STATE OF MISSISSIPPI
AND FEDERALLY ENFORCEABLE AIR POLLUTION CONTROL PERMIT

TO OPERATE AIR EMISSIONS EQUIPMENT AT A SYNTHETIC MINOR SOURCE

THIS CERTIFIES THAT

Knu, LLC
1300 North Broad Street
Leland, Washington County, Mississippi

has been granted permission to operate air emissions equipment in accordance with emission limitations, monitoring requirements and conditions set forth herein. This permit is issued in accordance with the Federal Clean Air Act and the provisions of the Mississippi Air and Water Pollution Control Law (Section 49-17-1 et. seq., Mississippi Code of 1972), the regulations and standards adopted and promulgated thereunder, and the State Implementation Plan for operating permits for synthetic minor sources.

MISSISSIPPI ENVIRONMENTAL QUALITY PERMIT BOARD

_____

AUTHORIZED SIGNATURE
MISSISSIPPI DEPARTMENT OF ENVIRONMENTAL QUALITY

Issued: _____ **Permit No.: 2800-00014**

Effective Date: As specified herein.

Expires:

SECTION 1

A. GENERAL CONDITIONS

1. This permit is for air pollution control purposes only.

   (Ref.: 11 Miss. Admin. Code Pt. 2, R. 2.1.D.)

2. This permit is a Federally-approved permit to operate a synthetic minor source as described in 11 Miss. Admin. Code Pt. 2, R. 2.4.D.

   (Ref.: 11 Miss. Admin. Code Pt. 2, R. 2.4.D.)

3. Any activities not identified in the application are not authorized by this permit.

   (Ref.: Miss. Code Ann. 49-17-29 1.b)

4. The knowing submittal of a permit application with false information may serve as the basis for the Permit Board to void the permit issued pursuant thereto or subject the applicant to penalties for constructing or operating without a valid permit.

   (Ref.: 11 Miss. Admin. Code Pt. 2, R. 2.2.B(5).)

5. The issuance of a permit does not release the permittee from liability for constructing or operating air emissions equipment in violation of any applicable statute, rule, or regulation of state or federal environmental authorities.

   (Ref.: 11 Miss. Admin. Code Pt. 2, R. 2.2.B(7).)

6. It shall not be a defense for a permittee in an enforcement action that it would have been necessary to halt or reduce the permitted activity in order to maintain compliance with the conditions of this permit unless halting or reducing activity would create an imminent and substantial endangerment threatening the public health and safety of the lives and property of the people of this state.

   (Ref.: 11 Miss. Admin. Code Pt. 2, R. 2.2.B(15)(a).)

7. The issuance of this permit does not convey any property rights in either real or personal property, or any exclusive privileges, nor does it authorize any injury to private property or any invasion of personal rights, nor any infringement of Federal, State or local laws or regulations.

   (Ref.: 11 Miss. Admin. Code Pt. 2, R. 2.2.B(15)(c).)

8. The permittee shall allow the Mississippi Department of Environmental Quality Office of Pollution Control and the Mississippi Environmental Quality Permit Board and/or their authorized representatives, upon the presentation of credentials:

(a) To enter upon the permittee's premises where an air emission source is located or in which any records are required to be kept under the terms and conditions of this permit, and

(b) At reasonable times to have access to and copy any records required to be kept under the terms and conditions of this permit; to inspect any monitoring equipment or monitoring method required in this permit; and to sample any air emission.

(Ref.: Miss. Code Ann. 49-17-21)

9. Except for data determined to be confidential under the Mississippi Air & Water Pollution Control Law, all reports prepared in accordance with the terms of this permit shall be available for public inspection at the offices of the Mississippi Department of Environmental Quality Office of Pollution Control.

(Ref.: Miss. Code Ann. 49-17-39)

10. Nothing herein contained shall be construed as releasing the permittee from any liability for damage to persons or property by reason of the installation, maintenance, or operation of the air cleaning facility, or from compliance with the applicable statutes of the State, or with local laws, regulations, or ordinances.

(Ref.: 11 Miss. Admin. Code Pt. 2, R. 2.2.B(7).)

11. The provisions of this permit are severable. If any provision of this permit, or the application of any provision of this permit to any circumstances, is challenged or held invalid, the validity of the remaining permit provisions and/or portions thereof or their application to other persons or sets of circumstances, shall not be affected thereby.

(Ref.: 11 Miss. Admin. Code Pt. 2, R. 2.1.D(7).)

