September 20, 2012

David Pancoe
The Forks Renewal Corporation
202-One Forks Market Road
Winnipeg MB R3C 4L9

Dear Mr. Pancoe:

Enclosed is Environment Act Licence No. 3017 dated September 20, 2012 issued to The Forks Renewal Corporation for the construction and operation of the Development being a composting facility located on the land known as South Point (see Appendix A) at The Forks in the City of Winnipeg, in accordance with the Proposal dated May 11, 2012.

In addition to the enclosed Licence requirements, please be informed that all other applicable federal, provincial and municipal regulations and by-laws must be complied with. A Notice of Alteration must be filed with the Director for approval prior to any alteration to the Development as licensed.

For further information on the administration and application of the Licence, please feel free to contact Donna Smiley, Regional Supervisor @ (204) 945-7072.

Pursuant to Section 27 of The Environment Act, this licensing decision may be appealed by any person who is affected by the issuance of this Licence to the Minister of Conservation within 30 days of the date of the Licence.

Yours truly,

Tracey Braun, M.Sc.
Director
Environment Act

c: Don Labossiere, Director, Environmental Compliance and Enforcement
Donna Smiley, Regional Supervisor, Environmental Compliance and Enforcement (via email)
Public Registries

NOTE: Confirmation of Receipt of this Licence No. 3017 (by the Licencee only) is required by the Director of Environmental Assessment and Licensing. Please acknowledge receipt by signing in the space provided below and faxing a copy (letter only) to the Department by October 3, 2012.
Licence No. / Licence n° 3017

Issue Date / Date de délivrance September 20, 2012

In accordance with The Environment Act (C.C.S.M. c. E125) /
Conformément à la Loi sur l'environnement (C.P.L.M. c. E125)

Pursuant to Sections 10(1) / Conformément au Paragraphe 10(1)

THIS LICENCE IS ISSUED TO: / CETTE LICENCE EST DONNÉE À:

THE FORKS RENEWAL CORPORATION:
"the Licencee"

for the construction and operation of the Development being a composting facility located on the land known as South Point (see Appendix A) at The Forks in the City of Winnipeg, in accordance with the Proposal dated May 11, 2012, and 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;

"approved" means approved by the Director or assigned Environment Officer in writing;

"compost" means solid mature product resulting from composting;

"composting" means a managed process of bio-oxidation of a solid heterogeneous organic substrate including a thermophilic phase;

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

"leachate" means liquid that has percolated through compost feedstock or compost, and that contains dissolved and suspended materials from the compost feedstock or compost;

"liner" means a continuous layer of reworked soil, or man-made materials placed beneath and on the dyke of a composting facility, or a storage area intended to restrict the downward or lateral escape of leachate, and gas;

"noise nuisance" means an unwanted sound, in an affected area, which is annoying, troublesome, 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 members of the public;

if the unwanted sound
   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 sound 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 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 odour, smell or 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;

"pest" means any injurious, noxious or troublesome, insect, weed, rodent, fungus, algae, or other plant or animal;

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

"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 reduce the production and dissemination of wastes by initiating and maintaining waste reduction and waste recycling programs.

3. In addition to any of the limits, terms or conditions specified in this Licence, the Licencee shall, upon the request of the Director:
   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 pollutant(s) from the 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.

4. The Licencee shall, in the event of a release, spill, leak, or discharge of a pollutant or contaminant in an amount or concentration, or at a level or rate of release, that exceeds the limit that is expressly provided under The Environment Act, another Act of the Legislature, or an Act of Parliament, or in a regulation, licence, permit, order, instruction, directive or other approval or authorization issued or made under one of those Acts, immediately report the release, spill, leak, or discharge by calling 204-944-4888. The report shall indicate the nature of the release, leak, or discharge, the time and estimated duration of the event and the reason for the release, spill, leak, or discharge.

5. 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, compost, and air samples in accordance with methodologies approved by the Director;
   c) have all analytical determinations undertaken by an accredited laboratory; and
   d) report the results to the Director, in writing and in an electronic format acceptable to the Director, within 60 days of the samples being taken.

6. 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.

7. The Licencee shall submit all information required to be provided to the Director under this Licence, in writing, in such form (including number of copies) and of such content as may be specified by the Director, and each submission shall be clearly labelled with the Licence Number and Client File Number associated with this Licence.

