

October 15, 2012

City of Regina
Office of the City Solicitor
2476 Victoria Avenue
PO Box 1790
Regina, SK S4P 3C8

Attention: Jayne Krueger

Dear Sirs/Mesdames:

Re: Engagement Confirmation – Wastewater Treatment Plant Replacement Project

Thank you for engaging Torys LLP to act as your legal counsel in connection with this matter. We are pleased to work with you on the terms set out below. If you agree with these terms, please sign and return a copy of the confirmation to me as soon as possible.

* * *

Client

1. Our client in this matter is The City of Regina ("you"). We are not representing or taking on any obligations to any related individuals or entities.

Scope of Engagement

2. We are engaged to act as external legal advisor to the City of Regina in connection with a proposed project for the Wastewater Treatment Plant Replacement Project (the "Project"). The City is considering alternative approaches to the Project including a P3 approach.

We are not providing legal advice or services except as described above.

Responsible Lawyer

3. The lawyer responsible for this engagement is Mark Bain.

Instructions

4. We will accept instructions for this engagement from Byron Werry, Jayne Krueger or Mark Yemen, or such other person as those individuals advise us is authorized to instruct us.

Fees and Expenses

5. **Legal fees.** Legal fees will be based on our standard individual hourly rates (to be discounted by 10% of our standard rate generally charged for those individuals involved in the Project), as adjusted over the period of the engagement.
6. **Disbursements.** We normally expect you to pay directly all significant charges from third parties in connection with this matter. When we have paid third party charges on your behalf and for other costs incurred by us in connection with the engagement, these disbursements will be billed in addition to our legal fees.
7. **Payment Terms.** We bill on a monthly basis. Our fees are based on the assumption of prompt payment. Amounts that remain unpaid after 30 days will bear interest. We will charge HST on the fees and disbursements incurred in this matter.

Termination

8. **Termination prior to completion.** This engagement is terminable by written notice by you or us at any time prior to completion, for any reason (in our case, subject to professional and ethical obligations). On termination, all unpaid legal fees and disbursements become due and payable.
9. **Termination on completion.** Unless our engagement has been previously terminated, this engagement ends when our work on the engagement is completed and our final account in the matter is rendered.
10. **No obligation to update.** Once this engagement has terminated, we will not advise you as to subsequent legal developments that could be relevant to the advice we gave you during the engagement.

Confidentiality

11. **Protection of your confidential information.** We will at all times preserve the confidentiality of information you disclose to us, subject only to applicable law and our professional and ethical obligations.
12. **Non-disclosure to you of other clients' confidential information.** Because we owe a duty of confidentiality to all of our clients, we will not disclose to you information we hold in confidence for others (even where such confidential information could be relevant to this engagement), subject only to applicable law and our professional and ethical obligations.

Conflicts

13. **Our conflict search in this engagement.** We identify conflicts through searches of our conflicts database that are intended to ensure that we do not have a legal conflict in taking on this engagement. In determining whether we have a legal conflict, we can only identify potential conflicts by searching against the names you have provided to us. We are relying on you to provide us with the names that are potentially relevant to this matter and that need to be searched. We cannot identify potential conflicts in relation to individuals or entities whose names we have not searched.

14. We have searched the following names that you have provided to us as being relevant:

- **City of Regina**

At the date of this engagement letter, you have not selected a contractual counterparty for the contract related to the Project, so we cannot search the names of potential counterparties. Based on our search of this name, we confirm that we have not identified a legal conflict of interest in representing you in this matter.

15. **Identifying future conflicts.** Before taking on future engagements for other clients, we will search our conflicts database to determine whether such engagements could conflict with our obligations to you. We will be able to identify future potential conflicts and confidentiality issues involving you because your name will be in our conflicts database. However, we will not be able to identify potential conflicts and confidentiality issues involving individuals or entities related to you but that are not our clients unless their names are entered into our conflicts database and linked to you. We are relying on you to provide us with the names of any individuals or entities related to you that you believe could raise conflicts and confidentiality issues for us in acting against them based on your being our client in this matter. Unless you do so and we agree to enter the names in our conflicts database, we will not be able to identify that you would have a concern in our accepting a future engagement against them.

