Winnipeg

Planning, Property and Development Department • Service de l'urbanisme, des biens et de l'aménagement

Office of the Director • Bureau du directeur

February 21, 2014

Price Industries Limited
638 Raleigh Street
Winnipeg, Manitoba
R2K 3Z9

Attention Mr. Joe Cyr, President and Chief Operating Officer

Dear Mr. Cyr:

Congratulations on the long-standing success of your company headquartered here in Winnipeg. We are delighted to hear of your imminent expansion plans and the opportunity that presents for our city and the local economy.

We understand your proposed expansion on the existing Raleigh Street site to include the following components:

Price Controls

- New Construction of 15,000 sf. of space at a cost of $900,000
- Fit out at a cost of $600,000
- Estimated New Jobs: 40
- Annual Sales Estimate – year 5: $15,000,000

Price Electronics

- New Construction of 15,000 sf. of space at a cost of $900,000
- Fit out / equipment at a cost of $600,000
- Estimated New Jobs: 35
- Annual Sales Estimate – year 5: $15,000,000 (from present level of $6,000,000)

Space for Future Expansion

- New Construction of 20,000 sf. of space at a cost of $1,200,000
- Estimated New Jobs: 50

Expansion of Price Research Centre North

- Testing Chamber Construction at a cost of $1,000,000
- Equipment, including testing and computers at a cost of $1,500,000

In addition, there is a proposed expansion of Price Mechanical on Egesz Street (rather than locating in the USA) consisting of

- New Construction of 40,000 sf. at a cost of $2,500,000
- Parking Expansion (immediate) at a cost of $750,000
- Estimated New Jobs: 100

The comprehensive expansion plan above represents a total potential investment of $9,950,000 and the introduction of 175 new high-skills, high-value jobs to the local economy.

In response to your letter received on February 14, 2014 and based on the considerable merits of your proposal, the City of Winnipeg Public Service is prepared to recommend to City Council a municipal property tax-based incentive as follows:

- 100% of the incremental taxes otherwise payable on the site of your proposed expansion **for a period of five consecutive years** subsequent to completion of construction, and;
- 100% of each **alternate** year hence for an additional 10 years.

The above incentive represents a total of **10 years of full incremental taxes** otherwise payable **over a period of 15 years** subsequent to construction of your expanded facility. Our recommendation will be necessarily subject to the completion of the phases of your expansion project and introduction of new jobs here in Winnipeg as proposed. Should you wish to reengage the City of Winnipeg after four years based on a reevaluation of economic conditions, we'd be receptive to reflecting that condition in our report to Council and subsequent grant agreement.

In addition, recognizing that time is money, we are fully prepared to offer you 'best in class' permit approval facilitation services in conjunction with your desired construction schedule.

The City of Winnipeg understands and fully supports your important role in growing the Advanced Manufacturing sector of local economy and the resulting skills-retention opportunity in the research and development field. We wish you the best of luck with your imminent expansion decision and the economic opportunity it represents for your company in our city.

If you are in agreement with this proposal and wish to proceed, please sign the confirmation portion of the letter below and return it to us at your earliest convenience.

Sincerely,

Barry Thorgrimson, Director
Planning Property and Development Department

CONFIRMATION:

We request that the Planning, Property and Development proceed with the formal recommendation to Council of our economic incentive packaged based upon the above stated terms and conditions.

Mr. Joe Cyr, President and Chief Operating Officer
Price Industries Limited

Date