



November 25, 2014

Manitoba Conservation and Water Stewardship
160 – 123 Main Street
Winnipeg, MB
R3C 1A5

Attention: Eshetu Beshada, Ph.D., P. Eng.
Environmental Engineer

Re: Notice of Alteration, Environmental License 2253 RR

Dear Mr. Beshada,

In accordance with the Environment Act, Section 14, Borland Construction Inc. (Borland) is hereby providing notice of alteration to the asphalt plant facility located on Lot 1, Plan No. 24524 in Lot G, R.C.M.P. at or near 190 Dawson Road in the City of Winnipeg, licensed with Manitoba Conservation and Water Stewardship under Environmental License 2253 RR.

Background

As part of the phased upgrade to the asphalt plant facility as outlined in the December 13, 2010 Notice of Alteration (a copy is attached for reference), Borland will be proceeding with an upgrade to the existing air pollution equipment (baghouse).

The existing baghouse, was examined and the cost of upgrading it by adding a center section was compared to replacing it with a new baghouse. It was determined that installing a new baghouse would provide better value for the funds spent.

Physical Changes

The physical changes will involve the removal of the existing Standard Havens Alpha Mark I pulse jet baghouse and replacing it with a new pulse jet baghouse size 28/16.5 manufactured by Maxam Equipment Inc. A copy of the manufacturer's proposal and baghouse specification is attached for reference.

The change in equipment will provide the asphalt plant with an increase in production capacity from approximately 175 tonnes per hour to approximately 230 tonnes per hour. This is consistent with the rated capacity of the dryer drum that was upgraded in 2011 and the capacities stated in the December 13, 2010 Notice of Alteration.

Changes to Raw Materials

In general, there are no expected changes to the raw materials that will be used.

Operational Changes

In general, there are no expected changes to the current process of producing asphalt.

Changes to the Environmental Effects

The proposed air pollution control device is the same type as what currently exists. Therefore, the baghouse upgrade will not change the environmental effects of the asphalt plant. The baghouse will be newly manufactured and is expected to perform at the manufacturer's rated efficiency of 99.97% based on 80% particulate above 5 micron.

Summary Statement

The facility on 190 Dawson Road will continue to produce asphalt and will continue to use a baghouse as the air emissions control device. By upgrading the baghouse, the asphalt plant will have the ability to increase the production capacity from 175 to 230 tonnes per hour. The new baghouse is expected to perform at the manufacturer's rated efficiency of 99.97% based on 80% particulate above 5 micron.

I trust that the above information satisfies all the requirements for you to proceed with the necessary approvals to enable Borland to complete the required work prior to the commencement of asphalt production in the Spring of 2015. If you have any questions or require further information, do not hesitate to contact me at 204.255.6444 x 216 or dshume@borlandconstruction.com.

Yours truly,

BORLAND CONSTRUCTION INC.

Per:

A handwritten signature in black ink, consisting of several overlapping loops and a long horizontal stroke extending to the right.