8. The Licencee shall designate an employee, within 60 days of the date of issuance of this Licence, as the Licencee’s Environmental Coordinator, whose job description will include assisting the Licencee in complying with the limits, terms and conditions in this Licence and assisting Senior Management of the Licencee to manage environmental issues at the Development. The name of the Environmental
Coordinator shall be submitted in writing to the Director within 14 days of appointment.

9. The Licencee shall institute a pest control program at the Development in a manner acceptable to the Director.

**SPECIFICATIONS, LIMITS, TERMS AND CONDITIONS**

**Respecting Air Emissions – Limits**

10. The Licencee shall not emit particulate matter from the Development such that:
   a) particulate matter:
      i) exceeds 0.23 grams per dry standard cubic metre calculated at 25 degrees Celsius and 760 millimetres of mercury, corrected to 12 percent carbon dioxide for processes involving combustion, 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) opacity from any point source of the Development 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.

11. The Licencee 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.

12. The Licencee 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 Composting**

13. The Licencee shall establish the appropriate Carbon to Nitrogen ratio (C:N) for each batch of compost prior to beginning the composting process for that batch.

14. The Licencee shall only accept and use food waste, yard trimmings, yard waste, garden waste, and leaves, or other material acceptable to the Director, as compost feedstock at the Development.

15. The Licencee shall generate compost at the Development that achieves the quality requirements and specifications as contained in the most recent edition of the
Canadian Council of Ministers of the Environment publication entitled “Guidelines for Compost Quality – PN1340”.

16. The Licencee shall not sell or make available to any third party compost generated at the Development that does not achieve the quality requirements and specifications as contained in the most recent edition of the Canadian Council of Ministers of the Environment publication entitled “Guidelines for Compost Quality – PN1340”.

17. The Licencee shall dispose of any process material that does not achieve the compost quality as required by Clause 15 of this Licence only in a manner that is acceptable to the Director.

18. The Licencee when preparing the compost feedstock storage and compost curing area shall:
   a) remove all organic topsoil from the area of development prior to construction.
   b) construct a minimum 0.5-metre thick compacted clay liner or any alternative synthetic materials with a hydraulic conductivity of $1 \times 10^{-7}$ cm/s or less.
   c) construct a minimum 15 centimetres high dykes with compacted clay or any alternative synthetic materials around the storage and compost curing area to contain any leachate generated from the development.

19. The Licencee shall not discharge any leachate from the development without prior written authorization from the Director.

20. The Licencee, from the date of this Licence until such time that the Director agrees to adjust the monitoring requirements, shall conduct a monitoring program that includes:
   a) daily measurements of moisture content, and temperature of the composting process; and
   b) weekly measurements of moisture content, and temperature of the curing compost;
   c) semi annual measurements of ammonia, nitrate, sulphur, phosphorus, potassium, zinc, magnesium, iron, copper, boron, sodium, and calcium of the final compost.
   d) daily record of type and quantity of material processed;
   e) weekly record of quantity of compost generated;
   f) weekly record of disposal method for compost or other processed material; and
   g) any other parameter at any frequency as required by the Director.

21. The Licencee shall maintain a record of the sampling results, obtained pursuant to Clause 20 of this Licence, at the Development and shall provide those records to an Environment Officer upon request.

22. The Licencee shall submit the sampling results, obtained pursuant to Clause 20 of this Licence, in an annual report containing at minimum but not limited to:
   a) the raw data collected; and
   b) a discussion of the sampling and analytical portions of the program including any anomalies of sampling and analysis.
23. The Licence shall submit, to the Director prior to March 1 of each year beginning in 2014, the annual report required by Clause 22 of this Licence.

24. The Licencee shall maintain sufficient carbon source on site to achieve the desired C:N ratio as determined pursuant to Clause 13 of this Licence.

25. The Licencee shall transfer all compost feedstock, stock piled on-site, into Biovatar to initiate composting within 72 hours of delivery to the Development.

26. The Licencee shall dispose all excess compost feedstock that cannot be processed within 72 hours of delivery in a manner that is acceptable to the Director.

27. The Licencee shall, within 60 days of the date of this Licence, establish an Operations Manual acceptable to the Director that describes, at a minimum, the compost management practices and compost sampling and monitoring plan, necessary to achieve compliance with Clauses 15 and 20 of this Licence.

28. The Licencee shall provide the necessary training to on-site personnel at the Development to achieve compliance with Clause 15 of this Licence.

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 the Licencee has not commenced construction of the Development within three years of the date of this Licence, the Licence is revoked.

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

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Client File No.: 5585.00

/Signature/

Tracey Braun, M.Sc.
Director
Environment Act