

EXHIBIT 3

CONDITIONS OF APPROVAL FOR M&T CHICO RANCH MINING USE PERMIT AND RECLAMATION PLAN (MIN 06-03 BALDWIN CONTRACTING COMPANY)

1. This Mining Use Permit allows the extracting, processing, and sale of up to 5,500,000 cubic yards of aggregates within Assessor Parcels 039-530-019 and 020 (“Project”) in accordance with County ordinances and land use regulations subject to the following terms and conditions. This approval also allows construction of facilities ancillary to the mining project and related improvements.
2. Failure to comply with the conditions specified herein as the basis for approval of application and issuance of the Mining Use Permit constitutes cause for the revocation of said permit in accordance with the procedures set forth in the County Zoning Ordinance, including County Code Sec. 24-45.65.
3. Unless otherwise provided for in a special condition to this Mining Use Permit, all conditions must be completed prior to or concurrently with the establishment of the granted use. Owner/Operator shall commence operations within 5 (five) years from the date of issuance of the final permit. Should operations not commence within said 5 (five) years the final permit shall expire and become void, unless extended by the Planning Commission prior to expiration.
4. Amendments to an approved Mining Use Permit may be submitted to the Planning Commission, detailing proposed changes to the original plan. Substantial deviations from the original plan shall not be undertaken until such amendments have been filed with and approved by the Planning Commission. The Planning Commission shall set a public hearing regarding such amendments in the same manner as provided for in County Code Section 13-107.
5. The terms and conditions of this permit shall run with the land and shall be binding upon and be to the benefit of the heirs, legal representatives, successors, and assigns of Owner/Operator.
6. Financial assurances to ensure compliance with the approved Reclamation Plan shall be in place to the satisfaction of the Director of the Department of Development Services or his/her designee prior to the establishment of the approved mining use. Financial assurances have been initially calculated at \$103,526.93.
7. Prior to use of the site for the proposed use Owner/Operator shall contact the Planning Division for a field inspection to verify that all conditions and ordinance requirements have been met.

Planning Division

8. All Reclamation work shall be in substantial compliance with the approved Reclamation Plan.
9. All mine operations shall comply with the Project Description and Mining Use Permit application as submitted and approved and set forth in the M&T Chico Ranch Certified Final Environmental Impact Report (“Final EIR”), dated October 2003.

10. Annual inspection of the mine shall be conducted in accordance with the Surface Mining and Reclamation Act. All applicable inspection fees shall be paid in accordance with adopted rates.
11. Mine Operation and Reclamation shall be in accordance with the Mitigation Measures contained within the Final EIR incorporated herein by reference.
12. All Mitigation Measures as identified in the Final EIR for the M&T Chico Ranch Mine are adopted as conditions of this Mining Use Permit and as such the Mitigation Measures have full weight and authority in the same manner as conditions of the Mining Use Permit.
13. Mitigation Monitoring and Reporting shall commence and proceed in accordance with the Mitigation Monitoring Reporting Plan referenced within the Final EIR. The owner/operator is responsible for all costs associated with monitoring and reporting activities including but not limited to the hourly rate of County staff time, as approved by the Board of Supervisors and as amended, and any contract services as may be necessary to conduct such work on behalf of the County as determined by the Director or designee.
14. Mining, processing, maintenance and load-out activities shall occur from 7:00 am to 5:00 pm (nine hours per day) from November through April, and from 6:00 am to 5:00 pm (ten hours per day) from May through October. Operations shall take place five days per week; however, Saturday operations may occur sporadically to meet customer demands. Aggregate load-out for delivery to the plant could also occasionally, not to exceed 30 times per year to be verified by log book, begin by 5:00 am. Only during times of declared emergency (when aggregate resources are needed to address flood damage or other natural disaster) either under executive order from the State or County, operations are allowed 24 hours until such time as the emergency is declared over.
15. Prior to establishment of the use, the Owner/Operator shall obtain County Board of Supervisors approval of the partial California Land Conservation Act (Williamson Act) immediate cancellation request or determination of compatibility.

