



June 28, 2019  
City of Kelowna  
1435 Water Street  
Kelowna, BC

Dear Stephen:

I am writing to inquire if the City of Kelowna would consider proposal options from Westlake Paving & Aggregates requesting access to the pit directly beside us in our West Kelowna operation. The ultimate purpose of our proposals is to enable us both to access the material along our property lines and possibly beyond. We have 2 proposals to put forth for your perusal. We look forward to your responses and possible negotiations. We would be happy to draw up agreements or memorandum of understanding documents for you to submit to your team.

**Proposal 1:**

Westlake Paving & Aggregates would mine 20m inside your property line at the existing in place elevations (see attached drawing). This would include a royalty payment of \$1.00 per metric tonne (\$1.85 per cubic meter) for the material removed from your site. As shown in our attached map, this would result in approximately 14000m<sup>3</sup> on your property that would be paid by royalty.

**Proposal 2:**

A "day- lighting" agreement where Westlake Paving & Aggregates would mine the toe of slope to the property lines. This could include a royalty type payment for the material removed from your site. We will also provide a supply agreement for your material needs if this is of interest. This type of agreement would still have you managing & controlling specific areas of your operation. We would set out the areas and identify them. This would include a royalty payment of \$1.00 per metric tonne (\$1.85 per cubic meter) for the material removed from your site. Using data from a recent drone survey we approximate 322,000m<sup>3</sup> on your property that would be paid by royalty.

Sincerely,

A handwritten signature in black ink that reads 'Kelly Frame'. The signature is fluid and cursive, with a large loop at the end.

Kelly Frame, AScT, CCA  
Aggregate Operations Manager – BC Interior