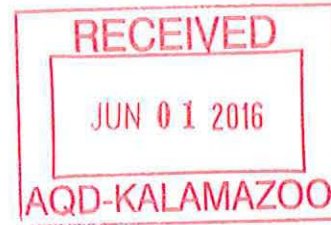


May 31, 2016

Mr. Rex Lane
Michigan Department of Environmental Quality
Kalamazoo District Office
7953 Adobe Road
Kalamazoo, Michigan 49009-5026



Re: Violation Notice Dated May 11, 2016 Issued to Real Alloy Specification, Inc.,
SRN: N5957, Branch County

Dear Rex,

On May 16, 2016 the Real Alloy Specification Inc. (Company or Real Alloy) facility in Coldwater, Michigan received a violation notice, dated May 11, 2016, from your office. The violation notice was issued for an incident that occurred on March 24, 2016 where reverberatory furnace #8 (EUALFURN8-S1) exceeded the chlorine pound/ton charge parameter limit recorded in the facilities Operating, Maintenance and Monitoring (OM&M) Plan. Under the OM&M Plan at the time of the exceedance, the furnace limit was 56 pounds chlorine/ton charged. On March 24, 2016, heat B0810179 had a chlorine rate of 116 pounds chlorine/ton charged.

The Company promptly completed a thorough investigation of the incident. The Company determined that the production crew added zinc-containing scrap to Furnace 8 in order to complete the alloying process for the heat. Unknown to Real Alloy, the scrap had an unexpectedly high magnesium content. In order to address the high magnesium content, a manager directed the crew supervisor to add chlorine which resulted in the exceedance. The Company concluded that the decision to run the additional chlorine was in error and terminated the employment of the manager who made that decision. [In addition, the Company retrained its employees regarding the applicable chlorine limits and the requirement to operate within such limits.]

An analysis of hydrochloric acid emissions during the chlorine exceedance event was performed to determine if an emissions exceedance of the federal and state HCl limit of 0.4 pound/ton occurred as a result of the excessive chlorine addition on March 24th. The BH1 baghouse was operating as designed and lime was being injected at the required rate of 125 pounds per hour. The last performance test on BH1 performed in September 2013 showed HCl emissions of only 7% of the

**REAL ALLOY SPECIFICATION, INC.
368 WEST GARFIELD AVENUE
COLDWATER, MICHIGAN 49036**

REAL ALLOY

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allowable limit with a chlorine injection rate of 56 pounds per ton of charge. Based on our analysis, the HCl emissions from the furnace during the March 24th event remained well below the NESHAP and state operating permit limit of 0.40 pound of HCl per ton emission limit for the entire heat (calculated HCl emission rate of 0.056 lb./ton).

If you need additional information or have any questions related to this parameter deviation, please contact me at your earliest convenience at (517) 279-4037.

Sincerely,



Greg Hall
Plant Manager

Cc: Andy Jennings, Real Alloy - Corporate HSE
Jeff Ferg, Real Alloy - Corporate HSE
Brady Myers, Real Alloy - Corporate HSE
Janine Grossheim, Real Alloy - Coldwater
Lynn Fiedler - DEQ
Teresa Seidel - DEQ
Heidi Hollenbach - DEQ
Thomas Hess - DEQ
Mary Douglas - DEQ

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