



10805-120 Street,
Edmonton, Alberta T5H-3P9
bus 780.488-4000 *fax* 780.426-5700

June 28th, 2016

Mayor Tom Flynn
and
Peter Tranawsky,
Chief Administrative Officer
Sturgeon County
9613 – 100 Street
Morinville, AB T8R 1L9

Dear Tom and Peter:

Re: Request for 2,000 CM of Clay

When Pinnacorp was developing Stages 2, 3 and 4, we were approached by Wayne Bullock from the County asking if we could provide to the County 25,000 CM of clay for upgrading Starkey Road. In a show of good faith, we agreed. Later, Wayne Bullock approached us to request that it be used to upgrade Bellerose Drive instead. Again, we agreed.

During construction, I calculated quantities being used and it was later confirmed by Wayne Bullock that indeed the County had used approximately 10,000 CM more clay than we had originally agreed upon could be taken. At that time, I wasn't overly concerned as I thought we would re-engineer the site and if we did require additional clay, the County would provide it to us from their lot.

When we started construction on Stages 2, 3 and 4 we had to redesign the areas twice in order to meet the designed elevations. We concentrated in meeting the elevations for Stages 2 and 3. On Stages 4 and 5 we had to re-grade the lots to meet the County standard. This was the minimum and we knew we would be short. On Stages 2 and 3, we were short material and made the elevations 20cm lower in an effort to make it work. On our new Stage 6 we ended up with 2,000 CM short of clay material. Currently, on virtually all of the lots, we see new owners hauling in clay to meet the grading requirements.

Susan Berry, in her report to the County, indicated that Pinnacorp derived a benefit from providing the 25,000 CM of clay to the County. We did not derive any benefit and in fact we were punished in that we now face a shortage of clay.

At no time during the County's removal of the permitted 25,000 CM of clay did Pinnacorp give permission for additional material be removed. At no time did the County approach Pinnacorp requesting additional material, in this case 10,000 CM of it.

As we prepared for Stage 6, it became apparent that we were indeed short material, in addition to being short material for the existing lots in Stages 2, 3, 4 and 5. It's not uncommon for builders to haul in 200-300 CM of clay and we thought the solution was to get permission from the County to remove 2,000 CM of clay from the adjacent MR lot next to our Stage 6. Pinnacorp was prepared to construct a gravel trail connecting our subdivision to the Riverstone subdivision.

From our engineering plan, it was determined that if we received 2,000 CM of clay it would satisfy our needs. This comprised of a narrow strip of land that would reduce the height by 1-1/2 ft. It would reduce the height on the Stage 6 lands by 12 ft. M/L at the highest point.

Given the history and our desire to work cooperatively with the County, we respectfully request that you reconsider our request for 2,000 CM of material.

Sincerely,

Pinnacorp Investments Inc.

A handwritten signature in black ink, appearing to read 'Ed Basaraba', written in a cursive style.

Ed Basaraba, CCIM, President