STATEMENT OF BASIS

Century Boat Company
Panama City Facility
Facility ID No.: 0050061
Bay County

Title V Air Operation Permit Renewal
FINAL Title V Air Operation Permit No.: 0050061-007-AV

This Title V Air Operation Permit Renewal is issued under the provisions of Chapter 403, Florida Statutes (F.S.), and Florida Administrative Code (F.A.C.) Chapters 62-4, 62-210 and 62-213. The above named permittee is hereby authorized to operate the facility shown on the application and approved drawing(s), plans, and other documents, attached hereto or on file with the permitting authority, in accordance with the terms and conditions of this permit.

The purpose of this permit is to renew the Title V Operation Permit 0050061-005-AV. The initial Title V Air Operation Permit No. 0050061-004-AV was issued June 8, 1998. It established an emission unit for the fiberglass boat manufacturing facility, and identified emissions of 98.2 tons/year VOC and 83.9 tons/year HAP. The facility applied for construction permit 0050061-006-AC on March 10, 2003, requesting an increase in the maximum production capacity and allowable emissions to 175 tons per year VOC and/or HAP. This increase resulted from changed emission factors and included a reasonable growth factor determined from sales forecasts. The requested increase did not include any new construction, equipment, or changes in facility configuration or potential production capacity.

This permit reflects language in 0050061-008-AC which, at applicant's request, removed limitations on materials usage and individual HAP species as stated in previous permits. Most of VOC and HAP emitted is Styrene. The new HAP limit is based on equation from 40 CFR 63.5698 in Specific Condition A.6. Limit varies with mass of resins and gelcoat used.

This facility consists of fiberglass boat manufacturing and associated activities. This site consists of five major structures, identified as Building 1 through 6 (alternately Plant 1 through 6) running approximately north to south on the site plan.

Building 1	Contains offices and administrative functions
Building 2	Gelcoating and Lamination activities (main source of VOC) and Cabinet Shop and Upholstery/Canvas activities
Building 3	Maintenance Building
Building 4	Gelcoating and Lamination activities (main source of VOC)
Building 5	Parts and Materials storage
Building 6	R&D/prototype/warranty repair activities

In Buildings 2 and 4, a layer of (typically pigmented) gelcoat is spray applied to the prepared molds in the enclosed gelcoat areas. After the application of the gelcoat layer, the molds are moved to the lamination area, where the various layers of resin and fiberglass are applied using non-atomized mechanical spray techniques. The resin is hard piped to the point of use from the

resin storage tank. Gelcoating of “small parts” such as hatches, consoles and components is performed primarily in Building 4. Some small part manufacturing is done in Building 2 using the same techniques as for the larger hulls and decks. After the gelcoating, the small parts follow the same process as the hulls and decks.

After curing the hardened fiberglass hull and deck parts (and small parts) are removed from the molds and the excess material “flashing” is trimmed, typically with a hand held air driven cut off tool. Floatation and structural foam may be added depending on the requirements of the particular model being constructed. Imperfections in the surfaces are removed by grinding the surface in one of the “grinding booths” and re-applying gelcoat and/or resin. These booths are equipped with dust collection systems with internally recirculated exhaust. The booths have had minor reconfigurations which have improved the airflow and collection efficiency compared to the original design. No exhaust air is emitted from these booths to the outside, and the booths are considered exempt from air permitting requirements.

The hulls are moved to an assembly area to be finished with decking, hatches, hardware, electrical systems and motors.

Also included in this permit are miscellaneous unregulated/insignificant emissions units and/or activities.

Based on the Title V Air Operation Permit Renewal application received April 24, 2008, this facility is a major source of hazardous air pollutants (HAP).

Electronic file name: 0050061-007sob.doc