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September 28, 2016

VIA EMAIL & FEDERAL EXPRESS

Lara Quintiliani, Esq.
Senior Attorney
New York State Dept. of Environmental Conservation
21 S. Putt Corners
New Paltz, NY 12561

Re: Aluf Plastics Compliance Conference Sept. 21, 2016

Ms. Quintiliani:

As you know, we represent Aluf Plastics in connection with Notices of Violation dated May 9, May 25, and August 26, 2016 issued by the New York State Department of Environmental Conservation ("NYSDEC" or the "Department") and delivered to our client. I am writing to follow up on our discussions at the compliance conference between NYSDEC and Aluf that took place on September 21, 2016.

I understand that NYSDEC has received numerous complaints from community members in the Town of Orangeburg regarding odors allegedly emitted from Aluf's manufacturing facility. It is our mutual goal to better understand whether and the extent to which Aluf is the source of any alleged odor issues so that we can move forward with appropriate mitigation efforts.

Aluf agreed to provide to NYSDEC by October 21, 2016, a scope of work for an engineering consultant that will evaluate Aluf's manufacturing process and emission control measures. Aluf also agreed to engage a third-party engineer to perform the work included in that scope, with a draft report to be provided by Aluf's third-party engineer within 90 days. Within 30 days of delivery of the draft engineering report, NYSDEC and Aluf will meet to discuss implementation of proposed best management practices or system modifications for odor control.

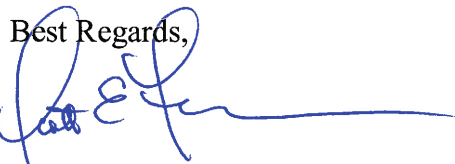
As we stated on the 21st, Aluf has already engaged a third-party process engineer to conduct an engineering review of the existing emissions control systems, and to identify technologies, processes, and/or procedures for enhancing the same. Upon NYSDEC's recommendation, we propose that the third-party engineer's scope of work be expanded to specifically evaluate (i) whether Aluf's current carbon bed emissions control system is the appropriate emissions control technology to capture fragrance emissions, (ii) whether the carbon bed system is appropriately sized to effectively capture such emissions, (iii) whether Aluf's current

schedule for inspection and replacement of carbon filtration is adequate, and generally to evaluate Aluf's internal and external air management, both filtered and passive. Please confirm whether this expanded scope of work meets NYSDEC's expectations.

We also discussed several other questions raised at our compliance conference, which I have summarized below:

- NYSDEC suggested that all air handling ductwork within Aluf's facility may need to be replaced. Aluf responded that full replacement is both unnecessary and cost-prohibitive, but will continue our current program of regular inspection of air handling ductwork, with particular focus on seams where sections of ductwork meet and replacement of any damaged or degraded sections ductwork as necessary and appropriate for emissions control;
- NYSDEC inquired whether Aluf uses fragrance to mask other odors that may otherwise emanate from its operations. Aluf responded that it never has, and would not use fragrance for such purposes.
- Aluf agreed to provide recent digital photographs of Aluf's ductwork to NYSDEC, which was sent via email to George Sweikert by Anthony Lawson on Friday, September 23, 2016;
- Aluf requested, and NYSDEC agreed to provide, any sampling results, photographs or notes from NYSDEC's recent inspections of Aluf's facility as soon as said results, photographs or notes are available, so that Aluf may provide said results to its third-party engineer;
- Aluf also requested, and NYSDEC agreed that, in keeping with Condition 1, Item 1.2 of Aluf's current Air State Facility permit (Permit ID 3-3924-00190/00006), any NYSDEC inspectors be accompanied by Aluf representatives during any inspection for safety reasons, including during the NYSDEC inspection currently scheduled for the afternoon of Wednesday, September 28; and
- Aluf recognizes that the notices of violation will need to be resolved via an administrative consent order, with terms to be negotiated.

We look forward to working cooperatively with NYSDEC to resolve this matter.

Best Regards,

Scott Furman

cc: Donald Brenner
David Anderson