

Klausner Holding USA, Inc.
1297 Professional Drive, Suite 202 · Myrtle Beach, SC 29577 · USA

Department of Environmental Protection
Division of Air Resource Management
Office of Permitting and Compliance
Jeff Koerner, P.E.
Administrator
2600 Blair Stone Road, MS #5505
Tallahassee, Florida 32399-2400

Klausner Holding USA, Inc.

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Myrtle Beach, 4 November 2013

Notification of Construction Activities
Klausner Holding USA Inc. - Suwannee Mill
Facility ID No. 1210468
Air Permit No. 1210468-001-AC

Dear Mr. Koerner,

Klausner Holding USA Inc. (Klausner) has prepared the following letter to inform you that pursuant to Title V Permit number 1210468-001-AC, issued on May 9, 2012, Section 2-7.a., and Rule 62-210.200(79), F.A.C., Klausner has commenced construction of the Suwannee Mill, located 1.5 miles east of the intersection of U.S. Highway 90 and 185th Road, northwest of Live Oak, in Suwannee County, Florida.

“Commence Construction” – As applied to the construction or modification of a facility, means that the owner has all preconstruction permits and approvals required under federal air pollution control laws and regulations and those air pollution control laws and regulations which are part of the State Implementation Plan (SIP) or which are part of Chapter 62-210 or 62-212, F.A.C., to the extent that the provisions of these laws and regulations specify conditions or requirements for obtaining a state construction permit for an emissions unit, and:

- (a) Begins a continuous program of actual on-site construction or physical modification of the facility, to be completed within a time commensurate with the nature of the construction project; or*
- (b) Enters into binding agreements or contractual obligations, which cannot be cancelled or modified without substantial loss to the owner or operator, to undertake a program of actual construction or physical modification of the facility to be completed within a time commensurate with the nature of the construction project; or*
- (c) Begins those on-site activities, other than preparatory activities, which mark the initiation of a change in the method of operation of the facility.*

Klausner has entered into contractual obligations with Evans General Contractors to undertake actual construction of the mill, to included site grading and storm drain construction. The site grading began in October 2013. A n extraction of the executed agreement with Evans General Contractors is attached to this letter.

Klausner will continue the on-site construction of the mill without an interruption of 18 months or greater.

If you have any questions or comments regarding this notification, please do not hesitate to contact Sabine Merkle or Mr. Michael Ballenger at (407) 982-2891, ext. 102, or mballenger@trinityconsultants.com.

Sincerely,

KLAUNSER HOLDING USA, INC.

A handwritten signature in blue ink, appearing to read "Leopold Stephan".

Leopold Stephan
Director

cc: Mr. Michael Ballenger, Trinity Consultants

Attachment

**AGREEMENT BETWEEN OWNER AND CONTRACTOR
FOR WORK ON A COST PLUS A PERCENTAGE FEE BASIS WITH A
GUARANTEED MAXIMUM CONTRACT PRICE**

THIS AGREEMENT is effective the 10th day of September in the year 2013, by and between the identified **OWNER** and **CONTRACTOR** (collectively the "Parties") in relation to the following Project:

OWNER:

KLAUSNER LUMBER ONE, LLC
1297 Professional Drive, Suite 202
Myrtle Beach, South Carolina 29577

CONTRACTOR:

EVANS GENERAL CONTRACTORS, LLC
705 Hembree Place
Roswell, GA 30076
FL License No.: **CGC 1521472**

PROJECT:

LIVE OAK – SAWMILL PROJECT
4901 169th Road
Live Oak, Florida 32060

ARCHITECT:

LTC ASSOCIATES, INC.
912 Lady Street, Suite 300
Columbia, South Carolina 29201
FL License No.: **AR96224**

CIVIL ENGINEER:

THE CONTINEO GROUP
572 Oakdale Road
Atlanta, GA 30307
FL License No.: **71653**

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ATTACHMENT "B"
SCOPE OF WORK

PHASE 1 SITEWORK & E-1 ELECTRICAL PACKAGE

EARTHWORK:

- Importing of suitable fill material from adjacent sites, including clearing, stripping and erosion control of the borrow area. Total import quantity is approximately 140,000 cy which is assumed to be available over a 15 acre onsite borrow area. Stripping and placement of suitable fill material that has been placed south of the Log Processing area by JB Coxwell under their contract with the County.
- Placement of non-structural fill material south of the Log Processing area to the finished grades.
- Placement of topsoil in permanent grassed areas. Topsoil to be obtained from borrow area. Additional required topsoil (if any) will be obtained from County stockpile at no cost to EGC or sitework subcontractor.
- Maintenance of existing silt fence.
- Permanent and temporary seeding.
- Lime treatment for all seeding.
- Layout/engineering.
- Subcontractor bond is excluded.
- All fill and cut quantities based on the site being at elevation 85.25 +/- 2/10" per JB Coxwell's contract with the county. Any areas not meeting the aforementioned tolerance will be subject to additional cost to bring the grade to the appropriate elevation per the drawings.

STORM SEWER:

- Inlets, catch basins, manholes and flared end sections as indicated on the drawings.
- All concrete structures and reinforced concrete pipe include admixtures.
- Bedding of reinforced concrete pipe with onsite suitable material.
- Inlet protection at new catch basins to minimize soil intrusion into the piping system.
- Unsuitable excavated material will be disposed of onsite and replaced with suitable material from the borrow area. The unsuitable material will be placed either south of Log Processing or in borrow pit.
- Layout/engineering.
- Drainage swales at the area south of Log Processing including matting and concrete paving.
- Rip Rap at all outfalls.
- Adjustments to inlets at the stone/paving areas to account for the grade not being at design elevation during this scope.
- Subcontractor bond is excluded.

ELECTRICAL:

- Underground conduits (other than 25kv) for the power duct bank (PDB) and signal duct bank (SDB) with pull string.
- All ductbank conduit included as SCH40 PVC per INP direction.
- Manholes and hand holes included per drawings. Alternate provided for 8'x8'x8' manholes.
- Coating of manholes and handholes due to corrosive soils.
- Grounding of duct banks as indicated on the drawings.
- Backfill of conduit trenches shall utilize the suitable excavated material where possible.
- Where ductbank excavation extends below elevation 85.25, suitable onsite fill will be used for backfill.
- Excavation and backfill of ductbank.
- Magnetic tape is included in ductbank trenches.
- Sales tax is included.
- Ductbank elbows included per drawings.
- Reasonable dewatering that may be encountered at boring locations B-16 & B-27 based on geotech report.
- Subcontractor bond is included.

EXCLUSIONS:

- Erosion control, backfilling and restoration of borrow area
- Purchase of the borrow area
- Cleanup of existing silt fence (approximately \$65k)
- Importing of topsoil (other than as listed above)
- Sinkhole identification, testing and remediation
- Construction testing
- Utilities, including sanitary sewer, domestic water and fire.
- Fencing
- All pavement, including concrete, asphalt and stone
- Site lighting
- Conduits for LP-2. Scope stops at MH-24 and HH-23.
- Lightning protection
- General contractor bond
- Grounding of buildings
- SVEC conduits and wire including excavation, backfill, disposal of unsuitable material, etc.
- 25kv conduit and wiring
- Supply and installation of any wire or cabling