PERMIT GVA0121

Pursuant to
Greater Vancouver Regional District Air Quality Management Bylaw No. 937, 1999
and BC Environmental Management Act

DELTA CEDAR PRODUCTS LTD.

located at
10104 RIVER ROAD, DELTA, BC, V4C 2R3

is authorized to discharge air contaminants to the air from a
SAWMILL

located at the above address, subject to the requirements in this Permit.

Contravention of any of these requirements is a violation of the bylaw
and may result in enforcement action.

Date Issued: November 30, 1992
Date Amended: JUL 28 2008

R.H. Robb, District Director
Permit GVA0121
SECTION 1 – AUTHORIZED EMISSION SOURCES

Authorization to discharge air contaminants from the authorized Emission Sources and Works listed below are subject to the specified terms and conditions.

Approximate locations of the emission sources are shown on the Site Plan in section 4.

EMISSION SOURCE 01: Sumner chipper associated with the sawmill discharging through a Cyclone exhaust.

MAXIMUM EMISSION FLOW RATE: 168 m$^3$/min
MAXIMUM OPERATING HOURS: 16 hrs/day, 3840 hrs/yr
MAXIMUM OPERATING DAYS: 5 days/week, 260 days/yr

MAXIMUM EMISSION QUALITY:
1. 120 mg/m$^3$ Particulate Matter.
2. 20% Opacity. [based on a six minute average]

WORKS AND PROCEDURES:
Cyclone and related appurtenances.

EMISSION SOURCE 02: Sumner chipper associated with the planer mill discharging through a Cyclone exhaust.

MAXIMUM EMISSION FLOW RATE: 198 m$^3$/min
MAXIMUM OPERATING HOURS: 16 hrs/day, 1920 hrs/yr
MAXIMUM OPERATING DAYS: 5 days/week, 260 days/yr

MAXIMUM EMISSION QUALITY:
1. 120 mg/m$^3$ Particulate Matter.
2. 20% Opacity. [based on a six minute average]

WORKS AND PROCEDURES:
Cyclone and related appurtenances.

Date Issued: November 30, 1992
Date Amended: JUL 28 2008
(most recent) 
R.H. Robb, District Director
Permit GVA0121
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**EMISSION SOURCE 03:** Stetson-Ross 612 planer and associated shavings transfer system discharging through a **Cyclone exhaust.**

MAXIMUM EMISSION FLOW RATE: 840 m$^3$/min  
MAXIMUM OPERATING HOURS: 16 hrs/day, 1920 hrs/yr  
MAXIMUM OPERATING DAYS: 5 days/week, 260 days/yr

MAXIMUM EMISSION QUALITY:  
1. 120 mg/m$^3$ **Particulate Matter.**  
2. 20% **Opacity.** [based on a six minute average]

**WORKS AND PROCEDURES:**  
Cyclones and related appurtenances.

**EMISSION SOURCE 05:** Resaw and a Stetson-Ross planer discharging through a **Cyclone exhaust.**

MAXIMUM EMISSION FLOW RATE: 390 m$^3$/min  
MAXIMUM OPERATING HOURS: 16 hrs/day, 1000 hrs/yr  
MAXIMUM OPERATING DAYS: 5 days/week, 260 days/yr

MAXIMUM EMISSION QUALITY:  
1. 120 mg/m$^3$ **Particulate Matter.**  
2. 20% **Opacity.** [based on a six minute average]

**WORKS AND PROCEDURES:**  
Cyclone and related appurtenances.

**EMISSION SOURCE 06:** Four trim saws discharging through a **Cyclone exhaust.**

MAXIMUM EMISSION FLOW RATE: 540 m$^3$/min  
MAXIMUM OPERATING HOURS: 16 hrs/day, 3840 hrs/yr  
MAXIMUM OPERATING DAYS: 5 days/week, 260 days/Yr

MAXIMUM EMISSION QUALITY:  
1. 120 mg/m$^3$ **Particulate Matter.**  
2. 20% **Opacity.** [based on a six minute average]

**WORKS AND PROCEDURES:**  
Cyclone and related appurtenances.
EMISSION SOURCE 08: Brunette chipper

MAXIMUM EMISSION FLOW RATE: 510 m$^3$/min
MAXIMUM OPERATING HOURS: 16 hrs/day, 3840 hrs/yr
MAXIMUM OPERATING DAYS: 5 days/week, 260 days/yr

MAXIMUM EMISSION QUALITY:
1. 120 mg/m$^3$ Particulate Matter.
2. 20% Opacity. [based on a six minute average]

WORKS AND PROCEDURES:
Cyclone and related appurtenances.