12. This permit does not authorize a modification as defined in Regulation 11 Miss. Admin. Code Pt. 2, Ch. 2. – "*Permit Regulations for the Construction and/or Operation of Air Emission Equipment*". A modification may require a Permit to Construct and a modification of this permit. "*Modification*" is defined as any physical change in or change in the method of operation of a facility which increases the actual emissions or the potential uncontrolled emissions of any air pollutant subject to regulation under the Federal Act emitted into the atmosphere by that facility or which results in the emission of any air pollutant subject to regulation under the Federal Act into the atmosphere not previously emitted. A physical change or change in the method of operation shall not include:

(a) Routine maintenance, repair, and replacement;

(b) Use of an alternative fuel or raw material by reason of an order under Sections 2(a) and (b) of the Federal Energy Supply and Environmental Coordination Act of 1974 (or any superseding legislation) or by reason of a natural gas curtailment plan pursuant to the Federal Power Act;

(c) Use of an alternative fuel by reason of an order or rule under Section 125 of the Federal Act;

(d) Use of an alternative fuel or raw material by a stationary source which:

(1) The source was capable of accommodating before January 6, 1975, unless such change would be prohibited under any federally enforceable permit condition which was established after January 6, 1975, pursuant to 40 CFR 52.21 or under regulations approved pursuant to 40 CFR Part 51 – Subpart I, or 40 CFR 51.166; or

(2) The source is approved to use under any permit issued under 40 CFR 52.21 or under regulations approved pursuant to 40 CFR Part 51 – Subpart I, or 40 CFR 51.166;

(e) An increase in the hours of operation or in the production rate unless such change would be prohibited under any federally enforceable permit condition which was established after January 6, 1975, pursuant to 40 CFR 52.21 or under regulations approved pursuant to 40 CFR Part 51, Subpart I or 40 CFR 51.166; or

(f) Any change in ownership of the stationary source.

(Ref.: 11 Miss. Admin. Code Pt. 2, R. 2.1.C(15).)

B. GENERAL OPERATIONAL CONDITIONS

1. Should the Executive Director of the Mississippi Department of Environmental Quality declare an Air Pollution Emergency Episode, the permittee will be required to operate in accordance with the permittee's previously approved Emissions Reduction Schedule or, in the absence of an approved schedule, with the appropriate requirements specified in Regulation 11 Miss. Admin. Code Pt. 2, Ch. 3 – "*Regulations for the Prevention of Air Pollution Emergency Episodes*" for the level of emergency declared.

(Ref.: 11 Miss. Admin. Code Pt. 2, R. 2.10.)

2. Any diversion from or bypass of collection and control facilities is prohibited, except as provided for in 11 Miss. Admin. Code Pt. 2, R. 1.10. – "*Provisions for Upsets, Startups, and Shutdowns*".

(Ref.: 11 Miss. Admin. Code Pt. 2, R. 1.10.)

3. Solids removed in the course of control of air emissions shall be disposed of in a manner such as to prevent the solids from becoming windborne and to prevent the materials from entering State waters without the proper environmental permits.

(Ref.: Miss. Code Ann. 49-17-29 1.a(i and ii))

4. Except as otherwise specified herein, the permittee shall be subject to the following provisions with respect to upsets, startups, and shutdowns.

(a) Upsets

(1) For an upset defined in 11 Miss. Admin. Code Pt. 2, R. 1.2., the Commission may pursue an enforcement action for noncompliance with an emission standard or other requirement of an applicable rule, regulation, or permit. In determining whether to pursue enforcement action, and/or the appropriate enforcement action to take, the Commission may consider whether the source has demonstrated through properly signed contemporaneous operating logs or other relevant evidence the following:

(i) An upset occurred and that the source can identify the cause(s) of the upset;

(ii) The source was at the time being properly operated;

(iii) During the upset the source took all reasonable steps to minimize levels of emissions that exceeded the emission standard or other requirement of an applicable rule, regulation, or permit;

(iv) That within five (5) working days of the time the upset began, the source submitted a written report to the Department describing the upset, the steps taken to mitigate excess emissions or any other noncompliance, and the corrective actions taken and;

(v) That as soon as practicable but no later than twenty-four (24) hours of becoming aware of an upset that caused an immediate adverse impact to human health or the environment beyond the source boundary or caused a general nuisance to the public, the source provided notification to the Department.

(2) In any enforcement proceeding by the Commission, the source seeking to establish the occurrence of an upset has the burden of proof.

(3) This provision is in addition to any upset provision contained in any applicable requirement.

(4) These upset provisions apply only to enforcement actions by the Commission and are not intended to prohibit EPA or third-party enforcement actions.

