

February 15, 2013

Agricultural Land Commission

133-4940 Canada Way Burnaby, British Columbia V5G 4K6 Tel: 604 660-7000 Fax: 604 660-7033

www.alc.gov.bc.ca

ALC File: #52808

Little Rock Quarries Inc. #201-2296 McCallum Road Abbotsford, BC V2S 3P4

Attention: Brent Palmer

Dear Mr. Palmer:

Re: Application to Extract Gravel and Place Fill on Land in the Agricultural Land Reserve (ALR)

Please find attached the Minutes of Resolution #428/2012 as it relates to the above noted application. As agent, it is your responsibility to notify your clients accordingly.

Further correspondence with respect to this application is to be directed to Eamonn Watson (Eamonn.Watson@gov.bc.ca).

Yours truly,

PROVINCIAL AGRICULTURAL LAND COMMISSION

Brian Underhill, Executive Director

Enclosure:

Minutes of Resolution #428/2012

Example Letter of Credit

cc: City of Abbotsford (File: 4520-55/SRP#1686) Ministry of Energy, Mines and Natural Gas

> PO Box 9395, Stn Prov Govt, Victoria, BC, V8W 9M9, Attention: Shawn Fitzsimons (File: 14675-20-1610568)

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MINUTES OF THE PROVINCIAL AGRICULTURAL LAND COMMISSION

A meeting was held by the Provincial Agricultural Land Commission on November 22, 2012 at the offices of the Commission located at #133 – 4940 Canada Way, Burnaby, B.C. as it relates to Application #52808.

COMMISSION MEMBERS PRESENT:

Richard Bullock Chair Jennifer Dyson Vice-Chair Gordon Gillette Vice-Chair Sylvia Pranger Vice-Chair Bert Miles Commissioner Jim Johnson Commissioner Jerry Thibeault Commissioner Lucille Dempsey Commissioner Commissioner

Denise Dowswell Jim Collins

Commissioner

COMMISSION STAFF PRESENT:

Eamonn Watson Land Use Planner Brian Underhill Executive Director

Colin Fry

Executive Director

PROPOSAL (Submitted pursuant to section 20(3) of the Agricultural Land Commission Act)

To extract approximately 666,100 cubic metres of gravel and place approximately 355,100 cubic metres of fill over a 17.7 ha project area.

PROPERTY INFORMATION:

Property 1

Owner: Thera Lynne Spencer

Legal: PID: 013-334-603

South West Quarter, Section 15, Township 13, Except:

Firstly: Part Subdivided by Plan 7010 Secondly: Part Subdivided by Plan 7785

Thirdly: Parcel "A" (Plan with Fee Deposited 34611E)

New Westminster District

Location: 1726 Bradner Road, Abbotsford

Size: 8.1 hectares

Property 2

Owner: Long Acres Poultry Farm Ltd. (Inc. No. 177338)

Legal: PID: 011-074-141

Lot 1, Section 15, Township 13, New Westminster District, Plan 7010

Location: 1640 Bradner Road, Abbotsford

Size: 26.1 hectares

Agent: Little Rock Quarries (South Bradner Road) Inc.

PROPSAL OVERVIEW

As described in the application and accompanying documents, the Commission understands the following about the proposed extraction:

- The owners have appointed Little Rock Quarries Inc. to act as their agent in this regard;
- The type of material proposed to be extracted is aggregate;
- The area of the proposed extraction/fill site is 17.7 ha;
- The proposed volume of extracted material is 666,100 m³;
- The proposed volume of fill material for reclamation purposes is 355,100 m³;
- The proposed duration of the project is 6.5 years; and
- The proposed project is to be undertaken in eight (8) phases.

A work plan entitled, *Aggregate Extraction, Fill and Reclamation Plan* has been prepared by Golder Associates Ltd., dated April 11, 2012 (the "Golder Report"). In the Golder Report the project is generally described in section 9.1 on page 5 as:

"In general the proposed project involves salvaging and storing surface soils, excavating the underlying materials within the Project Area to within 2 m of the high water table, exporting merchantable aggregate and stockpiling overburden, using overburden and imported bulk fill to create finished grades which are similar to existing grades and then placing salvaged and imported surface soils to complete reclamation for future agricultural use."

LEGISLATIVE CONTEXT FOR COMMISSION CONSIDERATION

Section 6 (Purposes of the commission) of the Agricultural Land Commission Act states:

- 6 The following are the purposes of the commission:
 - (a) to preserve agricultural land:
 - (b) to encourage farming on agricultural land in collaboration with other communities of interest; and

(c) to encourage local governments, first nations, the government and its agents to enable and accommodate farm use of agricultural land and uses compatible with agriculture in their plans, bylaws and policies.

COMMISSION CONSIDERATION

After considering the information the Commission concluded as follows:

- To assess the agricultural capability of the subject property, the Commission referred in part to BC Land Inventory (BCLI) mapping, 'Land Capability Classification for Agriculture in B.C.' system. The improved agricultural capability rating applicable to the subject properties are primarily:
 - Class 2 Land in this class has minor limitations that require good ongoing management practices or slightly restricts the range of crops, or both.
 - Class 3 Land in this class has limitations that require moderately intensive management practices or moderately restrict the range of crops, or both.
 - Class 4 Land in this class has limitations that require special management practices or severely restrict the range of crops, or both.
 - Class 5 Land in this class has limitations that restrict its capability to producing perennial forage crops or other specially adapted crop.
 - Class 7 Land in this class has not capability for arable or sustained natural grazing.