16. **Adverse representations while you are a client.** While you are our client, professional and ethical rules do not permit us, without your informed consent:

- (a) to act for another client in an unrelated matter that is directly adverse to your immediate legal interests; or
- (b) to act in an unrelated matter for the party that is directly adverse to your immediate legal interests.

17. **Conflict waiver.** Our acceptance of this engagement is on the basis that you now consent to our representation of other clients in other matters, while we are representing you, even if:

- (a) the interests of the client in the other matter differ from or are directly adverse to your immediate interests (including in litigation against you); or
- (b) the client in the other matter is adverse to you in this matter.

This consent is subject to the following provisos: (i) the other matter is not the same as or related to any matter in which we have represented you; (ii) we protect your confidential information; and (iii) there is no substantial risk that our representation of you in this matter would be materially and adversely affected by the other matter.

With respect to (ii), we protect confidential information through the timely establishment of an internal screening mechanism. The mechanism precludes any member of the core team working on this matter from working on the other matter, while permitting overlap in teams, where necessary, for lawyers in narrow specialty areas in which our relevant resources may be concentrated (e.g. environmental law, employment and pensions), or where necessary to ensure consistency of legal advice on legal issues on which we have given opinions to others.

We are relying on this consent in agreeing to represent you in this matter and we will not be seeking any further consent from you before representing another client in the circumstances described in (a) or (b) above. We therefore recommend that you seek advice from legal counsel independent from us if you have any questions concerning the implications of providing this consent.

18. ***Acting adverse to you after you are no longer a client.*** When you are no longer our client, applicable professional and ethical rules permit us to represent another client in a matter that is directly adverse to your immediate interests provided that (i) the other matter is not the same as or related to a matter in which we previously represented you, and (ii) we protect your confidential information (which we normally do through the timely establishment of an internal screening mechanism).

File Materials: Ownership and Retention

19. ***Our file.*** During this engagement, we will maintain a file where we place materials (hard copy or electronic) that we receive from you or from third parties, or create in connection with the matter (collectively "file materials").
20. ***File materials to be maintained electronically during the retainer.*** During this engagement (i) we may maintain some or all of the file materials electronically in our electronic records and; (ii) we are free either to destroy or return to you, as we see fit, hard copies of file materials that are either immaterial or are redundant in view of our electronic records, unless you and we expressly agree in writing otherwise.
21. ***Important original file materials to be returned to you during the engagement or on its termination.*** It is our policy not to retain in our file materials during the engagement, or to store following the engagement, important original file materials such as the contents of minute books, share certificates, execution copies of transaction documents, deeds and conveyancing documents. Original materials of this kind will be sent to you during the engagement or on the termination of the engagement after being scanned by us for our electronic records.
22. ***Records retention following termination of the engagement.*** Following the termination of the engagement, we are free to deal with file materials in accordance with our records retention practices as those practices may evolve, unless you and we have agreed otherwise expressly in writing. Our current policy contemplates retaining electronic copies of file materials in our electronic records for fifteen years.
23. ***Our retention practices may not be synchronized with yours.*** Our records retention practices, as those practices evolve, may not be synchronized with yours. We may therefore be retaining records the copies of which you have destroyed under your own records retention policy, or *vice versa*. If you have any concerns about what we retain in our records or dispose of, you must alert us to your concern.
24. ***Ownership of electronic records.*** Our electronic records with respect to this engagement (material stored in our email and document management systems) are our property. You may have access to those records as required by professional and ethical rules.
25. ***Know-how and precedents.*** All of our clients are the beneficiaries of know-how and precedents developed by us in connection with our representation of other clients. We

are free to use in other matters for other clients know-how and precedents we have developed in connection with this engagement, subject only to our confidentiality obligations to you.

Governing Law

26. Our engagement with you is governed by the laws of the Province of Ontario and federal laws of Canada.

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We appreciate the confidence you have expressed in Torys LLP by engaging us and we look forward to working with you.

Yours truly,

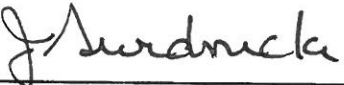

28 (1) - Personal Information

Mark Bain

Tel 416.865.7349
mbain@torys.com@torys.com

Please confirm your agreement to these terms by signing and returning this engagement confirmation.

Agreed and Accepted on behalf of:

City of Regina	
By: 	
Jayne Krueger -- Joni Swidni	
Barrister & Solicitor	City Clerk
Date: October 12, 2012	