Butte County Air Quality Management District

16. The Butte County Air Quality Management District requires Owner/Operator to obtain an Authority to Construct Permit to operate. Owner/Operator shall be required to implement all emission controls necessary to assure specified limits are not exceeded on both mobile sources (mining equipment) and stationary sources (processing facilities). As noted within the Draft EIR for Impact 4.5-2 (Page 4.5-30) all diesel fueled construction-type equipment shall be required to meet the emission reduction requirements recently set by the California Air Resources Board (“CARB”). An equipment inventory shall be maintained at the project site and available for review by District staff. All equipment shall be maintained and kept in proper repair per manufacturer’s maintenance schedules.

Department of Public Works

17. Prior to operations Owner/Operator shall construct improvements to River Road at the Project's entrance, including acceleration/deceleration lanes, turn pockets, signing and striping. Improvement plans shall be approved by the Butte County Public Works Department prior to construction.
18. Prior to operations Owner/Operator shall provide improvements to the median crossing at the Baldwin Plant site driveway and the Skyway. Improvements to include acceleration and deceleration lanes, improved signing and striping, and channelization of the driveway approach. Improvement plans shall be approved by the Butte County Public Works Department prior to construction.
19. The project Applicant shall contribute its fair share of the costs to improve the pavement on River Road between Chico River Road and Ord Ferry Road with a two-inch asphalt concrete overlay. The fair share amount shall be based on the increase in ESALs, which is 51%. Butte County Public Works estimates the cost of this improvement to be approximately \$1,200,000. Therefore, the Applicant's fair share cost would be about \$40,000 per year. The Public Works Department has indicated that the fee shall be submitted annually based on the tonnage of material that is hauled from the project site and shall be relative to an inflation index. Based on the information contained in Table 4.6-9, the cost per ton of material hauled from the project site would be approximately \$0.08.
20. The project applicant shall contribute its fair share of the cost to maintain the asphalt concrete pavement on the following roads over the 30 year life of the project:
 - River Road; between Chico River Road and Ord Ferry Road;
 - Ord Ferry Road; between County Line and Dayton Road;
 - Durham Dayton Road; between Dayton Road and SR 99;
 - Dayton Road; between Ord Ferry Road and Chico City Limit;
 - Hegan Lane; between Dayton Road and Midway; and
 - Chico River Road; between River Road and Chico City Limit.

Road Maintenance shall include a chip seal surface treatment every 10 years with M & T Chico Ranch Mine project's fair share contribution based on the projected net increase in ESALs as shown in the attached Table A. Based on the information contained in Table A, the cost per ton of material hauled from the project site would be approximately \$0.06 and shall be relative to an inflation index.

If maintenance costs are rolled into a single fee per ton of material extracted, the mitigation fee shall be made up of \$0.08 per ton for the overlay on River Road, plus \$0.01 per ton for the improvements to the Ord Ferry Bridge, and the installation of a signal at Midway and Durham Dayton highway, for a total of \$0.09 per ton of material removed from the site. The amount intended to compensate for the extra maintenance required due to the increased truck traffic, shall be \$0.06 per ton of material extracted. These fees shall be deposited by the

operator into the Butte County Road Fund, and shall be adjusted for inflation based upon the change in the Construction Cost Index for San Francisco, during the month of January of each year. These fees shall cease to be collected should the County impose a countywide tax or fee for road maintenance based upon weight of materials moved over the roads.

21. Prior to establishment of the use Applicant shall provide a fully executed agreement to preserve, maintain, restore and or repair in perpetuity, any and all mitigation improvements constructed or required as a condition of this project. These improvements shall include, but are not limited to, any weirs, dykes, levees, channels, berms or other flood control devices. All repairs shall be completed in a timely manner in conformance with the adopted mitigation measures. This agreement shall be recorded and shall run with the land. In order to insure compliance with this condition, applicant provide a performance bond, cash deposit or other County approved security; in an amount equal to 100% of the construction costs of said improvements. Said security shall be adjusted annually using the change in Engineering News Record Construction Cost Index for San Francisco as the basis for adjustment. The County, at its sole discretion, shall have the authority to call said bond and use the proceeds to perform the required work. Nothing contained in this condition shall be so construed as to attach any liability to the County for its actions or failures to act in order to preserve any of the improvements required by this project.

