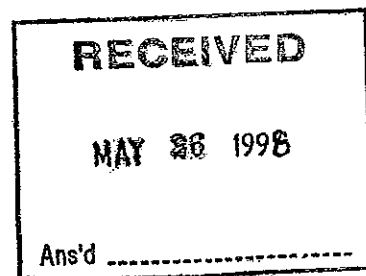




Ministry of the Environment
P.O. Box 820
Kingston, Ontario
K7L 4X6
613/549-4000 or 1-800/267-0974
Fax: 613/548-6908

Ministère de l'Environnement
C.P. 820
Kingston (Ontario)
K7L 4X6
613/549-4000 ou 1-800/267-0974
Fax: 613/548-6908

May 15, 1998



Ferma Crushed Stone Inc.
2666 Rena Road, Suite 202
MISSISSAUGA, Ontario
L4T 3C8

Attention: Tony Ferragine, President

Dear Mr. Ferragine:

Re: Permit to Take Water Number 98-P-4050

Enclosed please find Permit to Take Water Number 98-P-4050 which authorizes the taking of water from a quarry located on Lots 8, 9, and 10, Concession IX, Township of Carden, County of Victoria.

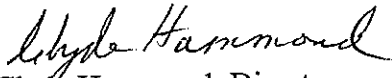
The Permit has been issued in accordance with the procedures and amounts stated on the application for the Permit To Take Water. The Permit is subject to the General Conditions and Special Conditions that may be stated on the Permit. The Conditions have been designed to allow for the development of water resources for beneficial purposes, while providing reasonable protection to existing water uses and users.

The Permit is valid until May 15, 2008, or until such time as there are changes in the rate, amount or method of water taking. If changes occur, an application must be submitted to and approved by this Ministry prior to the commencement of the changes. The attached application form must be used to request an amendment to the Permit.

The Permit should be reviewed carefully prior to water taking. Compliance with the Conditions of the Permit is the responsibility of the Permit Holder. Any person taking water under the authority of this Permit must be familiar with the Conditions.

If you have any questions regarding your Permit please contact Gail McFall at this office.

Yours truly,



Clyde Hammond, Director

Section 34, R.S.O. 1990

Ontario Water Resources Act

Ministry of the Environment

GM/sh

Enclosure

cc: Jamieson Gourley, Oliver Mangione, McCalla & Associates Limited, 89 Colborne Street
East, Orillia, Ontario, L3V 1T8



Ministry
of the
Environment

Ministère
de
l'Environnement

PERMIT TO TAKE WATER
Number 98-P-4050
Page 1 of 5

Notice of Terms and Conditions
Section 100, Ontario Water Resources Act, R.S.O. 1990

Pursuant to Section 34 of the Ontario Water Resources Act, R.S.O. 1990 permission is hereby granted

TO: Ferma Crushed Stone Inc.
2666 Rena Road, Suite 202
Mississauga, Ontario
L4T 3C8

for the taking of water from a quarry located on Lots 8, 9, and 10, Concession IX, Township of Carden, County of Victoria for quarry dewatering. The rate of taking shall not exceed 120 litres per minute, or 172,000 litres per day for quarry sump "A".

Except where modified by this Permit the water taking shall be in accordance with the application dated September 13, 1995, and signed by Jamieson S. Gourley, of Oliver Mangione, McCalla & Associates, on behalf of the Ferma Crushed Stone Inc..

You are hereby notified that this Permit is issued to you subject to the following Definitions, General Conditions and Special Conditions.

DEFINITIONS

1. (a) "Director" means a Director, Section 34, Ontario Water Resources Act, R.S.O. 1990.
- (b) "Ministry" means Ontario Ministry of the Environment.
- (c) "Permit" means this entire Permit to Take Water including its schedules, if any, issued in accordance with Section 34 of the Ontario Water Resources Act, R.S.O. 1990.
- (d) "Permit Holder" means Ferma Crushed Stone Inc.

