

January 28, 2016

Dave Morgan
Michigan Department of Environmental Quality
Air Quality Division
Grand Rapids, Michigan

Re: American Rack Company Violation dated January 6, 2016

Dave,

Date of violation: December 23, 2015

Cause of violation: Odors emitted from the afterburner on the burn off oven.

Duration of violation: Periodically when the burn off oven is in operation.

Violation ongoing?: Yes, periodically.

Short term actions taken:

Historically, American Rack has always been willing to adjust its burn off operation times around a schedule provided by the complainant (FAA), i.e. not burning off on days when maintenance was being performed on the FAA tower.

In a further attempt to alleviate the affects of the violation, American Rack, at significant cost and inconvenience, has confined its burn off operation between the hours of 4:00 p.m. and 12:30 a.m., so that FAA tower maintenance hours would not overlap with the burn off oven operation. This was started on January 25, 2016. This action was to be communicated to the complainant by Michigan DEQ, but no confirmation has been received to date on whether this action is providing an improved, positive situation, or even if the complainant has tested the situation. If the complainant is not going to provide feedback on this short term action, American Rack would be better served to return its burn off operations to its standard 6:00 a.m. to 2:30 p.m.

Long term actions planned:

There are four long term actions that are presently being investigated:

#1-Purchase and installation of a scrubber system into the burn off operation. American Rack has contacted three companies who are equipped to provide such a scrubber system and explained the current situation. American Rack will be having at least one of these companies come into the plant, design the specifically needed scrubber system for our operation, and provide a quotation and time line for producing and installing the scrubber system. The design and quotation phase of this will be completed by March 25, 2016. Following receipt of the design and quotation, American Rack will need to complete a cost analysis of this action plan, including the cost of the equipment, the cost of installation, and the cost of the down time endured while completing the installation. This will be completed by April 1, 2016.

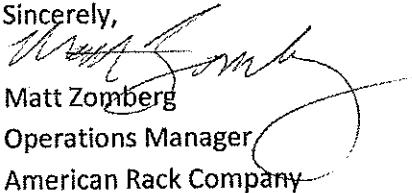
#2-Relocate the American Rack burn off operation to a different location on the existing property. Proposed new locations for the burn off operation can be discussed with the Michigan DEQ and/or the complainant at any scheduled

time. If this action plan is deemed viable by necessary parties, American Rack will need to complete a cost analysis of this action plan, including cost of permitting, cost of clearing property (if necessary), cost of construction of an additional building and access to that additional building, cost of moving the burn off operation, and cost of the down time endured during the moving of the burn off operation. This will be completed within four weeks of the action plan being deemed viable by necessary parties.

#3-Relocate the American Rack burn off operation to a different property. American Rack has met with a realtor to identify new properties in the Grand Rapids metropolitan area that will accommodate the burn off operation. The initial available properties will be identified by February 5, 2016. New properties coming onto the market will continue to be analyzed. When a viable property is identified, American Rack will need to complete a cost analysis of this action plan, including cost of new property, cost of moving the burn off operation, and cost of down time endured while completing the move. This cost analysis will be completed within two weeks of identifying a viable property.

#4-Relocate the entire American Rack operation to a different property. American Rack has met with a realtor to identify new properties in the Grand Rapids metropolitan area that will accommodate the entire operation. The initial available properties will be identified by February 5, 2016. New properties coming onto the market will continue to be analyzed. When a viable property is identified, American Rack will need to complete a cost analysis of this action plan, including cost of new property, the revenue from the sale of the existing property, cost of moving the entire operation, and cost of down time endured while completing the move. The cost analysis will be completed within one week of identifying a viable property.

Sincerely,



Matt Zomberg

Operations Manager

American Rack Company