Environmental Health Division

22. Owner/Operator shall receive a Hazardous Material Release and Response Plan (Health and Safety Code 25500 et seq.) (Business Plan) for hazardous materials inventory and emergency response planning.
23. Owner/Operator shall receive a septic and domestic water well permit from the Environmental Health Division prior to site development for waste water disposal and drinking water.

Pacific Gas and Electric Company

24. If there is a conflict between the mining operations and the PG&E natural gas line, Owner/Operator will be responsible for the relocation of the PG&E gas line and all associated costs, along with the acquisition of new rights of ways.
25. Weights of all mining equipment shall be provided to PG&E to ensure that weights will not damage gas lines.
26. Any use of PG&E easements shall require a review and consent of PG&E. Upon review a consent agreement would be prepared if the use is appropriate.

Mosquito Abatement

27. Owner/Operator shall be required to comply with Butte County Mosquito and Vector Control District requirements for the cost of any future mosquito control work performed by the District at the Project site. This shall include stocking the pond with mosquito fish to prey on and control mosquito larvae.

State and Federal Requirements and Conditions

28. Owner/Operator shall comply with the Clean Water Act and obtain all necessary approvals, including a 404 Permit for fill or disturbance of wetlands and other waters of the United States.
29. Owner/Operator shall comply with the Federal Endangered Species Act, including a Section 10a Permit for incidental take of federally-listed threatened or endangered species or their habitat, if any.
30. Owner/Operator shall comply with the California Endangered Species Act, and obtain all necessary permits, including a Section 2081 Permit (Fish and Game Code 2081) and Streambed Alteration Agreement (Fish and Game Code 1603) for incidental take of State-listed threatened/endangered species or habitat (if anticipated) for possible impacts, if determined to the Swainson's hawk and for any new stream crossings.
31. Owner/Operator shall comply with the following Regional Water Quality Control Board requirements, and obtain all necessary approvals, including:
 - a) NPDES Permit or Waste discharge requirements Permit CFR Title 40, Section 436, Subpart B, for on-site gravel washing and discharge of wash water to on-site settling basins.
 - b) Stormwater Pollution Prevention Plan prior to construction activities used to identify potential pollutants and to eliminate or reduce the amount of pollutants entering surface waters.
 - c) General Industrial Activities Storm Water Permit is required if there are storm water discharges to surface waters.
 - d) A Review of Groundwater Monitoring Plan prior to approval by the County.
32. Owner/Operator shall comply with the following California Department of Water Resources, Reclamation Board requirements, and obtain all necessary approvals, including:
 - a) A Construction Activity Storm Water Permit for any construction activities where clearing, grading, filling and excavation result in a land disturbance of five acres or more.
 - b) A Storm Water Pollution Prevention Plan must be in place prior to construction activities.
 - c) Compliance with the California Aboveground Petroleum Storage Act for owners and operators of above ground petroleum storage tanks to file a storage statement and prepare a federal spill prevention and control

countermeasure plan.

- d) A Section 401 Water Quality Certification is required for projects needing an Army Corps of Engineers 404 Permit; this certification must verify that the project does not violate State Water Quality Standards.
33. Owner/Operator shall receive a State Board of Reclamation Encroachment Permit (CCR Title 23 Section 135) for any encroachment that could reduce or impede flood flows, or would reclaim any of the floodplain within the Butte Basin, if necessary.

Agricultural Commissioner's Office

34. Prior to Mining Permit issuance, submit a Weed Management Plan to the Agricultural Commissioner's Office for review and Approval.

Butte County Counsel

35. If this entire matter or any finding, action or condition of this matter is appealed to the Board of Supervisors, Baldwin or any other developer/operator other than Baldwin agrees to indemnify the County of Butte from liability or loss related to the approval of this project and agrees to sign an indemnification agreement in a form approved by County Counsel before the Board's appeal hearing. If the application is not appealed, these conditions of approval are deemed satisfied.

Attachment: Table A