GENERAL CONDITIONS

2. This Permit shall be kept available at the offices of Ferma Crushed Stone Inc., 2666 Rena Road, Mississauga, Ontario, with a copy of the Permit to be kept on-site at the quarry for inspection by Ministry staff at all times.
3. The Director may, from time to time, where a situation of interference or anticipated interference with water supplies exists, or in a situation requiring information on water takings for purposes of water resource inventory and planning, give written notice to the Permit Holder to undertake any of the following actions. The Permit Holder shall comply with any such notice:
 - (a) To establish and maintain a system for the measurement of the quantities of water taken;
 - (b) To operate such a system and to record measurements of the quantities of water taken on forms provided by the Director, with such frequency or for such time periods as the Director may specify;
 - (c) To return to the Director records made pursuant to clause 3(b) at such times or with such frequency as the Director may specify; and
 - (d) To keep records made pursuant to clause 3(b) available for inspection until such time as they are returned to the Director pursuant to clause 3(c).
4. The Permit Holder shall immediately notify the Director of any complaint arising from the taking of water authorized under this Permit and shall report any action which has been taken or is proposed with regard to such complaint.
5. For Surface-Water Takings, the taking of water (including the taking of water into storage and the subsequent or simultaneous withdrawal from storage) shall be carried out in such a manner that streamflow is not stopped and is not reduced to a rate that will cause interference with downstream uses of water or with the natural functions of the stream.
6. For Ground-Water Takings, if the taking of water is forecast to cause any negative impact, or is observed to cause any negative impact to other water supplies obtained from any adequate sources that were in use prior to initial issuance of a Permit for this water taking, the Permit Holder shall take such action necessary to make available to those affected a supply of water equivalent in quantity and quality to their normal takings, or shall compensate such persons for their reasonable costs of so doing, or shall reduce the rate and amount of taking to prevent the forecast negative impact or alleviate the observed negative impact. Pending permanent restoration of the affected supplies, the Permit Holder shall provide, to those affected, temporary water supplies adequate to meet their normal requirements, or shall compensate such persons for their reasonable costs of so doing.

7. Prior to the taking of water under the authority of this Permit to Take Water, the Permit Holder shall ensure that the works complies with Section 52 of the Ontario Water Resources Act, R.S.O. 1990.
8. Prior to the taking of water under the authority of this Permit to Take Water, the Permit Holder shall ensure that the discharge complies with Section 53 of the Ontario Water Resources Act, R.S.O. 1993.
9. The Permit Holder shall report to the Director any changes of address or telephone number, or change of ownership of the property for which this Permit is issued and shall report to the Director any changes in the general conditions of water taking from those described in the Permit application within thirty days of any such change. The Permit Holder shall not assign his rights under this Permit to another person without the written consent of the Director.
10. No water may be taken under authority of this permit after the expiry date of this Permit, unless the Permit is renewed, or after the expiry date shown on any subsequent renewal of this permit, unless it is likewise renewed.
11. This Permit does not release the Permit Holder from any legal liability or obligation and remains in force subject to all limitations, requirements, and liabilities imposed by law. This Permit shall not be construed as precluding or limiting any legal claims or rights of action that any person, including the Crown in right of Ontario or any agency thereof, has or may have against the Permit Holder, its officers, employees, agents, and contractors.
12. The Permit Holder must forthwith, upon presentation of credentials, permit Ministry personnel, or a Ministry authorized representative(s) to carry out any and all inspections authorized by Section 15, 16 or 17 of the Ontario Water Resources Act, R.S.O. 1990, Section 156, 157 or 158 of the Environmental Protection Act, R.S.O. 1990 or Section 19 or 20 of the Pesticides Act, R.S.O. 1990.