(b) Start-ups and Shutdowns (as defined by 11 Miss. Admin. Code Pt. 2, R. 1.2.)

(1) Start-ups and shutdowns are part of normal source operation. Emission limitations apply during start-ups and shutdowns unless source specific emission limitations or work practice standards for startups and shutdowns are

defined by an applicable rule, regulation, or permit.

(2) Where the source is unable to comply with existing emission limitations established under the State Implementation Plan (SIP) and defined in this regulation, 11 Mississippi Administrative Code, Part 2, Chapter 1, the Department will consider establishing source specific emission limitations or work practice standards for startups and shutdowns. Source specific emission limitations or work practice standards established for startups and shutdowns are subject to the requirements prescribed in 11 Miss. Admin. Code Pt. 2, R. 1.10.B.(2)(a) through (e).

(3) Where an upset as defined in Rule 1.2 occurs during startup or shutdown, see the upset requirements above.

(Ref.: 11 Miss. Admin. Code Pt. 2, R. 1.10.)

5. *Compliance Testing*: Regarding compliance testing:

(a) The results of any emissions sampling and analysis shall be expressed both in units consistent with the standards set forth in any Applicable Rules and Regulations or this permit and in units of mass per time.

(b) Compliance testing will be performed at the expense of the permittee.

(c) Each emission sampling and analysis report shall include but not be limited to the following:

(1) Detailed description of testing procedures;

(2) Sample calculation(s);

(3) Results; and

(4) Comparison of results to all Applicable Rules and Regulations and to emission limitations in the permit.

(Ref.: 11 Miss. Admin. Code Pt. 2, R. 2.6.B(3), (4), and (6).)

C. PERMIT RENEWAL / MODIFICATION / TRANSFER / TERMINATION

1. For renewal of this permit, the applicant shall make application not less than one-hundred eighty (180) days prior to the expiration date of the permit substantiated with current emissions data, test results or reports or other data as deemed necessary by the Mississippi Environmental Quality Permit Board. If the applicant submits a timely and complete application pursuant to this paragraph and the Permit Board, through no fault of the applicant, fails to act on the application on or before the expiration date of the existing permit, the applicant shall continue to operate the stationary source under the terms and

conditions of the expired permit, which shall remain in effect until final action on the application is taken by the Permit Board. Permit expiration terminates the source's ability to operate unless a timely and complete renewal application has been submitted.

(Ref.: 11 Miss. Admin. Code Pt. 2, R. 2.8.)

2. The permittee shall furnish to the DEQ within a reasonable time any information the DEQ may request in writing to determine whether cause exists for modifying, revoking and reissuing, or terminating the permit or to determine compliance with the permit. Upon request, the permittee shall also furnish to the DEQ copies of records required to be kept by the permit or, for information claimed to be confidential, the permittee shall furnish such records to the DEQ along with a claim of confidentiality. The permittee may furnish such records directly to the Administrator along with a claim of confidentiality.

   (Ref.: 11 Miss. Admin. Code Pt. 2, R. 2.2.B(15)(d).)

3. The permit and/or any part thereof may be modified, revoked, reopened, and reissued, or terminated for cause. Sufficient cause for a permit to be reopened shall exist when an air emissions stationary source becomes subject to Title V. The filing of a request by the permittee for a permit modification, revocation and reissuance, or termination, or of a notification of planned changes or anticipated noncompliance does not stay any permit condition.

   (Ref.: 11 Miss. Admin. Code Pt. 2, R. 2.2.B(15)(b).)

4. After notice and opportunity for a hearing, this permit may be modified, suspended, or revoked in whole or in part during its term for cause including, but not limited to:

   (a) Persistent violation of any terms or conditions of this permit.

   (b) Obtaining this permit by misrepresentation or failure to disclose fully all relevant facts; or

   (c) A change in federal, state, or local laws or regulations that require either a temporary or permanent reduction or elimination of previously authorized air emission.

   (Ref.: 11 Miss. Admin. Code Pt. 2, R. 2.2.C.)

5. This permit may only be transferred upon approval of the Mississippi Environmental Quality Permit Board.

   (Ref.: 11 Miss. Admin. Code Pt. 2, R. 2.16.B.)

SECTION 2
EMISSION POINT DESCRIPTION

The permittee is authorized to operate air emissions equipment, as described in the following table.