EMISSION SOURCE 09: Stetson-Ross planer, moulder and resaws discharging through a Cyclone exhaust.

MAXIMUM EMISSION FLOW RATE: 390 m$^3$/min
MAXIMUM OPERATING HOURS: 16 hrs/day, 4000 hrs/yr
MAXIMUM OPERATING DAYS: 5 days/week, 260 days/yr

MAXIMUM EMISSION QUALITY:
1. 120 mg/m$^3$ Particulate Matter.
2. 20% Opacity. [based on a six minute average]

WORKS AND PROCEDURES:
Cyclone and related appurtenances.

EMISSION SOURCE 10: Transfer of wood shavings from the Stetson-Ross planer, moulder and resaws discharging through a Cyclone exhaust.

MAXIMUM EMISSION FLOW RATE: 1000 m$^3$/min
MAXIMUM OPERATING HOURS: 16 hrs/day, 1000 hrs/yr
MAXIMUM OPERATING DAYS: 5 days/week, 260 days/yr

MAXIMUM EMISSION QUALITY:
1. 120 mg/m$^3$ Particulate Matter.
2. 20% Opacity. [based on a six minute average]

WORKS AND PROCEDURES:
Cyclone and related appurtenances.
EMISSION SOURCE 11: Transfer of wood shavings from the Stetson-Ross planer to the Kara boiler fuel silo discharging through a Cyclone exhaust.

MAXIMUM EMISSION FLOW RATE: 1000 m$^3$/min
MAXIMUM OPERATING HOURS: 16 hrs/day, 1000 hrs/yr
MAXIMUM OPERATING DAYS: 5 days/week, 260 days/yr

MAXIMUM EMISSION QUALITY:
1. 120 mg/m$^3$ Particulate Matter.
2. 20% Opacity. [based on a six minute average]

WORKS AND PROCEDURES:
Cyclone and related appurtenances.

EMISSION SOURCE 12: Kara wood-fired hot water boiler discharging through a Stack.

MAXIMUM EMISSION FLOW RATE: 300 m$^3$/min
MAXIMUM OPERATING HOURS: 24 hrs/day, 8736 hrs/yr
MAXIMUM OPERATING DAYS: 7 days/week, 365 days/yr
MAXIMUM FIRING RATE: 21.1 GJ/hr

MAXIMUM EMISSION QUALITY:
1. 120 mg/m$^3$ Particulate Matter [prior to May 1, 2010]
2. 20 mg/m$^3$ Particulate Matter [commencing May 1, 2010]
3. 20% Opacity. [prior to May 1, 2010; based on a six minute average; may be exceeded for a period of 3 min/hour]
4. 5% Opacity. [commencing May 1, 2010; based on a six minute average]

WORKS AND PROCEDURES:
Multiclones and related appurtenances together with good combustion practices and operating procedures.

Upgraded works to achieve the restrictions specified above are to be completed by not later than April 30, 2010.

EMISSION SOURCE 13: Transfer of wood shavings to the Kara boiler fuel silo discharging through a Cyclone exhaust.

MAXIMUM EMISSION FLOW RATE: 440 m$^3$/min
MAXIMUM OPERATING HOURS: 16 hrs/day, 1000 hrs/yr
MAXIMUM OPERATING DAYS: 5 days/week, 260 days/yr

MAXIMUM EMISSION QUALITY:
1. 120 mg/m$^3$ Particulate Matter.
2. 20% Opacity. [based on a six minute average]

WORKS AND PROCEDURES:
Cyclone and related appurtenances.
EMISSION SOURCE 14: Dry kiln discharging through Vents.

MAXIMUM EMISSION FLOW RATE: 460 m$^3$/min
MAXIMUM OPERATING HOURS: 24 hrs/day, 8736 hrs/yr
MAXIMUM OPERATING DAYS: 7 days/week, 365 days/yr
MAXIMUM FIRING RATE: 84.4 GJ/hr

MAXIMUM EMISSION QUALITY:
1. Combustion products typical of natural gas combustion at a maximum firing rate of 84.4 GJ/h (80 MMBTU/h).
2. 12,045 GJ maximum natural gas usage per calendar year.

WORKS AND PROCEDURES:
The firing of the kiln with natural gas using good combustion practices and operating procedures.

EMISSION SOURCE 15: Stacking, reclaiming, barge loading and outdoor storage of woodchips and shavings discharging directly to the environment.