SPECIAL CONDITIONS

13. Records with respect to the measurement and reporting criteria defined under General Condition 3(d) listed above shall be kept daily when pumping by the Permit Holder at the offices of Ferma Crushed Stone Inc., 2666 Rena Road, Mississauga, Ontario, until this Ministry requests them to be submitted or states otherwise.
14. The Permit is valid only during that part of the proposed quarry operations designated as Phase 1 on the site plan and as illustrated in the attachment to the letter, dated February 18, 1998, from Jamieson Gourley (attached).

15. The locations of monitoring wells and the monitoring of static water levels in the wells shall be conducted as per the program outlined in the letter, dated February 18, 1998, from Jamieson Gourley (attached).
16. One (1) year after the commencement of dewatering activities, the Permit holder shall prepare, or have prepared on his/her behalf, a report summarizing and analyzing the previous year's observations. The report shall be completed within 90 days after the anniversary of the commencement of the water taking and shall be kept by the Permit holder at the offices of Ferma Crushed Stone Inc., 2666 Rena Road, Mississauga, Ontario, until this Ministry requests it be submitted or states otherwise. The report shall contain the information outlined in the Monitoring and Reporting section of the letter, dated February 18, 1998, from Jamieson Gourley (attached). If the results of the monitoring measurements, or the results and conclusions of the report, indicate the occurrence of an impact, the attainment of the contingency plan triggering condition or forecasts the potential for an impact on area wells, the Permit holder shall notify the Director immediately.
17. The contingency for the provision of alternative water supplies for affected wells shall be as outlined in the letter, dated February 18, 1998, from Jamieson Gourley (attached). Implementation of the contingency plan shall be initiated as outlined in the letter, dated February 18, 1998, from Jamieson Gourley (attached).
18. The permit holder shall be responsible for the investigation of water supply interference complaints as outlined in the letter, dated February 18, 1998, from Jamieson Gourley (attached). Upon receipt of a complaint, the Permit holder shall notify the Director and the Ministry of Natural Resources District Office of the complaint.
19. No water shall be taken under authority of this Permit after May 15, 2008.

The reason for the imposition of Special Condition 13 is to establish a record of water taking.

The reason for the imposition of Special Condition 14 is to limit the extent of the water taking until such time as additional information regarding the possible impacts to the groundwater resource and established users can be gathered and analyzed.

The reason for the imposition of Special Conditions 15 and 16 is to ensure that the impact of the water taking on the area aquifer is monitored and that the results of the monitoring evaluated is on an annual basis in order to determine the potential for interference with established users of the groundwater resource.

The reason for the imposition of Special Conditions 17 and 18 is to ensure that complaints with respect to well water shortages that may have been caused by this water taking are investigated and resolved and that established users which are affected or impacted by this water taking have a continuing supply of water sufficient for their normal usage.

The reason for the imposition of Special Condition 19 is to ensure that this Ministry has an opportunity to review the continued availability of water to be taken under authorization by this Permit as it relates to interference with other established uses.

You may, by written notice served upon me and the Environmental Appeal Board within 15 days after receipt of this Notice, require a hearing by the Board. Section 101 of the Ontario Water Resources Act, R.S.O. 1990, Chapter 0.40, provides that the Notice requiring the hearing shall state:

1. The portions of the Permit or each Term or Condition in the Permit in respect of which the hearing is required, and;
2. The grounds on which you intend to rely at the hearing in relation to each portion appealed.

The Notice should also include:

3. The name of the appellant;
4. The address of the appellant;
5. The Permit number;
6. The date of the Permit;
7. The name of the Director;
8. The municipality within which the taking is located;

And the Notice should be signed and dated by the appellant.

This notice must be served upon:

The Secretary
Environmental Appeal Board
P.O. Box 2382
2300 Yonge Street, 12th Floor
TORONTO, Ontario
M4P 1E4

AND The Director
Section 34, Ontario Water Resources Act
Ministry of the Environment
133 Dalton Avenue, Box 820
KINGSTON, Ontario
K7L 4X6

Dated at Kingston this 15th day of May, 1998.


Director
Section 34, Ontario Water Resources Act
Ministry of the Environment.