



Mr. Robert Elmouchi  
Department of Environmental Quality  
Air Quality Division  
27700 Donald Court  
Warren, MI 48092

July 28, 2015

Dear Mr. Robert Elmouchi:

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AIR QUALITY DIVISION  
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I am writing you today to inform you that Penske Vehicle Services has received the Department of Environmental Quality – Air Quality Division’s violation notice, dated July 7, 2015. Penske Vehicle Services has read and reviewed the violation notice furnished to us by your office, as a result of your site visit on June 24, 2015. As much as we regret to see any violations from the DEQ, we want to assure you that, it is our full intention to, return to, and remain in good standing with the DEQ. Penske Vehicle Services hopes, as we settle into our new location, that the DEQ and Penske Vehicle Services will be able to cultivate a collaborative relationship, as we do with all of our trusted business partners.

During your site visit on June 24, 2015, you found Penske Vehicle Services to be responsible for violating PTI No. 279-05 Special Conditions: 1.9, 2.9, 2.10, 3.9, 3.10, 4.6, 5.6, 6.6, 7.4d and 7.4e. Your notice to us dated July 7, 2015, states you found Penske Vehicle Services unable to produce the permit required emission records for each emission unit and flexible group.

As you may remember, during the June site visit Penske Vehicle Services was able to produce volatile organic compound (VOC) and Hazardous Air Pollutants (HAPS) emission records dating back to the day we officially took over the building in July 2014. The records Penske Vehicle Services were able to produce, were the records directly from our paint dispensing system, which weighs and measures the exact amount of paint being mixed by our paint staff. Our paint team operates under the guidelines to only mix what will be sprayed. Additionally, Penske Vehicle Services was also able to produce VOC and HAPS emission data in a format modeled for us by our environmental consulting firm, PM Environmental.

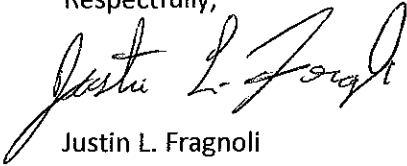
Furthermore, Penske Vehicle Services operated under the guidance from PM Environmental. It was in their professional opinion that Penske Vehicle Services would not be required to show the individual HAP breakdown, considering our emissions are well below ten percent of our annual limit, of 9.0 tons per year, six months through the year. During our site visit Robert had pointed out that, in summary, we are bound by the set of rules on our permit, and because we have the potential to emit more VOC and HAP than what we are currently, we must abide by a different set of regulations than what our actual emissions reflect. Penske Vehicle Services recognizes and understands these records must be updated to comply with our permit, PTI No. 279-05; we will adjust the format accordingly.

Going forward, Penske Vehicle Services has a two-step resolution to the aforementioned violation. Our first priority after your meeting in, June was to reach out to our environmental consulting firm. We shared with them your feedback and direction and they are adjusting the format of our tracking accordingly. The updated format will be available for your review August 3, 2015. Secondly, Penske Vehicle Services plans to apply for a permit modification to conform to current operations and procedures and to ensure conformance with the

permit requirements. Our plan is to work hand-in-hand with the DEQ's Permit engineers in order to obtain a more clear and transparent permit, that accurately reflects our operation. This will provide the DEQ with better clarity during your site visits.

As mentioned to you during your site visit in June as well as our phone call the week following, Penske Vehicle Services purchased Alternative Automotive Technologies in July of 2014. We understand from our conversations with you, that over the years prior owners and tenants of the property did not meet guidelines specified by the DEQ and as a result, developed a concerning reputation. As Penske Vehicle Services sets root in its new home, it is of top priority to make sure we are always operating in compliance with the DEQ and any other regulatory body. Penske Vehicle Services will always respond to requests from the DEQ in a timely and thorough fashion, and it is our hope, as we continue to develop a business partnership, that prior tenants and owners have no further bearing on the reputation of Penske Vehicle Services or the outcomes of our inspections with the DEQ.

Respectfully,



Justin L. Fragnoli