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Red Deer, AB T4N 1Y1

Attention: A.D. (Tom) Schmit

Attention: Kelly le Vann

Dear Gentlemen:

Re: Budd v. Air Spray (1967) Ltd. et al

Please find enclosed for service upon you, our client's formal offer to settle the above noted matter.

Should you be agreeable to the terms set forth therein, please endorse and file the Offer and Acceptance of Offer and return a copy to our office.

To assist in your consideration of this offer I offer the following:

- The party was held at Air Spray's hangar;
- Only employees attended the party;
- The party was to celebrate the graduation of apprentice mechanics;
- At least one manager attended the party and passed out from the alcohol he consumed;
- One young apprentice was throwing up from over-consumption of alcohol;
- Kevin was so drunk that he had to be led out of the vehicle in which he was a passenger; and
- Kevin did not have a jacket on when he left the vehicle.

In addition, I would assume that given that Air Spray is reliant on government contracts it would not want it generally known that it supports over consumption of alcohol at its place of business. I understand that a manger was later terminated for having open alcohol in his work vehicle while on business for Air Spray. This suggests a general problem with over consumption that would be equally damning to Air Spray's reputation and its clients' confidence in Air Spray's ability to conduct its business and its reliability.

Alternatively, in our current political environment in which social perception, rightly or wrongly, plays heavily in decisions any press or social media backlash from this litigation may result in a hesitancy to allocate government contracts to Air Spray.

From my perspective, Arrow is similarly situated but perhaps bears less risk. Arrow advertises itself as a party transportation company providing safe, reliable and stress-free experiences. An integral part of that will be safely transporting partygoers for the primary purpose of keeping them off the road. In this case, third parties were kept safe by Arrow but Arrow was wonton in its care for its passenger, in particular in a day and age when a simple text would have sufficed to confirm its passenger was safe or, as it turned out in this case, not. Individual partygoers will likely be undisturbed by the events in this case but corporate clients may not. However, if this case reaches the media, Arrow's business may be negatively effected by the social media culture which I reference above.

At the end of the story there is one person in particular who suffers as a result of Kevin's death – Susan Budd. She not only lost her close companion but in one fell swoop she also lost her income and health benefits. She had been completely financially dependent on Kevin for many years and suffers from advanced COPD.

The offer made is comprised of two years net salary, funeral costs (which are based on an estimate) and the amount Ms. Budd would be awarded under the *Fatal Accidents Act*. I suggest this is more than reasonable.

Thank you,

DD WEST LLP

Per:



Susan G. Lawson

SGL / emw

Encls.