

March 28, 2013

Bob Read
READ CONTRACTING LTD
Commercial & Industrial
#4 4617 – 41 Street
Camrose AB T4V 2Y8

Dear Mr. Read:

Re: Tender for Ashmont & Mallaig Fire Halls

This is to confirm that the County of St. Paul has accepted your tender of \$2,198,000 for the construction of two fire Halls located in Ashmont and Mallaig, Alberta at \$1,099,000 per fire hall.

We agree with the proposed cost savings of \$26,250 per fire hall as per your correspondence of March 5, 2013. However, we have yet to confirm volume capacity on the proposed water line reduction with our Engineers. Providing we are satisfied with the capacity we will proceed with the reduction. If we proceed with the reduction from a 6" to 4" line with a 3" outlet, then we will see a further reduction of \$8,400 per fire hall.

Prior to signing the formal agreement, we will also need to discuss the Mechanical Addendum M-002 in relation to the installation of the water line regarding responsibility and costs.

The County will require Read Contracting to enter into a formal agreement for performance of the work.

If you have any questions please feel free to contact us.

Yours truly,

Sheila Kitz, CLGM
Chief Administrative Officer