Environmental Protection Agency
John R. Kasich, Governor
Mary Taylor, Lt. Governor
Scott J. Nally, Director

91 7108 2133 3932 1840 1695

October 3, 2011

CERTIFIED MAIL

Mr. Craig A. Sturtz
Squire, Sanders & Dempsey, LLP
2000 Huntington Center
41 South High Street
Columbus, Ohio 43215

Re: Director's Final Findings & Orders
Caraustar Industries, Inc. (OHR 000 016 257)
Rittman, Ohio Facility (Wayne County)
Waiver in Connection with Temporary Discontinuance of Regulated Operations

Dear Mr. Sturtz:

Here are the Director's Final Findings and Orders (Orders) – Waiver in Connection with Temporary Discontinuance of Regulated Operations Issued to Caraustar Industries, Inc. on October 3, 2011. These Orders are effective today.

If you have any questions concerning compliance with these Orders, do not hesitate to contact Ralph McGinnis at (614) 644-3065.

Sincerely,

Brian Dearth, Supervisor
Processing & Records Management Unit
Division of Materials & Waste Management

Attachments

cc: Bruce McCoy, Manager
Todd Anderson, Legal
Heidi Griesmer, PIC
Frank Popotnik, Supervisor, DMWM – NEDO
Ralph McGinnis, Supervisor, DMWM

50 West Town Street, Suite 700
P.O. Box 1049
Columbus, OH 43216-1049

614 | 644 3020
614 | 644 3184 (fax)
www.epa.ohio.gov

"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 [signature] Date: 10-3-11

OHIO E.P.A.
OCT -3 2011
ENTERED DIRECTOR'S JOURN.

BEFORE THE
OHIO ENVIRONMENTAL PROTECTION AGENCY

In the Matter of:

Caraustar Industries, Inc. 5000 Austell-Powder Springs Road Suite 300 Austell, Georgia 30168-0115	**Director's Final Findings and Orders** ***Waiver in Connection with Temporary Discontinuance of Regulated Operations***

Applicant

AMENDMENT TO DIRECTOR'S FINAL FINDINGS AND ORDERS OF NOVEMBER 20, 2007

PREAMBLE

It is agreed by the parties hereto as follows:

I. JURISDICTION

These Director's Final Findings and Orders (Orders) are issued to Caraustar Industries, Inc. (Applicant) pursuant to the authority vested in the Director of the Ohio Environmental Protection Agency (Ohio EPA) under §§ 3745.01 and 3752.10 of the Ohio Revised Code (ORC).

II. PARTIES BOUND

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

III. DEFINITIONS

Unless otherwise stated, all terms in these Orders shall have the same meaning as defined in ORC Chapter 3752. and rules promulgated thereunder.

IV. FINDINGS

The Director of Ohio EPA has determined the following findings:

1. On November 20, 2007, Ohio EPA issued Director's Final Findings and Orders to Applicant. The November 20, 2007 Director's Final Findings and Orders granted to Applicant a waiver in connection with temporary discontinuance of regulated operations at the Facility pursuant to ORC § 3752.10 and Ohio Administrative Code

(OAC) rule 3745-352-40. All findings made in the November 20, 2007 Director's Final Findings and Orders are incorporated herein by reference.

2. The November 20, 2007 Director's Final Findings and Orders required Applicant to, inter alia, comply with the approved application for a waiver in connection with temporary discontinuance of regulated operations and the interim maintenance and operation plan attached and incorporated into the November 20, 2007 Director's Final Findings and Orders as Attachment A. The November 20, 2007 Director's Final Findings and Orders also established August 2, 2009 as the deadline for the resumption of regulated operations at the Facility.

3. By letter dated July 24, 2009, Applicant requested an amendment to the November 20, 2007 Director's Final Findings and Orders. Specifically, Applicant requested that Ohio EPA renew the existing waiver to extend the deadline for resumption of regulated operations at the Facility from August 2, 2009 to August 2, 2011.

4. The November 20, 2007 Director's Final Findings and Orders were amended and journalized on September 1, 2009.

5. By letter dated August 1, 2011, Applicant requested a second amendment to the November 20, 2007 Director's Finals Findings and Orders to extend the deadline for resumption of regulated operations at the Facility from August 2, 2011 to August 2, 2013. In support of its request, Applicant explained Applicant desires to continue the temporary nature of the shutdown while it locates a buyer for the papermaking facility. Applicant further explained that it is in current discussions with a purchaser with a planned industrial use.