Emission Point	Description
AA-100	Facility-Wide [Knu, LLC]
AA-001	Finishing Operations for Wood Chair Parts [stain and a topcoat are applied through six (6) spray booths followed by three (3) electric drying ovens; spray booth emissions are exhausted through a dry filter]
AA-003	Gluing Operations [includes two (2) adhesive spray booths to attach the fabric to the foam cushion; spray booth emissions are exhausted through a dry filter]

SECTION 3
EMISSION LIMITATIONS AND STANDARDS

Emission Point(s)	Applicable Requirement	Condition Number	Pollutant / Parameter	Limitation / Standard
AA-100	11 Miss. Admin. Code Pt. 2, R. 1.3.B.	3.1	Opacity	40%
	11 Miss. Admin. Code Pt. 2, R. 1.3.F(1).	3.2	PM (filterable only)	$E = 4.1p^{0.67}$
	11 Miss. Admin. Code Pt. 2, R. 2.2.B(10).	3.3	HAPs	9.0 tpy (Individual) 24.0 tpy (Total) (12-Month Rolling Totals)
	11 Miss. Admin. Code Pt. 2, R. 2.2.B(10).	3.4	VOCs	95.0 tpy (12-Month Rolling Total)
AA-001 AA-003	11 Miss. Admin. Code Pt. 2, R. 2.2.B(10).	3.5	PM (filterable only)	Control device requirement

3.1 For Emission Point AA-100 (Facility-Wide), the permittee shall not cause, allow, or permit the discharge into the ambient air from any point source or emissions, any air contaminant of such opacity to obscure an observer's view to a degree in excess of 40%, as determined by EPA Reference Method 22 found in Appendix A of 40 CFR Part 60.

(Ref.: 11 Miss. Admin. Code Pt. 2, R. 1.3.B.)

3.2 For Emission Point AA-100 (Facility-Wide), the permittee shall not allow the emission of particulate matter in total quantities in any one (1) hour from any manufacturing process, which includes any associated stacks, vents, outlets, or combination thereof, to exceed the amount determined by the relationship:

$$E = 4.1p^{0.67}$$

where "E" is the emission rate in pounds per hour and "p" is the process weight input rate in tons per hour.

(Ref.: 11 Miss. Admin. Code Pt. 2, R. 1.3.F(1).)

3.3 For Emission Point AA-100 (Facility-Wide), the permittee shall limit hazardous air pollutant (HAP) emissions to no more than 9.0 tons per year (tpy) of any single HAP and no more than 24.0 tpy of all HAPs in total based on 12-month rolling totals.

(Ref.: 11 Miss. Admin. Code Pt. 2, R. 2.2.B(10).)

3.4 For Emission Point AA-100 (Facility-Wide), the permittee shall limit the emission of volatile organic compounds (VOCs) to no more than 95.0 tons per year (tpy) based on a 12-month rolling total.

(Ref.: 11 Miss. Admin. Code Pt. 2, R. 2.2.B(10).)

3.5 For Emission Points AA-001 and AA-002, during each period of active operation, the permittee shall equip each spray booth with dry filters designed to effectively capture and control overspray solids in the exhaust from the spray finishing operations and minimize particulate matter (PM – filterable only) emissions.

(Ref.: 11 Miss. Admin. Code Pt. 2, R. 2.2.B(10).)

SECTION 4
WORK PRACTICE STANDARDS

THIS SECTION WAS INTENTIONALLY LEFT BLANK SINCE NO WORK PRACTICE STANDARDS APPLY TO THIS PERMIT ACTION

SECTION 5
MONITORING AND RECORDKEEPING REQUIREMENTS

Emission Point(s)	Applicable Requirement	Condition Number	Pollutant / Parameter	Monitoring / Recordkeeping Requirement
AA-100	11 Miss. Admin. Code Pt. 2, R. 2.9.	5.1	General Recordkeeping	Maintain records for a minimum of five (5) years
	11 Miss. Admin. Code Pt. 2, R. 2.2.B(11).	5.2	VOCs HAPs	Calculate and record total emission rates (monthly and 12-month rolling totals)
		5.3		Monitor and record coating material data (monthly)
AA-001 AA-002	11 Miss. Admin. Code Pt. 2, R. 2.2.B(11).	5.4	PM (filterable only)	Perform and record regular inspections and maintenance in accordance with manufacturer's instructions

5.1 For Emission Point AA-100 (Facility-Wide), the permittee shall retain all required records, monitoring data, supporting information and reports for a period of at least five (5) years from the date of the monitoring sample, measurement, report, or application. Support information includes all calibration and maintenance records, all original strip-chart recordings or other data for continuous monitoring instrumentation, and copies of all reports required by this permit. Copies of such records shall be submitted to the MDEQ as required by Applicable Rules and Regulations of this permit upon request.

