

RECORDKEEPING, REPORTING, AND TESTING

11 Testing

A. On and after the effective date of this Consent Order, the Company shall determine the VOC content, water content, and density of any VOC containing materials, as applied and as received, using manufacturer's formulation data, as specified in Special Condition Nos. 1.6, 2.6, and 3.4 of Exhibit A.

B. On and after the effective date of this Consent Order, the Company shall determine the HAP content of any polyether polyol (polyol), polymeric diphenylmethane diisocyanate (PMDI), spray mold release, paste wax, additives, adhesives, etc. (materials) as received and as applied, using manufacturer's formulation data. Upon request of the AQD Southeast Michigan District Supervisor, the Company shall verify the manufacturer's HAP formulation data using EPA Test Method 311; as specified in Special Condition No. 3.3 of Exhibit A.

12 Recordkeeping

A. On and after the effective date of this Consent Order, the Company shall keep the following information on a calendar day basis for FG-Facility:

- 1) Gallons or pounds of each HAP containing material used
- 2) Where applicable, gallons or pounds of each HAP containing material reclaimed.
- 3) HAP content, in pounds per gallon or pounds per pound, of each HAP containing material used
- 4) Individual and aggregate HAP emission calculations determining the monthly emission rate of each in tons per calendar month
- 5) Individual and aggregate HAP emission calculations determining the annual emission rate of each in tons per 12-month rolling time period as determined at the end of each calendar month
- 6) Pounds or tons of each VOC containing material except polyol, PMDI, and natural gas used
- 7) Where applicable, gallons or pounds of each VOC containing material except polyol and PMDI reclaimed
- 8) VOC content, in pounds per gallon or pounds per pound, of each VOC containing material except polyol, PMDI, and natural gas as applied/used
- 9) VOC emission calculations determining the monthly emission rate in tons per calendar month
- 10) VOC mass emission calculations determining the annual emission rate in tons per 12-month rolling time period as determined at the end of each calendar month
- 11) The Company shall keep the records in a format acceptable to the AQD Southeast Michigan District Supervisor. For materials that have varying formulations, the Company may elect to use the emission factor for the highest emitting formulation for purposes of calculating daily emissions. The Company shall keep all records on file for a period of at least five years and make them available to the Department upon request.

SUPPLEMENTAL ENVIRONMENTAL PROJECT

13 In addition to the civil fine in this Consent Order for the violations alleged in the LOV, the Company agrees to undertake the Supplemental Environmental Projects (SEP) described in Exhibit B

which is attached, incorporated by reference, and made an enforceable parts of this Consent Order. Performance of the SEP will benefit the environment and the Company agrees to implement the SEP in accordance with the details specified in Exhibit B and in accordance with the following terms and conditions below:

A. The total expenditure for the SEP shall not be less than \$40,000.00. All costs of the SEP shall be the responsibility of the Company.

B. The plans included as Exhibit B contains schedules, including specific dates for the implementation of the SEP. The Company shall fully implement all aspects of the SEP within the specified schedules.

C. The Company further certifies that the Company has not received, and is not presently negotiating to receive, a credit for the SEP as part of any other enforcement action or any grant from the state, U.S. Environmental Protection Agency (U.S. EPA) or any other entity. The Company also certifies that the Company will not seek tax benefits following completion of the SEP.

D. Disputes between the MDEQ and the Company regarding the SEP costs, mitigation amounts, and fulfillment of the SEP obligations under Exhibit B are not subject to dispute resolution.

E. In the event the Company fails to fully and completely implement the SEP as provided herein to the reasonable satisfaction of the MDEQ, the MDEQ will provide written notice to the Company describing the nature of the deficiency. The Company shall have thirty (30) days from receipt of the notice to submit documentation to the MDEQ demonstrating that the deficiency has been corrected. In the event the deficiency is not corrected to the satisfaction of the DEQ, the Company will be notified and the Company shall be in violation of this Consent Order and required to pay a stipulated penalty of \$40,000.00 minus the Company's SEP expenditures documented to the MDEQ to date, to the MDEQ within thirty (30) days of notification from the MDEQ. The amount of the stipulated penalty may be reduced or waived by the MDEQ if the Company made good faith and timely efforts to complete the project. Payment of stipulated penalties under the terms of this paragraph 13E shall satisfy the Company's obligation to complete the SEP under this Consent Order.

