OCT 03 2012

Ms. Christine Ryan
E & J Gallo Winery - Brandy
200 Yosemite Boulevard
Modesto, CA 95353

Re: Final - Authority to Construct / COC (Significant Mod)
District Facility # N-7478
Project # N-1121902

Dear Ms. Ryan:

The Air Pollution Control Officer has issued an Authority to Construct (N-7478-3) with a Certificate of Conformity to E & J Gallo Winery - Brandy located at 200 Yosemite Boulevard in Modesto. This project is to modify the existing storage tank #352 to increase the ethanol content of the spirits from 60% to 99.9% and change the tank operating temperature.

Enclosed is the Authority to Construct with revised record keeping requirements that based on a rolling 12-month total basis. The application and proposal were sent to US EPA Region IX on August 21, 2012. No comments were received following the District’s preliminary decision on this project.

The notice of final decision for this project will be published approximately three days from the date of this letter.

Prior to operating with modifications authorized by the Authority to Construct, you must submit an application to modify the Title V permit as an administrative amendment in accordance with District Rule 2520, Section 11.5.

Thank you for your cooperation in this matter. If you have any questions, please contact Mr. Rupi Gill, Permit Services Manager, at (209) 557-6400.

Sincerely,

David Warner
Director of Permit Services

DW: WMS/cm

Enclosures
OCT 03 2012

Gerardo C. Rios, Chief
Permits Office
Air Division
U.S. EPA - Region IX
75 Hawthorne St
San Francisco, CA 94105

Re: Final - Authority to Construct / COC (Significant Mod)
District Facility # N-7478
Project # N-1121902

Dear Mr. Rios:

The Air Pollution Control Officer has issued an Authority to Construct (N-7478-3-3) with a Certificate of Conformity to E & J Gallo Winery - Brandy located at 200 Yosemite Boulevard in Modesto. This project is to modify the existing storage tank #352 to increase the ethanol content of the spirits from 60% to 99.9% and change the tank operating temperature.

Enclosed is a copy of the Authority to Construct with revised record keeping requirements that based on a rolling 12-month total basis. The application and proposal were sent to US EPA Region IX on August 21, 2012. No comments were received following the District's preliminary decision on this project.

The notice of final decision for this project will be published approximately three days from the date of this letter.

Thank you for your cooperation in this matter. If you have any questions, please contact Mr. Rupi Gill, Permit Services Manager, at (209) 557-6400.

Sincerely,

David Warner
Director of Permit Services

DW: WMS/cm

Enclosures
OCT 03 2012

Mike Tollstrup, Chief
Project Assessment Branch
Air Resources Board
P O Box 2815
Sacramento, CA 95812-2815

Re: Final - Authority to Construct / COC (Significant Mod)
District Facility # N-7478
Project # N-1121902

Dear Mr. Tollstrup:

The Air Pollution Control Officer has issued an Authority to Construct (N-7478-3-3) with a Certificate of Conformity to E & J Gallo Winery - Brandy located at 200 Yosemite Boulevard in Modesto. This project is to modify the existing storage tank #352 to increase the ethanol content of the spirits from 60% to 99.9% and change the tank operating temperature.

Enclosed is a copy of the Authority to Construct with revised record keeping requirements that based on a rolling 12-month total basis. The application and proposal were sent to US EPA Region IX on August 21, 2012. No comments were received following the District’s preliminary decision on this project.

The notice of final decision for this project will be published approximately three days from the date of this letter.

Thank you for your cooperation in this matter. If you have any questions, please contact Mr. Rupi Gill, Permit Services Manager, at (209) 557-6400.

Sincerely,

David Warner
Director of Permit Services

DW: WMS/cm

Enclosures
NOTICE OF FINAL DECISION
FOR THE ISSUANCE OF AUTHORITY TO CONSTRUCT AND
THE PROPOSED SIGNIFICANT MODIFICATION OF FEDERALLY
MANDATED OPERATING PERMIT

NOTICE IS HEREBY GIVEN that the San Joaquin Valley Air Pollution Control District has made its final decision to issue an Authority to Construct to E & J Gallo Winery - Brandy for winery located at 200 Yosemite Boulevard in Modesto, California. This project is to modify the existing storage tank #352 to increase the ethanol content of the spirits from 60% to 99.9% and change the tank operating temperature.

