



April 2, 2014

RE: Recent Hixson Media Coverage

To Whom It May Concern:

In response to recent news stories regarding Hixson Metal Finishing, we would like to offer the following statements of fact and background information pertaining to our company.

Hixson Metal Finishing ("HMF") is proud to provide top quality processing services to the aerospace and defense industry in an environmentally sound and responsible manner. We strive to be the best supplier in the industry and have worked tirelessly to maintain and expand our corporate social responsibility initiatives. We have done so by enhancing the following:

- Improved Chrome VI capturing technology.
- Switched to alternative low or zero VOC containing products.
- Modernized waste treatment facility.
- Reduced chemical inventory.
- Updated our fleet to cleaner burning, fuel-efficient vehicles.

In addition, we have introduced many environmental processes and procedures into our day-to-day operations that are not currently mandated by rules or regulations.

We have made every effort to build solid relationships with all environmental and regulatory agencies that oversee our processes and operations. As such, we focus on partnering with these agencies to achieve the best possible outcome for all involved parties and most importantly our community. We will continue this focus with all of our stakeholders to routinely improve our processes and reduce the environmental impacts our business activities have on our employees and neighbors.

About Hixson Metal Finishing

HMF has been operating at 817-853 Production Place in Newport Beach since opening its doors in 1960. In 1995, the previous ownership and executive management of HMF was replaced with the new leadership team. Focused on supporting the commercial aerospace and military defense industry by providing anodizing, plating, and coating services, we have delivered well over 120 million parts to over 3,000 customers; including companies such as Boeing, Northrop-Grumman, Airbus, and Lockheed Martin. Under this new leadership team, we have been keenly focused on delivering the highest quality products, on time to our customers to ensure the integrity of every part leaving our facility.

Teaming with AQMD

In January of 2011, we were notified by AQMD that Chrome VI monitoring stations in our area were receiving elevated readings of Chrome VI compounds. Immediately after the notification, we began teaming with AQMD staff to determine the source of these emissions. In response to our work together, we have upgraded or replaced equipment and modified processing procedures that HMF and/or AQMD felt may be a contributing factor to the elevated readings.

HMF, in partnership with AQMD, has voluntarily conducted detailed inspections of the facility to determine any possible source of Chrome emissions. Our stance has always been to have a completely transparent relationship with AQMD, whereby we allocate whatever time and resources necessary to remain in full compliance.

HMF has completed the following activities in an effort to reduce or eliminate the sporadically elevated emissions:

1. Installed covers on all heated processing tanks containing Chrome.
2. Sealed the concrete floors of the HEPA chambers of both spray booths with an epoxy coating.
3. Requested inspections that were conducted by the manufacturer of both spray booths, HEPA chambers and filters. We subsequently performed routine maintenance (replaced door seals and sealed small access holes).
4. Reverified the accuracy and functional operations of all manufacturing gauges.
5. Renewed training for employees regarding the proper handling, disposal, and operations of emission controlled equipment.
6. Installed high efficiency sanding and scuffing equipment with HEPA filtration.
7. Upgraded spray booth exhaust stack equipment.
8. Increased wash down and mop up activities in all areas.
9. Modified one spray booth to include the installation of a ULAP HEPA filtration system (99.999% efficiency)
10. Upgraded second spray booth from a 99.7 to 99.999% efficiency HEPA filtration system.
11. Replaced the chromic anodizing scrubber with a new HEPA equipped filtration system.

All requested documentation and reports have been provided to AQMD and other agencies as requested. Subsequently, staff members of AQMD have been onsite for weekly updates and inspections. HMF has worked with AQMD to modify production schedules to accommodate inspections and allow them to witness the ongoing production operations. To date, no correlation has been found within the HMF facility that would point to the elevated readings.

In addition to the actions taken by HMF onsite to identify the potential source, we have observed surrounding operations and believe that there are additional business activities that may contribute to these elevated and sporadic emissions.

Presently we are continuing to work with the AQMD by bringing in additional monitoring stations within the HMF facility. Currently, a proposed plan of action is being drafted mutually by HMF and AQMD to assist in the further identification of the source of these emissions.

HMF executive management, production managers, production personnel and janitorial staff have spent hundreds of hours in the quest to locate and abate any possible source contributing to the elevated readings. Despite the allocation of over \$250,000 towards inspections, increased maintenance and replacement of and/or installation of new equipment, there has been little or no impact in the frequency or severity of the elevated readings. Throughout all of our interactions with AQMD and additional attention to our corporate social responsibility practices, we at HMF will work just as hard in the future as we have in the past by providing full cooperation with all regulatory agencies to identify and correct any and all issues that may impact the surrounding community.

Respectfully,



Douglas C. Greene
President
Hixson Metal Finishing