6. ORC § 3752.10(A) and OAC rule 3745-352-40(C) provide that a waiver in connection with temporary discontinuance of regulated operations may be renewed subject to any terms and conditions the Director considers necessary to protect public health or safety or the environment.

V. ORDERS

1. Applicant shall comply with the approved application for a waiver from temporary discontinuance and revised interim maintenance and operation plan which is attached to these Orders and incorporated herein as Attachment A.

2. All terms and conditions contained in the November 20, 2007 Director's Final Findings and Orders remain valid and in effect with the exception of the deadline for the resumption of regulated operations at the Facility. The deadline for resumption of regulated operations at the Facility contained in Section XIV, Termination, of the Amendment to November 20, 2007 Director's Final Findings and Orders is extended from August 2, 2011 to August 2, 2013.

VI. 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 relating to, the operation of Applicant's Facility.

VII. 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 Applicant.

VIII. 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.

IX. NOTICE

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

Ohio Environmental Protection Agency
Northeast District Office
Division of Materials and Waste Management
Twinsburg, Ohio 44087
Attn: DMWM Manager and Ohio EPA Central Office at the following address:

For mailings, use the post office box number:

Scott J. Nally, Director
Ohio Environmental Protection Agency
Lazarus Government Center
Division of Materials and Waste Management
P.O. Box 1049
Columbus, Ohio 43216-1049
Attn: Manager, Compliance Assurance Section
For deliveries to the building:

Scott J. Nally, Director
Ohio Environmental Protection Agency
Lazarus Government Center
Division of Materials and Waste Management
Attn: Manager, Compliance Assurance Section
50 West Town Street, Suite 700
Columbus, Ohio 43215

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

X. RESERVATION OF RIGHTS

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

XI. WAIVER

The Applicant agrees that these Orders are lawful and reasonable and agrees to comply with all terms and conditions contained herein.

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

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

XII. REVOCATION

These Orders may be revoked for Applicant's failure to comply with the approved interim maintenance and operation plan or with a term or condition of these Orders approving the waiver.

XIII. EFFECTIVE DATE

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

XIV. TERMINATION

Unless otherwise revoked by the Director, these Orders shall terminate on August 2, 2013. An application for a renewal may be submitted to the Director in accordance with applicable law.

XV. SIGNATORY AUTHORITY

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 AND AGREED:

Ohio Environmental Protection Agency

Scott J. Nally
Director

OCT - 3 2011
Date

IT IS SO AGREED:

Caraustar Industries, Inc.

Signature

8/26/11
Date

James Jordan
Printed or Typed Name

Vice President and General Manager, Mill Group
Title

Interim Maintenance and Operation Plan
Revised 7/28/2011

Reporting Facility: Rittman Paperboard, a Division of Caraustar Mill Group Inc.

(a) A brief description of:

(i) The facility:

Rittman Paperboard, a Division of Caraustar Mill Group Inc.
100 Industrial Ave.
Rittman, Ohio 44270
Wayne County
Latitude: 40° 58' 09" N
Longitude: 81° 46' 25" W

(ii) Land use of the adjacent properties:

- The north side of the property is bordered by an active railroad track operated by the Akron Barberton Railroad Company. Immediately north of the rail road track is Ohio Avenue, a two lane paved road. North of Ohio Avenue from west to east is (1) Marathon service station, (2) a vacant ice cream shop (3), a small business, PFI Displays operating in a one story building, (4) a private residence, (5) vacant property, (6) a self storage facility under construction and (7) a restaurant.
- The east side of the property, from North to South, is bordered by Morning Star Drive, then State Route 57, then vacant property. East of Morning Star is a number of residential properties, some vacant land including some wetlands and the City of Rittman Waste Water Treatment facility. East of SR 57 is vacant land.
- The south side of the property is bordered by mostly vacant land. The City of Rittman owns some of this land on which they have a practice shooting range.
- Adjacent to the facility on the west is a Morton Salt plant. This plant pumps salt brine from various wells in the area, evaporates the water, and packages the salt.