The District's analysis of the legal and factual basis for this proposed action, project #N-1121902, is available for public inspection at the District office at the address below. For additional information regarding this matter, please contact Mr. Rupi Gill, Permit Services Manager, at (209) 557-6400, or contact David Warner, Director of Permit Services, in writing at SAN JOAQUIN VALLEY AIR POLLUTION CONTROL DISTRICT, 4800 ENTERPRISE WAY, MODESTO, CA 95356-8718
AUTHORITY TO CONSTRUCT

PERMIT NO: N-7478-3-3

LEGAL OWNER OR OPERATOR: E & J GALLO WINERY - BRANDY

MAILING ADDRESS: 200 YOSEMITE BLVD

MODESTO, CA 95353

LOCATION: 200 YOSEMITE AVE

MODESTO, CA 95353

EQUIPMENT DESCRIPTION:
MODIFICATION OF 350,000 GALLON INSULATED STAINLESS STEEL ENCLOSED TOP DISTILLED SPIRITS STORAGE TANK #352 WITH PRESSURE/VACUUM VALVE. INCREASE THE ETHANOL CONCENTRATION FROM 60% TO 99.9% AND CHANGE THE STORAGE TANK OPERATING TEMPERATURE TO AMBIENT TEMPERATURE

CONDITIONS

1. This Authority to Construct serves as a written certificate of conformity with the procedural requirements of 40 CFR 70.7 and 70.8 and with the compliance requirements of 40 CFR 70.6(c). [District Rule 2201] Federally Enforceable Through Title V Permit

2. Prior to operating with modifications authorized by this Authority to Construct, the facility shall submit an application to modify the Title V permit with an administrative amendment in accordance with District Rule 2520 Section 5.3.4 [District Rule 2520, 5.3.4] Federally Enforceable Through Title V Permit

3. Prior to operating equipment under this Authority to Construct, permittee shall surrender VOC emission reduction credits for the following quantity of emissions: 1st quarter - 238 lb, 2nd quarter - 238 lb, 3rd quarter - 238 lb, and 4th quarter - 239 lb. Offsets shall be provided at an offset ratio 1.5 to 1. [District Rule 2201] Federally Enforceable Through Title V Permit

4. ERC certificate S-3733-1 (or a certificate split from this certificate) shall be used to supply the required offsets, unless a revised offsetting proposal is received and approved by the District, upon which this Authority to Construct shall be reissued, administratively specifying the new offsetting proposal. Original public noticing requirements, if any, shall be duplicated prior to reissuance of this Authority to Construct [District Rule 2201] Federally Enforceable Through Title V Permit

5. No air contaminant shall be released into the atmosphere which causes a public nuisance. [District Rule 4102]

CONDITIONS CONTINUE ON NEXT PAGE

YOU MUST NOTIFY THE DISTRICT COMPLIANCE DIVISION AT (209) 557-6400 WHEN CONSTRUCTION IS COMPLETED AND PRIOR TO OPERATING THE EQUIPMENT OR MODIFICATIONS AUTHORIZED BY THIS AUTHORITY TO CONSTRUCT. This is NOT a PERMIT TO OPERATE Approval or denial of a PERMIT TO OPERATE will be made after an inspection to verify that the equipment has been constructed in accordance with the approved plans, specifications and conditions of this Authority to Construct, and to determine if the equipment can be operated in compliance with all Rules and Regulations of the San Joaquin Valley Unified Air Pollution Control District. Unless construction has commenced pursuant to Rule 2050, this Authority to Construct shall expire and application shall be cancelled two years from the date of issuance. The applicant is responsible for complying with all laws, ordinances and regulations of all other governmental agencies which may pertain to the above equipment.

Seyed Sadreuddin, Executive Director / APCO

DAVID WARNER, Director of Permit Services

Northern Regional Office • 4800 Enterprise Way • Modesto, CA 95356-8718 • (209) 557-6400 • Fax (209) 557-6475
6. No air contaminant shall be discharged into the atmosphere for a period or periods aggregating more than three minutes in any one hour which is as dark as, or darker than, Ringelmann 1 or 20% opacity. [District Rule 4101]

7. This tank shall be equipped with and operated with a pressure-vacuum relief valve, which shall operate within 10% of the maximum allowable working pressure of the tank, operate in accordance with the manufacturer's instructions, and be permanently labeled with the operating pressure settings. [District Rule 2201] Federally Enforceable Through Title V Permit

8. The pressure-vacuum relief valve and storage tank shall remain in a gas-tight condition, except when the operating pressure of the tank exceeds the valve set pressure. A gas-tight condition shall be determined by measuring the gas leak in accordance with the procedures in EPA Method 21. [District Rule 2201] Federally Enforceable Through Title V Permit

9. The daily VOC emissions for distilled spirits storage shall not exceed 243.8 pounds. [District Rule 2201] Federally Enforceable Through Title V Permit

10. The daily distilled spirits storage throughput of this tank shall not exceed 200,000 gallons. [District Rule 2201] Federally Enforceable Through Title V Permit

11. The maximum ethanol concentration of the distilled spirits stored in this tank shall not exceed 99.9% percent of volume [District Rule 2201] Federally Enforceable Through Title V Permit

12. The maximum distilled spirits throughput in this tank, calculated on a 12 month rolling basis, shall not exceed 6,000,000 gallons per year. [District Rule 2201] Federally Enforceable Through Title V Permit