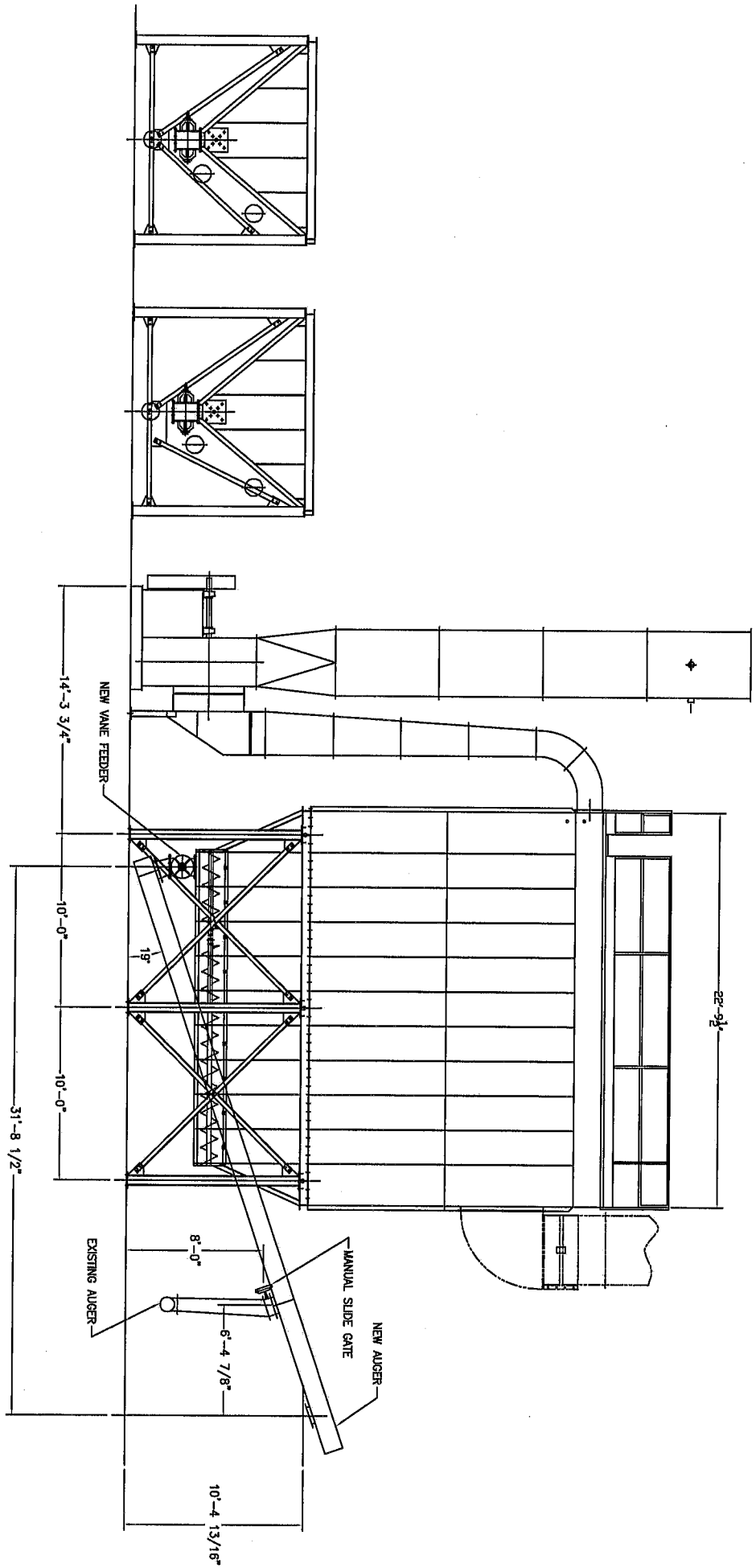
David Shume, P. Eng.
Manager, Materials Division
DS/ds
Enclosure



BAGHOUSE SPECIFICATIONS

1. Manufacturer: MAXAM EQUIPMENT, INC.
2. Model: MAXAM STATIONARY BAGHOUSE 28/16.5
3. CFM Capacity: MAXIMUM 54,000 @ 5.1:1 AIR TO CLOTH RATIO
4. Operating Inches W.G. (Pressure Drop) 3 - 6" W.G.
5. Number Of Compartments In Unit: ONE - FILTER BAG COMPARTMENT
6. Number Of Filter Elements: 392
7. Size Of Each Filter: 6 1/4" DIAMETER x 16'-6" LONG
8. Type Of Filter Material: 16 OZ. POLYESTER
9. Maximum Recommended Temperature: 275 DEGREES FAHRENHEIT
10. Total Effective Cloth Area: 10,582 SQUARE FEET
11. Cleaning Mechanism: PULSE JET
12. Estimated Time Between Cleaning Phases: 15 - 20 SECONDS
13. Number Of Filter Elements Cleaned At One Time: 14
14. Particulate Collected: AGGREGATE DUST
15. Rated Efficiency: 99.97% BASED ON 80% PARTICULATE ABOVE 5 MICRON
16. Production Capacity: 230 METRIC TONS PER HOUR

MAXAM EQUIPMENT, INC.
6501 E. Commerce Ave. - Kansas City, MO 64120
(816) 241-7380 - Fax (816) 241-6455
(800) 292-6070





November 12, 2014

Mr. David Shume
Borland Construction
751 Lagimodiere Blvd.
Winnipeg, MB R2J0T8

Dear David,

Thank you for your inquiry for a Maxam Stationary Pulse Jet Baghouse. We are pleased to offer the following proposal for your review:

STATIONARY BAGHOUSE

The size 28/16.5 Baghouse incorporates 392 bags for a total volume of 10,582 square feet of cloth. It is designed to efficiently filter 54,000 ACFM of dust-laden air at a 5.1 to 1 air to cloth ratio.