F The Company agrees that any public statement, oral or written, making reference to the SEP shall include the following language: "This project was undertaken in connection with the settlement of an enforcement action taken by the MDEQ for violations of air quality law"

G No later than thirty (30) days after the completion of all activities specified in Exhibit B, the Company shall submit written certification of completion of the SEP to the chief of the Air Quality Division demonstrating that all SEP activities specified in Exhibit B have been completed in accordance with the terms and conditions of this Consent Order and Exhibit B. The certification shall be accompanied by appropriate documentation (such as invoices, receipts, or tax statement) to verify the total expenditure made by the Company as a result of implementing the activities specified under Exhibit B. It shall be the sole determination of the MDEQ whether the Company has completely implemented the activities specified in Exhibit B of this Consent Order

GENERAL PROVISIONS

14. On and after the effective date of this Consent Order, except as otherwise provided by the administrative rules of Part 55, the Company shall not install, construct, reconstruct, relocate, alter, or modify any process or process equipment including control equipment pertaining thereto, which may emit an air contaminant, unless a permit to install which authorizes such action is issued by the MDEQ pursuant to Rule 201, the Company is issued a waiver pursuant to Rule 202, or the change is exempt from the requirements of Rule 201.

15. This Consent Order in no way affects the Company's responsibility to comply with any other applicable state and federal, or local laws or regulations, including without limitation, any amendments to the federal Clean Air Act, 42 USC 7401 et seq, Act 451, Part 55 or their rules and regulations, or to the State Implementation Plan

16. This Consent Order constitutes a civil settlement and satisfaction as to the resolution of the violations specifically addressed herein; however, it does not resolve any criminal action that may result from these same violations

17. Within thirty (30) days after the effective date of this Consent Order, the Company shall pay to the General Fund of the State of Michigan, in the form of a check made payable to the "State of Michigan" and delivered to the Michigan Department of Environmental Quality, Financial and Business Services Division, Revenue Control, P.O. Box 30657, Lansing, Michigan 48909-8157, a settlement

amount of \$4,800.00, which includes AQD costs for investigation and enforcement. This total settlement amount shall be paid within thirty (30) days of the effective date of this Consent Order. To ensure proper credit, all payments made pursuant to this Consent Order shall include the Agreement Identification No. AQD 1168 on the face of the check. This settlement amount is in addition to any fees, taxes, or other fines that may be imposed on the Company by law.

18. On and after the effective date of this Consent Order, if the Company fails to comply with paragraphs 10B or 10C of this Consent Order, the Company is subject to stipulated fines of \$15,000.00 per violation per month. On and after the effective date of this Consent Order, if the Company fails to comply with paragraphs 11 or 12 of this Consent Order, the Company is subject to stipulated fines of \$500 per violation per day. On and after the effective date of this Consent Order, if the Company fails to comply with any other provision of Exhibit A or this Consent Order, the Company is subject to a stipulated fine of up to \$500.00 per violation. On and after the effective date of this Consent Order, if the Company fails to comply with Exhibit B of this Consent Order, the Company is subject to stipulated fines of \$40,000.00. The amount of the stipulated fines imposed pursuant to this paragraph shall be within the discretion of the MDEQ. Stipulated fines submitted under this Consent Order shall be by check, payable to the State of Michigan within thirty (30) days of written demand and shall be delivered to the Michigan Department of Environmental Quality, Financial and Business Services Division, Revenue Control, P.O. Box 30657, Lansing, Michigan 48909-8157. To ensure proper credit, all payments shall include the Agreement Identification No. AQD 1168-S on the face of the check. Payment of stipulated fines shall not alter or modify in any way the Company's obligation to comply with the terms and conditions of this Consent Order.

19. The AQD, at its discretion, may seek stipulated fines or statutory fines for any violation of this Consent Order which is also a violation of any provision of applicable federal and state law, rule, regulation, permit, or MDEQ administrative order. However, the AQD is precluded from seeking both a stipulated fine under this Consent Order and a statutory fine for the same violation.

20. To ensure timely payment of the settlement amount assessed in paragraph 17 and any stipulated fines assessed pursuant to paragraph 18 of this Consent Order, the Company shall pay an interest penalty to the State of Michigan each time it fails to make a complete or timely payment under this Consent Order. The interest penalty shall be determined at a rate of twelve percent (12%) per year compounded annually, using the full increment of amount due as principal, calculated from the due date specified in this Consent Order until the date that delinquent payment is finally paid in full. Payment of

an interest penalty by the Company shall be made to the State of Michigan in accordance with paragraph 17 of this Consent Order. Interest payments shall be applied first towards the most overdue amount or outstanding interest penalty owed by the Company before any remaining balance is applied to subsequent payment amount or interest penalty.

21. The Company agrees not to contest the legal basis for the settlement amount assessed pursuant to paragraph 17. The Company also agrees not to contest the legal basis for any stipulated fines assessed pursuant to paragraph 18 of this Consent Order, but reserves the right to dispute in a court of competent jurisdiction the factual basis upon which a demand by MDEQ of stipulated fines is made. In addition, the Company agrees that said fines have not been assessed by the MDEQ pursuant to Section 5529 of Part 55 and therefore are not reviewable under Section 5529 of Part 55.