13. The permittee shall maintain the following records. a) the maximum ethanol concentration in volume percent of the distilled spirits stored, b) the daily throughput, and c) the calculated 12 month rolling distilled spirits throughput rate (gallons per 12 month rolling period, calculated monthly). [District Rule 2201] Federally Enforceable Through Title V Permit

14. All records shall be retained on-site for a period of at least five years and made available for District inspection upon request [District Rules 1070 and 2201] Federally Enforceable Through Title V Permit
October 1, 2012

Christine Ryan
E & J Gallo Winery - Brandy
200 Yosemite Boulevard
Modesto, CA 95353

RE: Notice of Issuance of Authority to Construct
Project Number: N-1121902

Dear Ms. Ryan:

The Air Pollution Control Officer has issued the Authority to Construct to E & J Gallo Winery - Brandy to modify the existing storage tank #352 to increase the ethanol content of the spirits from 60% to 99.9% and change the tank operating temperature.

Enclosed are the Authority to Construct and invoice for the engineering evaluation fees pursuant to District Rule 3010. Please remit the amount owed, along with a copy of the attached invoice, before the due date.

Thank you for your cooperation in this matter. If you have any questions, please contact Wai-Man So at (209) 557-6449.

Sincerely,

David Warner
Director of Permit Services

Rupi Gill
Permit Services Manager

DW WMS

Enclosures
San Joaquin Valley Air Pollution Control District

AtCFee N1121902
7478 N93709 9/25/2012

RETURN THIS TOP PORTION ONLY, WITH REMITTANCE TO:

E & J Gallo Winery - Brandy
200 Yosemite Blvd
Modesto, CA 95353

SJVAPCD
4800 Enterprise Way
Modesto, CA 95356-8718

Thank You!

San Joaquin Valley Air Pollution Control District

SJVAPCD Tax ID: 77-0262563

E & J Gallo Winery - Brandy
200 Yosemite Ave
Modesto, CA 95353

Project Number: 1121902

Application Filing Fees
$71.00

Engineering Time Fees
$2,053.00

Total Fees
$2,124.00

Less Previously Paid Project Fees Applied to This Invoice
$0.00

Project Fees Due (Enclosed is a detailed statement outlining the fees for each item.)
$2,124.00

Late Payment (see Rule 3010, Section 11.0 Late Fees)

<table>
<thead>
<tr>
<th>Postmarked</th>
<th>Total Due</th>
</tr>
</thead>
<tbody>
<tr>
<td>After 11/29/2012 through 12/9/2012</td>
<td>$2,336.40</td>
</tr>
<tr>
<td>After 12/9/2012</td>
<td>$3,186.00</td>
</tr>
<tr>
<td>After 12/29/2012</td>
<td></td>
</tr>
</tbody>
</table>

Permits To Operate MAY BE SUSPENDED

San Joaquin Valley Air Pollution Control District
4800 Enterprise Way, Modesto, CA 95356-8718, (209) 557-6400, Fax (209) 557-6475
Facility ID: N7478

E & J GALLO WINERY - BRANDY
200 YOSEMITE AVE
MODESTO, CA 95353

Invoice Nbr: N93709
Invoice Date: 9/25/2012

Application Filing Fees

<table>
<thead>
<tr>
<th>Project Nbr</th>
<th>Permit Number</th>
<th>Description</th>
<th>Application Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>N1121902</td>
<td>N-7478-3-3</td>
<td>MODIFICATION OF 350,000 GALLON INSULATED STAINLESS STEEL ENCLOSED TOP</td>
<td>$7100</td>
</tr>
<tr>
<td></td>
<td></td>
<td>DISTILLED SPIRITS STORAGE TANK #352 WITH PRESSURE/VACUUM VALVE INCREASE THE ETHANOL CONCENTRATION FROM 60% TO 99.9% AND CHANGE THE STORAGE TANK OPERATING TEMPERATURE TO AMBIENT TEMPERATURE</td>
<td></td>
</tr>
</tbody>
</table>

Total Application Filing Fees: $7100

Engineering Time Fees

<table>
<thead>
<tr>
<th>Project Nbr</th>
<th>Quantity</th>
<th>Rate</th>
<th>Description</th>
<th>Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>N1121902</td>
<td>5.5 hours</td>
<td>$138.00/h</td>
<td>After-Hours Engineering Time(OverTime)</td>
<td>$759.00</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Less Credit For Application Filing Fees</td>
<td>($71.00)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Total After-Hours Engineering Time(OverTime)</td>
<td>$688.00</td>
</tr>
<tr>
<td>N1121902</td>
<td>13 hours</td>
<td>$105.00/h</td>
<td>Standard Engineering Time</td>
<td>$1,365.00</td>
</tr>
</tbody>
</table>

Total Engineering Time Fees: $2,053.00