Construction

The housing is of all welded construction using 3/16" carbon steel, reinforced to withstand a 20" w.g. pressure differential. Top doors are 10 gauge Stainless Steel safety plate, and handrails are 1-1/2" square tubing. All interior surfaces are painted with 800 degree silicone alkyd, and all exterior surfaces are primed and finish coated with high gloss enamel. A ladder for top access and top handrails are included.

Laser cut holes in the 3/16" carbon steel tube sheet provide a superior seal between the bags and tube sheet. The fine finish cut of the laser eliminates the distortion in the tube sheet, which can occur from die-cut holes, or from the heat generated in plasma cutting operations.

Dust removal is via a heavy duty 12" auger with 2" shafts and 5 HP drive.

Bags and Cages

The bags are 6.25 Dia. x 16'-6", 16 oz. Polyester Filter and feature a sewn-in bottom and a snap-band top. This allows easy bag changing while providing an excellent bag/tube sheet seal.

Cages are 5.85 Dia., 11 ga., 10 wire galvanized. The bottom pan of galvanized steel is crimped in place. The cage top includes an integral venturi for maximizing the pulsing action.

MAXAM EQUIPMENT, INC.
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STATIONARY BAGHOUSE (continued)

Cleaning Action

Maxam provides the most unique and efficient pulsing system in the industry. The 33% larger valves are mounted into the manifold built as part of the clean air plenum. The heated manifold extends the life of the diaphragms, while providing easy maintenance of the valves from outside the baghouse.

Filter bag cleaning is of the individual reverse pulse design. A burst of compressed air is directed to each bag through a double diaphragm valve and manifold assembly. The valves utilized by Maxam deliver at least 33% more air than those used by other manufacturers for maximum cleaning efficiency.

Controls

A solid-state 32-step pulse control panel in a NEMA 4 enclosure is pre-wired to the valves and ready for exterior mounting on a baghouse leg to control the pulsing cycle.

Options Included

- Outlet Ducting, Fan Discharge Transition & Stack, all 10 ga. Carbon Steel
- New York Blower Backwardly Inclined SWSI Fan, Model 44 with PLR Wheel, Class IV with 200 HP and Variable Frequency drive
- 48" Diameter x 36" Long Slip Band

DUST RETURN SYSTEM

- 12" x 12" Airlock with 1 1/2 HP Drive
- 12" x 36' Dust Auger with 10 HP Drive
- 12" Manual Slide Gate with Hand Wheel
- Supports and Chutes
- 12" x 12' Dust Auger with 3 HP Drive

FIELD SERVICE

Maxam will perform a site survey in order to provide the necessary installation layout drawings. No other service is included in the proposal, however, additional field service is available at our standard rate of \$900 per day plus expenses.

PURCHASE PRICE

Size 28/16.5 Stationary Baghouse

Standard Sell Price, less all applicable taxes, F.O.B. Shipping Point: \$

Dust Return System

Standard Sell Price, less all applicable taxes, F.O.B. Shipping Point: \$

TOTAL Order Amount:

Delivery: 12 -14 weeks after receipt of down payment and signed purchase order. Quoted lead time and order processing does not begin until receipt of down payment and signed purchase order. Above price is based solely on the equipment described herein. Any change in equipment or description may result in a change in price.

CUSTOMER'S RESPONSIBILITIES

If applicable, or unless otherwise specified:

- Any equipment, modification to existing equipment, or services not specified as being supplied by Maxam Equipment, Inc.
- Buyer solely responsible for procurement and cost of all necessary equipment or any modification of equipment required to meet prescribed codes, mix designs, or regulations set forth by local, state, or federal authorities.
- Any testing required, including state approval, is the responsibility of the Buyer
- All required permits and fees for installation & operation of proposed equipment
- All applicable taxes
- Design, soil testing, and installation of all concrete foundations & anchor bolts necessary for erection of proposed equipment
- All design, supply, and installation of all power and control wiring
- All lifting equipment and man-lifts. Proper sizing of lifting equipment is Buyer's responsibility
- Unloading and staging equipment as it arrives on site
- All lubricants, heat transfer oil, and hydraulic oil as required
- All air piping, asphalt, hot oil, and fuel piping
- All belt scale alignments and plant calibrations
- All equipment and labor necessary for the proper erection of the proposed equipment
- All grading and fill work required to accommodate new equipment
- All concrete and block work
- Supply and install incoming high voltage line from transformer to control center
- Footings, installation, certification and calibration for truck scales
- Demolition and final removal and discarding of demolished equipment
- Final removal and disposal of all trash and debris

CUSTOMER'S RESPONSIBILITIES (continued)

- Freight from point of origin. All freight quotes and estimates are given as guidelines for the shipment of proposed equipment and are not to be misconstrued as actual costs of shipment.

TERMS AND CONDITIONS

1. PAYMENT

25% nonrefundable down payment due with order, balance due prior to shipment or offer to ship. 1.5% per month interest will apply to all past due amounts. Upon Buyer's default in making any payment, or in the performance of its obligations, Seller shall have all the rights and remedies of a secured party after default in addition to all other rights provided by contract and by operation of law. Buyer agrees to pay Seller, in addition to the interest on overdue sums due, reasonable attorney's fees, court costs, and other expenses of Seller incurred in enforcing Seller's rights hereunder. Any taxes not collected by Seller are the responsibility of the Buyer. All payment terms are subject to credit approval.

2. SECURITY INTEREST

Buyer grants Seller a security interest in the equipment until the purchase price is paid in full. Buyer shall then own the equipment with all rights of property owner, free and clear of any debt to Seller.

3. WARRANTY

Materials and Workmanship Warranty (enclosed herewith). Warranty is valid only if payments are made within terms. Seller disclaims the implied warranties of merchantability and fitness for a particular purpose. The goods sold are not for household use.

4. LIABILITY

Seller assumes no liability for incidental, special, consequential, or punitive damages under any warranty, express or implied, or otherwise and all such liability is expressly excluded. Buyer consents to this exclusion by his first payment.

5. ORDERS

All orders subject to acceptance by (Seller) Maxam Equipment, Inc., Kansas City, MO.

6. POSTPONED DELIVERY

If, by no fault of Seller, Buyer delays or postpones delivery, the Buyer shall pay to Seller any additional costs incurred by or arising from such delay or postponement, and the balance remaining unpaid on the contract price, after effect to such adjustments, shall become due and payable.

7. BACK CHARGES AND ALLOWANCES

Some field fit-up modifications can be expected and are the responsibility of the Buyer. These modifications could include cutting, welding, or touch-up paint and are considered normal. Seller will not be called upon to make any allowances for material, repairs, or alterations made for this account unless authorized by Seller in writing.

TERMS AND CONDITIONS (continued)

8. CANCELLATION

This order is for custom fabricated equipment and is noncancelable.

9. QUOTATIONS

The price and specifications in this proposal are valid for 10 days from date of this proposal, after which time Seller's offer is to be deemed expired.

10. PERFORMANCE

Important: The performance of the equipment in this proposal cannot be exactly predicted for every operating condition and, as such, cannot be guaranteed. Variations in atmospheric conditions, fuel type and aggregate gradations may result in variations in the equipment performance. The performance parameters listed for the equipment covered in this proposal are based on materials which conform to the following criteria: 1) Total fines in the aggregates, on a dry basis, less than 200 mesh (0.075 mm) will be 5% or less. 2) Total fines less than 10 microns (approximately 2,000 mesh equivalent) will be no more than 1% of the total fines less than 200 mesh. 3) Total coarse material in the aggregates, on a dry basis, passing the number 8 sieve (2.36 mm) will be 20% or less.