The subclass limitations are (A) soil moisture deficiency, (P) stoniness and (T) topography.

The issue of agricultural capability was also addressed in sections 3 and 12.2 of the Golder Report which generally confirms the BCLI mapping ratings. The Golder Report provides additional information with respect to agricultural capability based in part on a Talisman Land Resource Consultants Inc. "agricultural assessment" conducted in 2004 and historic disturbances on the subject properties.

Conclusion:

The subject property is comprised of land with variable agricultural capability. In addition, the subject properties contain a potential aggregate resource. Based on the information filed in support of the application the Commission believes the subject properties can be reclaimed to an improved agricultural capability while providing the opportunity to extract an aggregate resource.

2. Multiple parcels that may limit the future agricultural use of the improved agricultural unit.

Conclusion:

The Commission noted that the current configuration of the subject properties is not ideal with respect to the future use of these parcels independently. As a result of the proposed reclamation, the improved agricultural unit would extend onto both subject properties. In order to provide the maximum agricultural options upon completion of reclamation, the

Commission believes consolidation of the subject properties onto a single legal title is appropriate.

IT WAS

MOVED BY: Commiss SECONDED BY: Commiss

Commissioner Thibeault Commissioner Dyson

THAT the proposed extraction of aggregate and reclamation be approved.

AND THAT the approval is subject to the following conditions:

- Substantial compliance with all reports provided with the application, including, but not limited to:
 - The Golder Report;
 - Application to extract aggregate and deposit fill letter from Golder Associates Ltd., dated May 25, 2012;
 - Environmental Assessment (both 1640 and 1726 Bradner Road) prepared by HCR Environmental Consulting, dated March 30, 2012;
 - Hydrogeological Investigation for Aggregate Extraction Plan prepared by Active Earth Engineering Ltd., dated March 14, 2012;
 - Gravel Quarry Traffic Study prepared EBA Engineering Consultants Ltd., dated April 2012;
- The submission of quarterly monitoring reports and a closure report prepared by a qualified registered professional in a manner consistent with that outlined in the above reports. The first quarterly report must be submitted to the Commission three (3) months after the start of the project;
- Golder Associates is to submit to the Commission for review and approval, an estimate regarding the amount of a Irrevocable Letter of Credit (the "ILOC") to ensure:
 - extraction and fill operations are conducted in accordance with the professional advice noted above;
 - 2. the project continues to be overseen by Golder Associates;
 - 3. monitoring reports are submitted; and
 - 4. the properties are returned to the agricultural standard identified in the Golder Report.

For greater clarity, some or all of the ILOC will be accessible to and used by the Commission upon default of the operator to comply with all aspects of the conditions of approval contained herein.

If the Commission accepts the value of the ILOC as recommended by Golder Associates, the ILOC is to be received by the Commission prior to commencement of the project. The Commission reserves the right to vary the amount of the ILOC as recommended by Golder Associates; and

 The consolidation of the two subject properties by legal survey. Written agreement to consolidation is required from the property owners prior to commencement of the project and consolidation is to be completed within one (1) year from the date of the written agreement of the property owners.

AND FINALLY THAT this decision does not relieve the owner or occupier of the responsibility to comply with applicable Acts, regulations, bylaws of the local government, and decisions and orders of any person or body having jurisdiction over the land under an enactment.

CARRIED Resolution #428/2012

Letter of Credit - Example

BENEFICIARY:

Minister of Finance

c/o Provincial Agricultural Land Commission

#133 - 4940 Canada Way Burnaby, BC V5G 4K6

Re:	ALC Application #		
We h	ereby issue in your favour our Irrevocable L	etter of Credit #	_ for CAD
\$	in the account of		
	(Nan	e of Individual or Company)	
	(Street Address and/or Legal I	Description)	
TERM	MS AND CONDITIONS:		
1.	Expiry Date:		
2.	Drawings are to be made in writing to		
752		(Name of Financial Institution)	

- 3. Partial drawings are permitted.
- The Bank/Credit Union will not inquire as to whether or not the Agricultural Land Commission has right to make demand on this Letter of Credit.
- 5. This Letter of Credit is irrevocable up to the expiry date.
- 6. This Credit is irrevocable up to the expiry date and unless it is extended in writing will be null and void after the expiry date whether or not the original credit is returned to us for cancellation. The amount of this credit may be reduced from time to time only by the amount drawn upon it by you or by formal notice in writing received by us from you that you desire such reduction.
- 7. Request for any amendment except reduction in amount must be made directly to our customer who will then instruct us accordingly.
- 8. Any drawings made under this letter of credit must be accompanied by the original of this credit.
- 9. Mandatory Condition:

"It is a condition of this letter of credit that it shall be deemed to be automatically extended without amendment from year to year from the present or any future expiration date hereof, unless at least 30 days prior to the present or any future expiration date, we notify you in writing, that we elect not to consider this letter of credit to be renewable for any additional period."

We engage to honour presentations submitted within the terms and conditions indicate above.