

Lamey <clamey@cbrm.ns.ca>

Subject: McKiel Marine Development Agreement

Dear Blair: further to our meetings, we have respectively signed the offer document with the amendment reflecting the separation of the lease/purchase agreement from the development agreement.

I have spoken to the CAO who will now work with your team and the respective provincial and federal government officials to move forward on the exciting development of Eastern Canada's largest floating drydock. This development is contingent on a one-third contribution arrangement amongst community/McKiel, provincial and federal partners. The CBRM/McKiel arrangement shall reflect a 50/50 investment scenario recognizing that the CBRM portion shall include the site acquisition cost and associated site improvement costs.

The total project development cost is \$18 million dollars reflecting \$6 million in investment from each party. Our respective legal counsels can appropriately reflect this understanding.

Kind personal regards, Cecil

Sent from my iPad