PERMIT

(Under the provisions of the GVRD Air Quality Management Bylaw No. 937, 1999)

PACIFIC COAST CEDAR PRODUCTS LTD.

IS AUTHORIZED TO DISCHARGE AIR CONTAMINANTS

FROM A SHAKE AND SHINGLE MILL

LOCATED AT 23740 RIVER RD, MAPLE RIDGE BC V2W 1B7

This permit has been issued under the terms and conditions prescribed in the attached Schedules A, B, C, D, E, F, G, & H for emission sources and works existing or planned on May 23, 2003

DISTRICT DIRECTOR
PERMIT NUMBER GVA0598
INDEX OF SCHEDULES

Schedule A..............................................................................................................Site Plan

Schedule B..............................................................................................................General Requirements

Schedule C........................................Emission Monitoring, Sampling and Reporting Requirements

Schedule D................................................Emission Sources and Discharge Points

Schedule E..............................................................Authorized Rates of Discharge

Schedule F.............................................................Authorized Discharge Criteria

Schedule G.............................................................Authorized Works and Procedures

Schedule H..............................................................Record of Permit Issuance Dates
A AMENDMENTS

The terms and conditions of this Permit may be amended, as authorized by applicable legislation.

B MAINTENANCE AND OPERATION OF WORKS

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 Permittee shall regularly inspect and maintain all such works in good repair.

C EMERGENCY PROCEDURES

An emergency or other condition may prevent the continuous utilization of the above authorized works and procedures, or may result in a discharge of air contaminants which is not authorized by this Permit. If such a situation occurs, the Permittee shall report the circumstances of this event to the Greater Vancouver Regional District, Policy and Planning Department at 436-6777 (24 hours), at the first available opportunity.

No discharge that has bypassed control works is authorized unless the District Director's approval has been obtained. In the event of an emergency, bypassing facilities may be used for such periods as are necessary to effect a shutdown of the related processes.

D AIR CONDITIONING, HEATING AND VENTILATION SYSTEMS

Air contaminants discharged from any natural gas-fired air conditioning, heating or ventilation systems for buildings located at the discharge site are not specified in this Permit. These works 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. Notwithstanding the above, the District Director may at her/his discretion stipulate limits for emission of contaminants from these sources in the Permit at a future date under provisions of the Bylaw.

May 23, 2003
E  GENERAL SITE RESTRICTIONS

No air contaminant(s) from any single source, or combination of sources shall pass the boundary of the property, described in Section I of this Schedule B, such that the District Director determines that pollution has occurred.

F  INTERNAL COMBUSTION ENGINES

Air contaminants discharged from any natural gas, propane, gasoline, diesel, or other fossil fuel fired internal combustion engines operated at the discharge site may not be specifically authorized in this Permit. These works shall be maintained and operated in a manner prescribed by the manufacturer to ensure good combustion of the fuel and to minimize emissions such that the requirements of Section E of this Schedule B are not exceeded. The District Director may at her/his discretion stipulate further limits for emission of contaminants from these sources in the Permit at a future date under provisions of the Bylaw.

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ENGINEERING UNITS

The engineering units specified in this Permit are in accordance with the Metric System of measure. Approximate equivalent values for the British System can be calculated using the following conversion factors.

\[
\begin{align*}
\text{mg/m}^3 \times 0.000437 &= \text{gr/cf} \\
\text{m}^3/\text{min} \times 35.3 &= \text{cf/min} \\
\text{kg/m}^3 \times 0.0624 &= \text{lbs/cf} \\
\text{kg/L} \times 10.0 &= \text{lbs/gal} \\
\text{mg/m}^3 \times 24.0/M &= \text{ppm (by volume)} \\
\text{GJ/h} \times 0.9478 &= \text{MMBTU/h}
\end{align*}
\]

where

\[
\begin{align*}
\text{m}^3 &= \text{cubic metre} \\
\text{min} &= \text{minute} \\
\text{mg} &= \text{milligram} \\
\text{cf} &= \text{cubic feet} \\
\text{s} &= \text{second} \\
\text{lb} &= \text{pound} \\
\text{kg} &= \text{kilogram} \\
\text{gal} &= \text{gallon} \\
\text{L} &= \text{litre} \\
\text{M} &= \text{molecular weight} \\
\text{gr} &= \text{grain} \\
\text{ppm} &= \text{parts per million} \\
\text{GJ} &= \text{GigaJoule} \\
\text{MMBTU} &= \text{Million British Thermal Unit} \\
\text{h} &= \text{hour}
\end{align*}
\]
H STANDARD CONDITIONS AND DEFINITIONS

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

1. The Restrictions in the attached Schedules are maximum limits.

2. Gaseous volumes are corrected to dry conditions of 20° Celsius & 760mm Hg.

3. Particulate matter from combustion sources is corrected to 12% Carbon Dioxide.

4. Opacity is measured at the point of maximum density, nearest the discharge point.

5. Opacity measurements exclude the effect of condensed, uncombined water droplets.

6. Definitions in the Waste Management Act and GVRD Air Quality Management Bylaw current at the time the facility commences operation 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 for the year 2003.