(iii) At this facility, recycled paperboard was produced prior to cessation of operations in August 2006. The paperboard was made from 100% recycled paper stock of various grades. Rejects from the recycling operation, consisted of plastics, styrofoam, metals and other contaminants that were removed from the recycled paper in the pulping operation. These rejects were disposed of in the on site licensed landfill. The majority of the paperboard produced here was coated with a white clay coating. The clay coating was formulated on site with clay slurry, latex, titanium and other additives. On site coal fired boilers provided steam for the paper manufacturing process. The manufacturing process required a large amount of water on a continuous basis. The water source was on site wells with much of the water reused after it was treated in the on site waste water treatment plant. Regulated substances had been stored and reported as required by applicable laws and administrative codes. Within 6 months after cessation of operations, most regulated substances were removed from the facility and, thereafter, additional

regulated substances were removed, with only small amounts of lubricants and diesel fuel used for maintenance and environmental activities remaining on site.

The interim maintenance and operational plan began upon cessation of operations in August 2006. Immediate focus was on taking care of displaced workers, maintaining compliance with environmental permits, securing the site, removing combustibles from the site, and maintaining the fire protection systems.

Currently there is one Caraustar employee on site who is directly responsible for implementing and adhering to the interim maintenance and operation plan, Gary McQuate, Facility Manger. The facility manager splits his time between the Rittman Paperboard facility and another Caraustar facility in the area. He reports to Brian Cohen in the Caraustar Legal Department.

(b) The tasks of the interim maintenance and operation plan, the schedule to implement, responsible individual(s) and/or contractor(s) and the current status of each are as follows.

Environmental Compliance

CH2M HILL has been retained to provide environmental engineering services. This includes on-site support to assist Caraustar with environmental compliance tracking and reporting associated with the facility air permits, water permits, landfill and associated sludge processing operations. As part of these efforts, a CH2M HILL engineer will visit the facility periodically, oversee permitted activities, and gather pertinent information for required environmental submissions. A project plan in the form of a compliance calendar has been developed, which details the list of compliance activities and frequency of occurrence. The project plan is periodically reviewed with Caraustar. A regimented schedule of environmental activities is summarized in the project plan. The following tasks are examples of the types of activities performed by CH2M HILL environmental engineering:

- Track required monitoring, testing and reporting associated with the ongoing landfill operations and associated sludge processing activities at the plant.

- Complete required compliance documentation with respect to on-site permits.

- Support the facility with tracking and reporting of additional compliance requirements.

Security

The site is secure and a plan has been implemented to comply with rule 3745-352-30 of the Administrative Code.

U.S. Security Associates, Inc. has been contracted to provide on-site security services. There is a Security Officer on site 24 hours a day, 7 days a week. Post Orders have been developed that provide detailed duties to be performed and the frequency of such. The site manager communicates daily with the Security Officers.

Removal of combustibles
Shortly after regulated operations ceased, combustible liquids other than those used during continuing operations were removed from the site. Most solid combustibles were also removed. The remaining combustible materials, other than portions of the buildings, consist primarily of some spare parts and supplies and the packaging used to contain such.

Removal of regulated substances
Shortly after regulated operations ceased, the majority of regulated substances were removed from the site. Storage tanks were emptied and containers containing regulated substances were removed. These substances were either returned to the supplier, transferred to another Caraustar site, or disposed of by a licensed waste disposal company.

De-energize buildings
There are several electrical transformers, substations and switch gear located throughout the facility. The main electrical service to the facility was turned off in December 2006. This greatly reduced the risk of an electrical fire and electrical injury to any person inside the facility. A secondary electrical feed to the facility was upgraded to be able to provide service needed for our interim Maintenance and Operation plan.

Fire protection systems
The facility has fire protection sprinkler systems partially throughout the buildings. Since the buildings have been de-energized, these systems will not automatically operate in the event of fire. The systems have been drained and valves are open, allowing water to flow to areas of the systems if any of 3 water sources are manually started. There is an electric fire pump that can be turned on by pressing one button located in the Filter Plant Building which is adjacent to the main buildings. There is a second diesel fire pump, also located in the Filter Plant Building, that can be manually started. The third source of water is the Rittman City water main. This valve is located in the basement of the building. The Security Officers have been trained on how to energize these water sources in the event of fire, and procedures are located in the security office and at each water source.

The facility is equipped with numerous fire extinguishers located throughout the facility. We have contracted with Silco Fire Protection Company to inspect fire extinguishers annually. Units are replaced or recharged as needed during the inspections.

The Rittman Fire Department has toured the facility since operations were ceased. They were provided drawings of the buildings and instructions on how to energize the fire protection systems.

