IN ACCORDANCE WITH THE MANITOBA ENVIRONMENT ACT (C.C.S.M. c. E125)
THIS LICENCE IS ISSUED PURSUANT TO SECTION 10(1) TO:

SUN LINE LTD.; "the Licencee"

for the construction and operation of the Development being a permanent asphalt plant
located at 175 Pacific Street, Winkler, in accordance with the Proposal filed under The
Environment Act on June 20, 2005, subject to the following specifications, limits, terms
and conditions:

DEFINITIONS

In this Licence,

"accredited laboratory" means an analytical facility accredited by the Standard Council
of Canada (SCC), or accredited by another accrediting agency recognized by Manitoba
Conservation to be equivalent to the SCC, or be able to demonstrate, upon request, that it
has the quality assurance/quality control (QA/QC) procedures in place equivalent to
accreditation based on the international standard ISO/IEC 17025, or otherwise approved by
the Director;

"affected area" means a geographical area, excluding the property of the Development;

"aggregate" means any crushed stone or slag, crushed or uncrushed gravel, sand or
mineral filler;

"approved" means approved by the Director in writing;

"asphalt or asphalt based material" means a material produced as a result of crude oil
distillation or solvent precipitation which is used as a binder or cementing agent when
combined with aggregate and includes asphalt cement, cutback asphalt and emulsified
asphalt;

"Director" means an employee so designated pursuant to The Environment Act;

"Environment Officer" means an employee so designated pursuant to The Environment
Act;

**A COPY OF THE LICENCE MUST BE KEPT ON SITE AT THE DEVELOPMENT AT ALL
TIMES**
"noise nuisance" means a continuous or repeated noise in an affected area, which is offensive, obnoxious, troublesome, annoying, unpleasant or disagreeable to a person:

a) residing in an affected area;
b) working in an affected area; or
c) present at a location in an affected area which is normally open to the members of the public;

if the noise

d) is the subject of at least 5 written complaints, received by the Director in a form satisfactory to the Director, and within a 90 day period, from 5 different persons falling within clauses a), b), or c), who do not live in the same household; or
e) is the subject of at least one written complaint, received by the Director in a form satisfactory to the Director, from a person falling within clauses a), b), or c), and the Director is of the opinion that if the unwanted noise had occurred in a more densely populated area there would have been at least 5 written complaints received within a 90 day period from 5 different persons who do not live in the same household;

"odour nuisance" means a continuous or repeated odour, smell or aroma, in an affected area, which is offensive, obnoxious, troublesome, annoying, unpleasant, or disagreeable to a person:

a) residing in an affected area;
b) working in an affected area; or
c) present at a location in an affected area which is normally open to the members of the public;

if the odour, smell or aroma

d) is the subject of at least 5 written complaints, received by the Director in a form satisfactory to the Director, and within a 90 day period, from 5 different persons falling within clauses a), b), or c), who do not live in the same household; or
e) is the subject of at least one written complaint, received by the Director in a form satisfactory to the Director, from a person falling within clauses a), b), or c), and the Director is of the opinion that if the unwanted odour, smell of aroma had occurred in a more densely populated area there would have been at least 5 written complaints received within a 90 day period from 5 different persons who do not live in the same household;

"opacity" means the degree to which emissions reduce the transmission of light and obscure the view of an object in the background;

"particulate matter" means any finely divided liquid or solid matter other than water droplets;

"particulate residue" means that part or portion of an atmospheric emission which is deposited onto a surface;
"permanently closed" means that the facility has not been operated for a period of 12 months or more;

"point source" means any point of emission from the Development where pollutants are emitted to the atmosphere by means of a stack;

"RAP" means any recycled material containing asphalt or asphalt based material;

"sewage" means human body, toilet, liquid, waterborne culinary, sink or laundry waste;

"stack" means a duct, pipe, chimney, vent, opening or other structure through which pollutants are emitted to the atmosphere;

"Standard Methods for the Examination of Water and Wastewater" means the most recent edition of Standard Methods for the Examination of Water and Wastewater published jointly by the American Public Health Association, the American Waterworks Association and the Water Environment Federation; and

"wastewater" means any liquid containing a pollutant as defined in The Environment Act, associated with or resulting from the Development which is discharged into the environment.