MAXIMUM EMISSION FLOW RATE: The authorized maximum rate of discharge is that resulting from stacking and reclaiming as well as stockpile wind erosion effects.
MAXIMUM OPERATING HOURS: 24 hrs/day, 8736 hrs/yr
MAXIMUM OPERATING DAYS: 7 days/week, 365 days/yr

MAXIMUM EMISSION QUALITY:
Particulate matter [none past the plant boundary]

WORKS AND PROCEDURES:
Two chip storage areas.
Proper chip screen procedures on the wood chip handling systems. Barge loader spouts of adequate length such that a maximum product drop height of 6 feet can be maintained during all loading operations, together with good operating practices. Products shall not be handled when wind speeds cause material to travel past the plant boundary.

Date Issued: November 30, 1992
Date Amended: JUL 28 2008
R.H. Robb, District Director
Permits GVA0121
SECTION 2 – GENERAL REQUIREMENTS AND CONDITIONS

A. AMENDMENTS

The terms and conditions of this Permit may be amended, as authorized by applicable legislation. New and modified sources must receive authorization prior to start-up.

B. POLLUTION

Notwithstanding any conditions in this Permit, no person shall discharge or allow or cause the discharge of any air contaminant so as to cause pollution as defined in the Bylaw and Act.

C. STANDARD CONDITIONS AND DEFINITIONS

Except where otherwise indicated, the following standard conditions and definitions apply to this Permit:

1. Gaseous volumes are corrected to standard conditions of 20° Celsius & 101.325 kPa with zero percent moisture.

2. Contaminant concentrations from the combustion of specific fuel types are corrected to the following Oxygen content, unless specified otherwise:
   - 3% O₂ for natural gas and fuel oil;
   - 8% O₂ for wood fuel.
   - 15% O₂ for turbines

3. Each contaminant concentration limit in this Permit will be assessed for compliance based on a valid test using test methods approved by the District Director.

4. Visual opacity measurements are made at the point of maximum density, nearest the discharge point and exclude the effect of condensed, uncombined water droplets. Visual opacity compliance determinations are based on a 6 minute average in accordance with the provincial “Source Testing Code for the Visual Measurement of The Opacity of Emissions from Stationary Sources.”

5. Standby fuel use is restricted to those periods during which the primary authorized fuel is not available. Fuel oil sulphur content shall not be greater than 0.0015% by weight.

6. Definitions in the Environmental Management Act and Air Quality Management Bylaw apply to terminology used in this Permit.

7. Threshold Limit Values (TLV) refer to the Time Weighted Average (TWA) exposure limits for substances specified in the American Conference of Governmental Industrial Hygienists Threshold Limit Values handbook current at the time of Permit issuance or amendment.

D. HEATING, VENTILATION, AIR CONDITIONING AND INTERNAL COMBUSTION ENGINES

Air contaminants discharged from any natural gas-fired heating, ventilation or air conditioning systems for buildings and any internal combustion engines located at the discharge site shall be maintained and operated in a manner prescribed by the manufacturer to ensure good combustion of the fuel with minimum discharge of air contaminants.
E. AUTHORIZED WORKS AND PROCEDURES

Works and procedures, which this Permit authorizes to control the discharge of air contaminants, shall be employed during all operating periods of the related facilities. The Permit holder shall regularly inspect and maintain all such works in good repair.

The discharge criteria described in this Permit are applicable on the issued or amended date of this Permit unless specified otherwise. If a date different to the issued or amended date is specified, the existing control works and procedures must be maintained in good operating condition and operated in a manner to minimize emissions.

F. BYPASSES

The discharge of contaminants which have bypassed authorized control works during non-emergency conditions are prohibited unless approval has been obtained in writing from the District Director.

G. EMERGENCY PROCEDURES

In the event of an emergency that prevents compliance with a requirement(s) of this permit, that requirement(s) shall be suspended for such time as the emergency continues or until otherwise directed by the District Director, provided that:

1. Due diligence was exercised in relation to the process, operation or event that caused the emergency and that the emergency occurred notwithstanding this exercise of due diligence; and,

2. The District Director is notified at the first available opportunity of the emergency and of contingency actions invoked or planned to mitigate adverse impacts and restore compliance. Notification shall be made to the Metro Vancouver’s 24-hour number: 604-436-6777; and,

3. Due diligence is exercised in shutting down related processes and/or taking action to restore compliance in the shortest possible time frame; unless specified otherwise in this permit or by written notice from the District Director.