Equipment removal for inter-company transfer, outside sale and scrap
Some equipment has been removed from the site. This equipment has been transferred to another Caraustar site, sold to other companies, or sold for scrap. Hot work permits are

rarely issued for cutting out equipment. When issued, the hot work activities are very carefully monitored.

Maintenance of equipment and premises

King Development LTD, (KDI) has been contracted to provide on-site operation of sludge removal from our waste water treatment lagoons. The sludge is placed in our on-site Class 3 Residual landfill. The landfill is maintained by KDI as required by our Permit to Install (PTI) and license. Also, as part of our agreement with KDI, general maintenance of the facility is provided. Manpower workers assist with upkeep of the property under the direction of the property manager.

(c) After the submittal of the first Interim Maintenance and Operation Plan, it was determined that the facility is subject to the requirements of 40 C.F.R. Part 112. A certified Spill Prevention Control and Countermeasures Plan is now kept on file at the facility.

(d) The site has been secured and we are maintaining compliance with rule 3745-352-30 of the Administrative Code. Chain link fencing and adjoining buildings surround areas of the property where regulated operations were conducted. The buildings that border the property are secured to prevent unauthorized entry. No trespassing signs are posted on fences and buildings. Security lighting is maintained around the buildings.

Security Officers, as stated above, are on site 24/7. They inspect the buildings and grounds multiple times per day. They carry a "Deggy" reader that records the day and time they are at each designated "Deggy Station." This information is uploaded to a computer by the Caraustar on-site manager periodically. Activities throughout each shift are recorded on a shift log report. Unusual activity is also brought to the attention of the on site manager. The Security Officers have instructions to contact appropriate authorities in the event of an emergency.

We maintain a good relationship with all the local authorities.

(e) Visitors and contractors are required to attend an orientation conducted by the on-site manager, or security guard in his absence, which includes instructions for emergency situations, entrance and exit locations, and other safety instructions. Visitors and contractors are required to sign in and out at the security gate every day. They are issued a mill radio for communication purposes. If an evacuation is required, persons on the property will be notified via the mill radio system. The sign in log at the security gate is then used to verify that each person has been contacted.

(f) Measures have been taken to prevent the occurrence of air pollution, water pollution and soil contamination. As stated previously in this document, regulated substances have been removed from the facility, but for small amounts of lubricant and diesel fuel used for maintenance and environmental compliance activities. Since the submittal of the first Interim Maintenance Operation Plan, the aqueous ammonia, phosphoric acid, and lime have been removed from the site and disposed of in accordance with applicable rules.

(i) The regulated substances remaining are:

- Diesel fuel is stored in two tanks. One 250 gallon tank is located in the Filter Plant building, next to the diesel fire pump. A 2000 gallon double-walled tank owned by Burch Thomas Oil is located near the landfill.
- Five gallon, or smaller, containers of gasoline are stored on the outside receiving dock.
- 4 to 5 Propane tanks (33.5 lb) are stored in a rack on the outside receiving dock.
- Used oil is stored in drums on a spill containment basin on the outside receiving dock. This storage container is normally empty.
- Lubricants used for the interim maintenance and operation of the facility are located primarily in the Filter Plant building and on the receiving dock.

(ii) There is no smoking allowed in any building or near any flammable storage area. Since most combustible substances have been removed from the site, there is very little risk of accidental ignition or reaction of the small amounts remaining on site.

(iii) Fire extinguishers are located in many areas of the buildings and near outside storage containers of flammable liquids. Spill containment materials are located in the Stock Shed, by the east wall next to the receiving dock.

(iv) The on-site manager is responsible for inspection and maintenance of on-site storage containers containing regulated substances. Monthly inspections are completed as part of the SPCC plan and quarterly inspections are completed as part of the facility Storm Water Pollution Prevention Plan. Also, the following precautions have been taken:

- The gasoline and diesel containers are periodically refilled as needed.
- Empty propane tanks are exchanged weekly by Amerigas.
- When more than a few gallons of used oil accumulates we have it removed from the site by a licensed waste oil company.

CERTIFICATION

I serve as Vice President, Secretary and Treasurer of Caraustar Mill Group, Inc. and hereby certify pursuant to Ohio Administrative Code §3745-352-40(A)(2) that material regulated operations at its Rittman Paperboard facility, located at 100 Industrial Drive, Rittman, Ohio 44270, are anticipated to resume by August 2, 2013.

Name: William A. Nix, III
Title: Vice President, Secretary and Treasurer
Date: July 29, 2011