GENERAL TERMS AND CONDITIONS

This Section of the Licence contains requirements intended to provide guidance to the Licencee in implementing practices to ensure that the environment is maintained in such a manner as to sustain a high quality of life, including social and economic development, recreation and leisure for present and future Manitobans.

1. The Licencee shall implement a high standard of equipment maintenance and good housekeeping and operational practices with respect to the Development, at all times.

2. The Licencee shall, upon the request of the Director and in addition to any of the limits, terms or conditions specified in this Licence:
   a) sample, monitor, analyze and/or investigate specific areas of concern regarding any segment, component or aspect of pollutant storage, containment, treatment, handling, disposal or emission systems, for such pollutants or ambient quality, aquatic toxicity, leachate characteristics and discharge or emission rates, for such duration and at such frequencies as may be specified;
   b) determine the environmental impact associated with the release of any pollutants from the said Development; or
   c) provide the Director, within such time as may be specified, with such reports, drawings, specifications, analytical data, descriptions of sampling and analytical procedures being used, bioassay data, flow rate measurements and such other information as may from time to time be requested.
3. The Licencee shall, unless otherwise specified in this Licence:
   a) carry out all preservations and analyses on liquid samples in accordance with the
      methods prescribed in the most current edition of Standard Methods for the
      Examination of Water and Wastewater or in accordance with equivalent
      preservation and analytical methodologies approved by the Director;
   b) carry out all sampling of, and preservation and analyses on, soil and air samples
      in accordance with methodologies approved by the Director;
   c) use an accredited laboratory for all analytical determinations; and
   d) report the results to the Director within 60 days of the samples being taken.

4. The Licencee shall carry out any remedial measures, modifications, or alterations, as
   deemed necessary by the Director, in respect to matters authorized under this
   Licence.

5. The Licencee shall provide to the Director, upon request, all information required
   under this Licence, in writing and in such form and content (including number of
   copies), as may be specified by the Director.

6. The Licencee shall not use or process RAP at the Development.

7. The Licencee shall obtain approval in writing from the Director for any proposed
   alterations to the facility before proceeding with an alteration.

**LIMITS, TERMS AND CONDITIONS**

**Respecting Air Emissions**

8. The Licencee shall not emit from the Development:
   a) particulate matter in any air emission that:
      i) exceeds 0.23 grams per dry standard cubic metre calculated at 25 degrees
         Celsius and 760 millimetres of mercury, from any point source of the
         Development;
      ii) exhibits a visible plume with an opacity of greater than 5 percent at any
          point beyond the property line of the Development; or
      iii) results in the deposition of visible particulate residue at any time beyond
          the property line of the Development; or,
   b) particulate matter from any point source with an opacity that equals or exceeds:
      i) 20 percent as the average of any 24 consecutive opacity observations taken
         at 15 second intervals;
      ii) 20 percent for more than 16 individual opacity observations within any
          1 hour period; or
      iii) 40 percent for any individual opacity observation.
9. The Licencsee shall, upon the written request of and in a timeframe stipulated by the Director, comply with any air emission or ambient air quality criteria specified by the Director for any pollutant of concern to the Director.

10. The Licencsee shall not cause or permit a noise nuisance to be created as a result of the construction, operation, or alteration of the Development, and shall take such steps as the Director may require to eliminate or mitigate a noise nuisance.

11. The Licencsee shall not cause or permit an odour nuisance to be created as a result of the construction, operation, or alteration of the Development, and shall take such steps as the Director may require to eliminate or mitigate an odour nuisance.

**Respecting Air Pollution Control Equipment**

12. The Licencsee shall prevent the entrainment of particulate matter into the air at the Development resulting from the operation of vehicles or the transportation, storage or handling of aggregate or other material.

13. The Licencsee shall, within 30 days of the issuance of this Licence, or other time frame approved by the Director, submit for the Director’s approval, a standard operating manual and a maintenance schedule for each air emission pollution control device or system based on the manufacturers recommendations.

14. The Licencsee shall not operate drum dryers or pug mill(s) unless the emissions from these processes:
   a) are directed to a fully operational air pollution control device(s); and
   b) are emitted from the air pollution control device(s) in compliance with the specifications, limits, terms and conditions of this Licence.