22. This compliance program is not a variance subject to the 12 month limitation specified in Section 5538 of Part 55.

23. This Consent Order shall remain in full force and effect for a period of at least five (5) years. Thereafter, the Consent Order shall terminate only upon written notice of termination issued by the AQD Chief. Prior to issuance of a written notice of termination, the Company shall submit a request, to the AQD Chief at the Michigan Department of Environmental Quality, Air Quality Division, P O Box 30260, Lansing, Michigan 48909-7760, consisting of a written certification that the Company has fully complied with all the requirements of this Consent Order and has made all payments including all stipulated fines required by this Consent Order. Specifically, this certification shall include: (i) the date of compliance with each provision of the compliance program and the date any payments or stipulated fines were paid; (ii) a statement that all required information has been reported to the AQD Southeast Michigan District Supervisor; (iii) confirmation that all records required to be maintained pursuant to this Consent Order are being maintained at the facility; and, (iv) such information as may be requested by the AQD Chief.

24. In the event the Company sells or transfers the facility, with SRN N7707, it shall advise any purchaser or transferee of the existence of this Consent Order in connection with such sale or transfer. Within thirty (30) calendar days, the Company shall also notify the AQD Southeast Michigan District Supervisor, in writing, of such sale or transfer, the identity and address of any purchaser or transferee, and confirm the fact that notice of this Consent Order has been given to the purchaser and/or transferee. As a condition of the sale, the Company must obtain the consent of the purchaser and/or transferee, in writing, to assume all of the obligations of this Consent Order. A copy of that agreement shall be

forwarded to the AQD Southeast Michigan District Supervisor within thirty (30) days of assuming the obligations of this Consent Order.

25. Prior to the effective date of this Consent Order and pursuant to the requirements of Sections 5511 and 5528(3) of Part 55, the public was notified of a 30-day public comment period and was provided the opportunity for a public hearing.

26. Section 5530 of Part 55 may serve as a source of authority but not a limitation under which the Consent Order may be enforced. Further, Part 17 of Act 451 and all other applicable laws and any other legal basis or applicable statute may be used to enforce this Consent Order.

27. The Company hereby stipulates that entry of this Consent Order is a result of an action by MDEQ to resolve alleged violations of its facility located at 6200 26 Mile Rd, in Shelby Township, County of Macomb, State of Michigan, with State Registration Number ("SRN") N7707. The Company further stipulates that it will take all lawful actions necessary to fully comply with this Consent Order, even if the Company files for bankruptcy in the future. The Company will not seek discharge of the settlement amount and any stipulated fines imposed hereunder in any future bankruptcy proceedings, and the Company will take necessary steps to ensure that the settlement amount and any future stipulated fines are not discharged. The Company, during and after any future bankruptcy proceedings, will ensure

that the settlement amount and any future stipulated fines remain an obligation to be paid in full by the Company to the extent allowed by applicable bankruptcy law

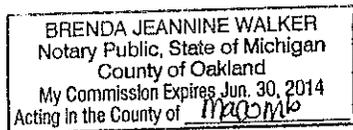
The undersigned certifies that he/she is fully authorized by the Company to enter into this Consent Order and to execute and legally bind the Company to it

Faurecia Automotive Seating, Inc.

Neil Tolston - Plant Manager
Print Name and Title

Neil Tolston Date: 12/09/08
Signature

The above signatory subscribed and sworn to before me this 9th day of December, 2008.



Brenda Jeannine Walker
Notary Public

Approved as to Content:

Approved as to Form:

G. Vinson Hellwig
G. Vinson Hellwig, Chief
AIR QUALITY DIVISION
DEPARTMENT OF
ENVIRONMENTAL QUALITY

Alan R. Hoffman
Alan R. Hoffman, Section Head
ENVIRONMENTAL REGULATION SECTION
ENVIRONMENT, NATURAL RESOURCES,
AND AGRICULTURE DIVISION
DEPARTMENT OF ATTORNEY GENERAL

Dated: 12/15/08

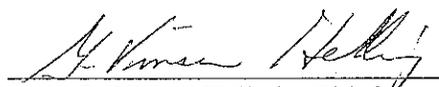
Dated: 12/15/08

FINAL ORDER

The Chief of the Air Quality Division having had opportunity to review the Consent Order and having been delegated authority to enter into Consent Orders by the Director of the Michigan Department of Environmental Quality pursuant to the provisions of Part 55 of Act 451 and otherwise being fully advised on the premises,

HAS HEREBY ORDERED that the Consent Order is approved and shall be entered in the record of the MDEQ as a Final Order.

MICHIGAN DEPARTMENT OF ENVIRONMENTAL QUALITY



G. Vinson Hellwig, Chief
Air Quality Division

Dated: 12/15/08