11. RESPONSIBILITY OF BUYER FOR OPERATION OF EQUIPMENT

The operation of the equipment shall be the sole and exclusive responsibility of Buyer. Any assistance rendered by the Seller's representatives or employees in connection with preliminary operations and demonstrations of capacity and performance of the equipment, or in any other capacity, shall be given solely in a consulting or advisory capacity and shall not release Buyer in any manner whatsoever from its responsibility for operating the equipment. Buyer agrees to indemnify and hold harmless the Seller and all employees of the Seller from and against any and all liabilities, damages, obligations and claims (including without limitation, court costs and reasonable attorney's fees) arising from or with respect to the operation of the equipment. Without limiting the generality of the preceding sentence, the parties acknowledge and agree that if a claim initially was brought against the Seller for defective manufacture or design and was adjudged by a court of proper jurisdiction or otherwise settled (such settlement being with Buyer's consent) on a basis relating too the negligent operation or use of the equipment by Buyer, Seller would be entitled to indemnification from Buyer pursuant to the provision of the preceding sentence.

12. OPERATION AND MAINTENANCE

On certain items, or where applicable, Seller will provide an Operation and Maintenance Manual. It is the Buyer's responsibility to train their personnel in charge of operating the equipment and performing maintenance with all aspects of the manual, including all safety standards applicable. Seller is not responsible for negligent operation or maintenance, misuse of, or liability incurred due to unforeseen use of the equipment by Buyer or its employees or agents.

Mr. David Shume
November 12, 2014
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We thank you for your inquiry, and look forward to working with you. If you have any questions, or if we may be of any further assistance, please do not hesitate to call.

Sincerely,


Renee Macomber

Renee Macomber
Senior Account Manager

cc: Ron Murphy, Maxam Equipment
Eric Hutchison, Regional Sales Manager

14091907, Revision 2

Order Accepted by:
Print Name:
Title:


DAVID SHUME
MANAGER, MATERIALS DIVISION

P.O. #
Date:

A01613
NOVEMBER 14, 2014

MAXAM EQUIPMENT, INC.
6501 E. Commerce Ave. • Kansas City, Missouri 64120
(816) 241-7380 • Fax (816) 241-6465
(800) 292-6070



LIMITED WARRANTY

Seller warrants and guarantees to the original Buyer that all equipment and parts manufactured by the Seller are free from defects in material or workmanship for a period of one (1) year from date of shipment. All claims by Buyer after one (1) year after initial payment are invalid. Liability under this warranty is limited to repair or replacement F.O.B. place of shipment of any parts that prove to be defective within that time as determined by Seller. Installation and freight of repaired or replacement components are specifically excluded under this warranty. All equipment and material not manufactured or designed by Seller shall receive only such warranty, if any, as is given by the manufacturer thereof.

Seller does not warrant or guarantee performance of the equipment sold, beyond the date of delivery or installation.

All repairs or maintenance done on the equipment shall be done by authorized service providers. Any warranties made by Seller herein contained shall be waived, made null and void, should repair be made on the equipment by an unauthorized service provider at the request of the Buyer.

Seller is not responsible for damage to its products through improper transport, installation, maintenance, use, or attempts to operate it above its rated capacity, intentionally or otherwise, or for unauthorized repairs. Seller is not responsible for normal wear or damage to its products caused by abrasion, corrosion, excessive temperature, condensation of moisture, chemical attack, fire, or explosion. Any failure to notify Seller of unsatisfactory operation, or any improper or unauthorized installation, maintenance, use, repairs or adjustments, shall terminate this Warranty and shall relieve Seller from any further responsibility thereunder.

Seller shall not be liable for special or consequential damages in any claim, action, suit or proceeding arising under the Warranty or the Contract of Sale, nor shall there be any liability thereunder for claims for labor, loss of profits or good will, repairs or other expenses incidental to replacement.

Seller shall not be liable under any product liability theory, including strict liability, for injuries sustained while equipment is operated or used by Buyer, or its agents or employees. Buyer assumes all liabilities for such injuries. Any defect in design or manufacture discovered, by the Buyer or otherwise, after one (1) year warranty, contained above, which causes injury, shall not cause the Seller to be liable for such injuries.

THIS EXPRESS LIMITED WARRANTY IS IN LIEU OF AND EXCLUDES ALL OTHER REPRESENTATIONS MADE BY ADVERTISEMENTS OR BY AGENTS AND ALL OTHER WARRANTIES, BOTH EXPRESS AND IMPLIED. THE GOODS SOLD ARE NOT FOR HOUSEHOLD USE. THERE ARE NO IMPLIED WARRANTIES OF MERCHANTABILITY OR OF FITNESS FOR A PARTICULAR PURPOSE FOR GOODS COVERED HEREUNDER.

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