(Ref.: 11 Miss. Admin. Code Pt. 2, R. 2.9.)

5.2 For Emission Point AA-100 (Facility-Wide), the permittee shall calculate and record the total respective emission rate of VOCs, each individual HAP, and all HAPs combined both on a monthly basis and on a 12-month rolling total basis.

(Ref.: 11 Miss. Admin. Code Pt. 2, R. 2.2.B(11).)

5.3 For Emission Point AA-100 (Facility-Wide), the permittee shall monitor and record on a monthly basis the following information for each coating, adhesive, solvent, or other VOC- or HAP-containing material used:

(a) The product name or identification;

(b) The total volume used (in gallons);

(c) The weight percentage of the VOC content;

(d) The weight percentage of the HAP content;

(e) The density (in pounds per gallon); and

(f) The weight percentage of the solids content (as applicable).

The permittee may utilize data supplied by the manufacturer or analysis of VOC and HAP content by EPA Test Method 24 and Method 311, respectively.

(Ref.: 11 Miss. Admin. Code Pt. 2, R. 2.2.B(11).)

5.4 For Emission Points AA-001 and AA-002, the permittee shall perform and record the regular inspection and replacement of dry filters in the spray booths in accordance with the manufacturer's instructions. Additionally, the permittee shall maintain documentation that identifies the capture efficiency of the filters used in the spray booths.

These records shall be kept in log form and made available for review upon request during any inspection visit by MDEQ personnel.

(Ref.: 11 Miss. Admin. Code Pt. 2, R. 2.2.B(11).)

SECTION 6
REPORTING REQUIREMENTS

Emission Point	Applicable Requirement	Condition Number	Reporting Requirement
AA-100	11 Miss. Admin. Code Pt. 2, R. 2.2.B(11).	6.1	Report permit deviations within five (5) working days
	11 Miss. Admin. Code Pt. 2, R. 2.2.B(11).	6.2	Submit a certified annual monitoring report
	11 Miss. Admin. Code Pt. 2, R. 2.2.B(11).	6.3	All documents submitted to that MDEQ shall be certified by a Responsible Official
	11 Miss. Admin. Code Pt. 2, R. 2.2.B(11).	6.4	Submit an annual monitoring report on the materials used and VOC / HAP emissions

6.1 For Emission Point AA-100 (Facility-Wide), except as otherwise specified herein, the permittee shall report all deviations from permit requirements, including those attributable to upsets, the probable cause of such deviations, and any corrective action(s) and/or preventive measures taken. The report shall be submitted to the MDEQ within five (5) working days of the time the deviation began.

(Ref.: 11 Miss. Admin. Code Pt. 2, R. 2.2.B(11).)

6.2 Except as otherwise specified herein, the permittee shall submit a certified annual monitoring report postmarked no later than January 31st of each calendar year for the preceding calendar year. This report shall contain any required monitoring specified in Section 6 of the permit. Additionally, all instances of deviations from permit requirements shall be clearly identified in the report. Where no monitoring data is required to be reported and/or there are no deviations to report, the report shall contain the appropriate negative declaration.

(Ref.: 11 Miss. Admin. Code Pt. 2, R. 2.2.B(11).)

6.3 Any document required by this permit to be submitted to the MDEQ shall contain a certification signed by a Responsible Official (RO) that affirms, based on information and belief formed after reasonable inquiry, the statements and information in the document are true, accurate, and complete.

(Ref.: 11 Miss. Admin. Code Pt. 2, R. 2.2.B(11).)

6.4 For Emission Point AA-100 (Facility-Wide), the permittee shall submit an annual monitoring report in accordance with Condition 6.2 that details the following information:

(a) The identification of each coating, adhesive, solvent or other VOC- or HAP-containing material used;

(b) The VOC and/or HAP content(s) of each coating, adhesive, solvent, or other VOC- or HAP-containing material used;

(c) The density (in pounds per gallon) of each coating, adhesive, solvent, or other VOC- or HAP-containing material used;

(d) The total volume (in gallons) of each coating, adhesive, solvent or other VOC- or HAP-containing material used both on a monthly basis and on a 12-month rolling total basis; and

(e) The total VOC emission rate, the total HAP emission rate, and the emission rate of each individual HAP in tons based on a monthly basis and on a 12-month rolling total.

(Ref.: 11 Miss. Admin. Code Pt. 2, R. 2.2.B(11).)