Notwithstanding 1, 2 and 3 above, the District Director may specify contingency actions to be implemented to protect human health and the environment while authorized works and/or standard operating procedures are being restored.
SECTION 3 – REPORTING REQUIREMENTS

A. MONITORING REQUIREMENTS AND REPORTING

Unless otherwise approved by the District Director prior to any sampling or analysis, all measurements shall be performed by an independent agency in accordance with Metro Vancouver Air Emissions Sampling Program Manual of Methods and Standard Operating Procedures and the BC Ministry of Environment Field Sampling Manual, as they may be amended from time to time. Any variance from these procedures must receive prior approval from the District Director.

A minimum of 3 days advance notice must be given prior to taking measurements required by this Monitoring and Sampling Program. Notification must be given to the Metro Vancouver, Regulation & Enforcement Division (phone 604-436-6777, Fax 604-436-6707, email regulation&enforcement@metrovancouver.org).

Unless otherwise specified, sampling shall be performed under operating conditions representative of the previous 90 calendar days of operation. All field data and calculations must be submitted with monitoring results and they shall be reported in the metric units which are used in this Permit. These submissions shall include process data relevant to the operation of the source of the emissions and the performance of the emission control works.

The Permit holder shall conduct the following monitoring and sampling and submit written reports of the results to the District Director by the dates specified below.

<table>
<thead>
<tr>
<th>SOURCE</th>
<th>DUE DATE</th>
<th>FREQUENCY</th>
<th>REQUIREMENT</th>
<th>PARAMETER(S)</th>
<th>TEST METHOD</th>
</tr>
</thead>
<tbody>
<tr>
<td>12</td>
<td>June 30, 2008</td>
<td>Annually</td>
<td>The measured discharge rate and concentration of particulate matter in the emission.</td>
<td>Particulate Matter</td>
<td>EPA method 5</td>
</tr>
</tbody>
</table>
B. INFORMATION REPORTING REQUIREMENTS

The Permit holder shall submit written reports containing the required information to the District Director by the dates specified below.

<table>
<thead>
<tr>
<th>EMISSION SOURCE</th>
<th>DUE DATE</th>
<th>FREQUENCY</th>
<th>REQUIREMENT</th>
<th>FORM(S)</th>
</tr>
</thead>
<tbody>
<tr>
<td>12</td>
<td>March 31, 2009</td>
<td>Once</td>
<td>Written report detailing the works chosen to achieve the maximum authorized emission criteria specified in Schedule F for the Kara wood-fired hot water boiler. The report shall include the technical specifications for the works, which includes the manufacturer, model number and the equipment performance guarantee. The report shall also include a timetable for purchase, construction and commissioning of the chosen works.</td>
<td></td>
</tr>
<tr>
<td>12</td>
<td>June 30, 2009</td>
<td>Every 3 months until March 31, 2010</td>
<td>Written report on the progress to update the control works associated with the Kara wood-fired hot water boiler.</td>
<td></td>
</tr>
<tr>
<td>01, 02, 03, 05, 06, 08, 09, 10, 11, 12, 13, 14, 15</td>
<td>March 31, 2009</td>
<td>Annually</td>
<td>Written report detailing the total number of hours and days operated during the preceding calendar year. Records are to be maintained in a written bound log or other format approved by the Air Quality Director, and made available for inspection by Air Quality staff for a minimum period of three years.</td>
<td>H</td>
</tr>
<tr>
<td>General</td>
<td>March 31, 2009</td>
<td>Annually</td>
<td>Written report providing details of the types and amounts of fuel burned in the preceding calendar year.</td>
<td>C-1</td>
</tr>
<tr>
<td>General</td>
<td>March 31, 2009</td>
<td>Annually</td>
<td>Written report providing details of the types and amounts of principle products produced and principal raw materials used in the preceding calendar year.</td>
<td>M</td>
</tr>
</tbody>
</table>

C. AMENDED OR ADDITIONAL REQUIREMENTS

Based on the results of the monitoring program, including the stack sampling results or any other information, the District Director may:
1. Amend the monitoring and reporting requirement of any of the information required by this Permit including plans, programs and studies.
2. Require additional investigations, tests, surveys or studies.
LEGAL DESCRIPTION OF DISCHARGE SITE: Municipality of Delta Lot 4 of Blocks 4A and 4B of District Lot 18 Group 2 Plan 11332 New Westminster District.

The following site plan is not to scale and the locations of the discharge points are approximate.