

December 14, 2015

By E-Mail

Robert Grant QC
Stewart McKelvey
900-1959 Upper Water Street
PO Box 997
Halifax, NS B3J 2X2

Dear Robert:

UARB Case No. Mo7050
Pictou County Amalgamation
Our File Number: 4152433

This letter is sent in reply to your letter of November 14, 2015.

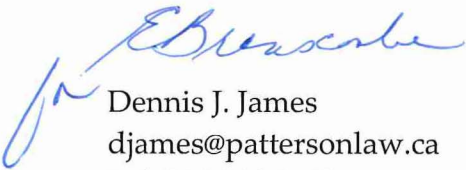
The Town of Westville wishes first to restate its position that it has not intervened to interfere with your clients' application for amalgamation. It is only concerned with its interests in the shared agreements or joint corporate entities that are formed jointly by the various municipal units. Among those agreements or joint entities, its biggest concern is with the Shared Services Agreement.

The Town is concerned that if all that happens is to simply permit the amalgamated unit to step in the shoes of the four predecessors there would be a significant shift in the governance relationship. For example, the Shared Services Agreement currently provides for a co-operative model of 6 municipal units but would be transformed into an entity where one municipal unit would represent 67 percent of the Board with 75 percent of the population. According to the Special Resolution definition set out in the agreement the amalgamated municipal unit could decide virtually everything and leave the Town with very little say and considerable exposure to costs. While there was always a risk that the Town of Westville could be outvoted by its partners at least that required discussion to reach a consensus among 6 units. Under a transformed model the amalgamated unit would exercise the authority and that creates a very different governance dynamic.

We are working with our client to develop proposed amendments to the agreements to provide the Town language that reflects this new proposed dynamic. If your clients have any suggestions on possible changes, Westville would be pleased to consider them.

In your review of the Shared Service Agreement, can you advise whether it is the intent of your clients to continue with the Chief Operating Officer model currently set out?

Yours truly,

A handwritten signature in blue ink, appearing to read "Dennis J. James".

Dennis J. James
djames@pattersonlaw.ca
Tel: 902.896.6149

DJJ/ejb

c. Client