8. Any production, storage, transportation, handling, treatment, processing or ownership of a special waste must comply with the requirements of the Waste Management Act, Special Waste Regulation

I DESCRIPTION OF DISCHARGE SITE

The land from which the air contaminants are discharged is described as: Parcel Identifier 011-122-579; Lot 1, Except:Part Dedicated Road on Plan 63335; District Lot 405, Group 1 New Westminster District Plan 7324

May 23, 2003

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GREATER VANCOUVER REGIONAL DISTRICT

SCHEDULE C - Page 1
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This Schedule describes emission monitoring, sampling and reporting requirements.

The Permittee shall conduct the following monitoring and sampling program on the discharges and submit the results to the District Director. The need for increased or decreased monitoring may be reviewed periodically by the District Director.

<table>
<thead>
<tr>
<th>EMISSION NUMBER</th>
<th>DUE DATES</th>
<th>REQUIREMENTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>General</td>
<td>March 31, 2004 and annually thereafter</td>
<td>Written report detailing the types and amounts of principal products produced and principal raw materials used in the preceding calendar year.</td>
</tr>
</tbody>
</table>

Ambient air sampling and monitoring shall be undertaken by the Permittee, when required by the District Director.

May 23, 2003
The authorized emission sources and discharge points located approximately as shown on Schedule A are:

<table>
<thead>
<tr>
<th>EMISSION NUMBER</th>
<th>EMISSION SOURCE</th>
<th>DISCHARGE POINT</th>
</tr>
</thead>
<tbody>
<tr>
<td>01</td>
<td>7 shingle machines, and 2 RR machines</td>
<td>Cyclone Exhaust(s)</td>
</tr>
<tr>
<td>02</td>
<td>Conveyance of sawdust and associated stockpile</td>
<td>Storage Pile(s)</td>
</tr>
</tbody>
</table>

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**GREATER VANCOUVER REGIONAL DISTRICT**

**SCHEDULE E - Page 1**

to PERMIT GVA0598

The authorized rates of discharge for the emission sources described in Schedule D are:

<table>
<thead>
<tr>
<th>EMISSION NUMBER</th>
<th>MAXIMUM AUTHORIZED RATE OF DISCHARGE</th>
<th>NOTES &amp; ADDITIONAL REQUIREMENTS</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>FLOW m3/min</td>
<td>DURATION hours/day</td>
</tr>
<tr>
<td>01</td>
<td>170</td>
<td>16</td>
</tr>
<tr>
<td>02</td>
<td>See Notes</td>
<td>16</td>
</tr>
</tbody>
</table>

The authorized rate of discharge is that resulting from stockpiling operations.

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The authorized maximum discharge criteria for emission sources described in Schedule D are:

<table>
<thead>
<tr>
<th>EMISSION NUMBER</th>
<th>PARAMETER</th>
<th>RESTRICTION</th>
<th>NOTES</th>
</tr>
</thead>
<tbody>
<tr>
<td>01</td>
<td>Particulate Matter</td>
<td>120 mg/m³</td>
<td></td>
</tr>
<tr>
<td>01</td>
<td>Opacity</td>
<td>20%</td>
<td>Based on six minute average.</td>
</tr>
<tr>
<td>02</td>
<td>Particulate Matter</td>
<td>See notes</td>
<td>None from any single source, or combination of sources, past the plant boundary such that the District Director determines that pollution has occurred.</td>
</tr>
</tbody>
</table>

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The authorized works and procedures to control the discharge of air contaminants from the emission sources described in Schedule D are indicated below. The District Director may require that further works be installed, if the existing works, in her/his opinion, do not provide an acceptable level of emission control. New works or alterations to existing works must be approved, in principle, by the District Director.

Where the District Director has specified that additional works are required, the maximum discharge criteria described in Schedule F of this Permit are applicable as specified by the Completion Date(s) listed below. Prior to the specified date(s) the existing control works and procedures must be maintained in good operating condition and operated in a manner to minimize emissions.

<table>
<thead>
<tr>
<th>EMISSION NUMBER</th>
<th>COMPLETION DATE</th>
<th>DESCRIPTION OF WORKS/PROCEDURES</th>
</tr>
</thead>
<tbody>
<tr>
<td>01</td>
<td>Completed</td>
<td>Cyclone and related appurtenances together with good operating practices</td>
</tr>
<tr>
<td>02</td>
<td>Completed</td>
<td>Enclosed transfer points and conveyor system together with water misting spray systems to provide adequate material moisture for dust suppression and good operating practices. Product shall not be handled when wind speeds cause material to travel past the plant boundary.</td>
</tr>
</tbody>
</table>
GREATER VANCOUVER REGIONAL DISTRICT

SCHEDULE H - Page 1
to PERMIT GVA0598

RECORD OF PERMIT ISSUANCE

<table>
<thead>
<tr>
<th>DATE</th>
<th>ACTION</th>
<th>SECTIONS AFFECTED</th>
</tr>
</thead>
<tbody>
<tr>
<td>May 23, 2003</td>
<td>ISSUANCE</td>
<td>Face, Schedules A, B, C, D, E, F, G, &amp; H</td>
</tr>
</tbody>
</table>

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