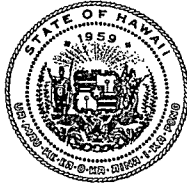


LINDA LINGLE
GOVERNOR OF HAWAII



CHIYOME L. FUKINO, M.D.
DIRECTOR OF HEALTH

STATE OF HAWAII
DEPARTMENT OF HEALTH
P.O. Box 3378
HONOLULU, HAWAII 96801-3378

In reply, please refer to:
File:

July 14, 2008

08-631E CAB

Mr. Don Bryan
President and CEO
Tradewinds Forest Products, LLC
P.O. Box 43
Ookala, Hawaii 96774

Dear Mr. Bryan:

Subject: Pre-permit Construction Activities

The Department of Health acknowledges receipt of your letters dated June 3, 2008 and July 10, 2008, requesting approval to construct the green veneer mill (veneer mill) prior to the issuance of the covered source permit. Your letter indicated that the veneer mill is a stand-alone facility and not an integral part of the dryer and boiler emission units. It was also indicated that the veneer mill is exempt from the air permit requirements and operating the veneer mill without the dryer and boiler units is financially viable and consistent with other facilities in the Pacific Northwest (seven of the ten veneer mills identified in the Pacific Northwest are operating without dryer and boiler units).

The Department of Health hereby finds that initiating construction of the equipment listed in your letter of July 10, 2008, to be acceptable and do not violate any state or federal rules against pre-permit construction. This determination is based on the information provided including that the veneer mill and dryer/boiler units are independent facilities and the veneer mill is not specifically designed to accommodate the dryer and boiler units.

In proceeding with the construction of the veneer mill, Tradewinds Forest Products accepts all risks and additional expenses that may be incurred and shall not use this as reasons for justifying the issuance of the covered source permit for the dryer and boiler emission units.

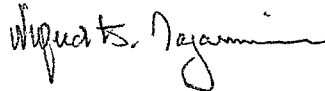
In constructing and operating the veneer mill, Tradewinds Forest Products shall comply with all applicable requirements of Hawaii Administrative Rules, Chapter 11-60.1, Air Pollution Control, including Section 33, Fugitive Dust, which requires reasonable precautions be taken to prevent fugitive dust from becoming airborne.

Mr. Don Bryan
July 14, 2008
Page 2

All construction activities of a permanent nature that are directly related to the proposed dryer and boiler emission units including the installation of building supports and foundations, paving, laying of underground pipe work, and constructions of permanent storage areas are prohibited. These activities may only commence if and when the covered source permit is issued.

If you have any questions, please call Mr. Nolan Hirai of my staff at (808) 586-4200.

Sincerely,



WILFRED K. NAGAMINE
Manger, Clean Air Branch

NH:ltk