15. The Licencsee shall maintain a log book for all maintenance activities and all downtimes of the air pollution control devices. The log book shall be kept at the Development and shall be available upon request for inspection by an Environment Officer. The log shall record, at minimum, the following:
   a) identification of the unit and the processes it serves;
   b) time/date of log entry;
   c) nature of event;
   d) time and duration of event;
   e) the accumulated downtime for these events for each calendar year; and
   f) signature of employee/manager.

16. The Licencsee shall handle, store and dispose of all pollutants collected by the air pollution control equipment in a manner suitable to their characterization as type of waste or dangerous good.
Respecting Air Emission Sampling and Analysis

17. The Licenze shall, upon written request from the Director, provide a stack or stacks including all necessary sampling facilities for the sampling of air emissions at the Development. The stack or stacks shall be provided:
   a) at a location(s) and within a time frame satisfactory to the Director; and
   b) to the specifications and in accordance with the most recent version of Manitoba Conservation Guideline No. 97-05, *Guideline for Stack Sampling Facilities*, unless otherwise approved by the Director.

18. The Licenze shall, within 60 days of the Director’s written request, submit a plan which is acceptable to the Director for the characterization, sampling and analysis of emissions from any process at the Development.

19. The Licenze shall complete the sampling of emissions requested in Clause 18, of this Licence, in accordance with the approved plan and within a timeframe acceptable to the Director.

20. The Licenze shall perform all stack sampling in accordance with the most recent version of Manitoba Conservation Report No. 96-07, *Interim Stack Sampling Performance Protocol*, unless otherwise approved by the Director.

21. The Licenze shall arrange the scheduling of the sampling program, submitted and approved pursuant to Clause 18, of this Licence, such that a representative of Manitoba Conservation is available to observe and audit the implementation of the sampling program.

22. The Licenze shall submit to the Director within 90 days of receipt of the analytical results of the sampling performed per Clause 18, of this Licence, a report that discusses the sampling and results. This report shall address any potential health or environmental impacts beyond the boundaries of the Development that might be caused by the emissions studied.

Respecting Wastewater

23. The Licenze shall not discharge wastewater beyond the property boundaries of the Development and shall prevent the seepage of wastewater such that the groundwater beneath the Development does not become contaminated.

24. The Licenze shall discharge sewage only to a registered private sewage disposal system, a holding tank, or a municipal sewer system designed to receive such wastes.
Respecting Solid Waste

25. The Licencsee shall dispose of all solid waste generated from any activity at the Development in a manner acceptable to the Director.

Respecting Contamination from Asphalt or Asphalt Based Materials

26. The Licencsee shall, within 60 days of the written request of the Director, submit a plan:
   a) to conduct a site assessment at the Development to determine any existing contamination of the soil, surface water or ground water; and
   b) to describe measures to be taken to contain and remediate any potential leak or spill which might result from the transportation, storage or handling of asphalt or asphalt based material at the Development.

27. The Licencsee shall implement, as determined by the Director, any or all of the works described in the plan requested in Clause 26, of this Licence, within a time frame as determined by the Director.

Respecting Emergency Planning

28. The Licencsee, within 90 days of the issuance of this Licence, or other time frame approved by the Director, shall submit for approval of the Director, a contingency plan in accordance with the Manitoba Industrial Accidents Council (MIAC) Industrial Emergency Response Planning Guide, outlining procedures to be used in the event of a leak, spill, fire, or other hazardous condition at the Development.

Respecting Closure of Development

29. The Licencsee shall, in the event that the facility is to be permanently closed as a permanent asphalt facility, or is offered for sale, conduct an investigation, to the satisfaction of the Director, to identify any contamination that may have resulted from the operation of the Development.

30. The Licencsee shall, where the investigation referred to in Clause 29, of this Licence, shows that contamination of the environment has occurred, submit a remediation proposal to the Director and, upon approval of this proposal by the Director, the required remediation shall be carried out by the Licencsee.
REVIEW AND REVOCATION

A. If, in the opinion of the Director, the Licencee has exceeded or is exceeding or has or is failing to meet the specifications, limits, terms, or conditions set out in this Licence, the Director may, temporarily or permanently, revoke this Licence.

B. If, in the opinion of the Director, new evidence warrants a change in the specifications, limits, terms or conditions of this Licence, the Director may require the filing of a new proposal pursuant to Section 10 of The Environment Act.

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Tracey Braun, M. Sc.
Director
Environment Act

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