



PPP Canada

Chief Executive Officer

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September 23, 2016

Robert Lapham
Chief Administrative Officer
Capital Regional District
625 Fisgard Street, PO Box 1000
Victoria, BC, Canada, V8W 2S6

Dear Mr. Lapham:

RE: Extension of the Conditional Financial Agreement (CFA) for the Biosolids Energy Centre (Project) with the Capital Regional District (CRD)

We recognize the efforts and steps taken by the CRD to address the challenges encountered with respect to advancing the Project and the site selection for the wastewater treatment plant (WWTP), including:

- The business case developed by the CRD Project Board, including a recommended site for the WWTP and updated scope for the Project; and,
- Approval of the business case and Project Board recommendations by the CRD Board.

Given the efforts to meet our September 30, 2016 deadline and the significant progress on the plan, PPP Canada is willing to provide a further three month extension to the existing CFA. The short extension, to December 31, 2016, is needed to confirm continued support and then negotiate an updated CFA to reflect the revised project.

I appreciate the ongoing collaboration between our organizations and look forward to working with the CRD and the Province in moving forward with the common goal of achieving a successful Project.

A copy of Amendment 3 is attached and shall serve as a further amendment to the CFA once signed, in accordance with the CFA Amendment Clause. Please return a signed copy of Amendment 3 to my attention no later than September 30, 2016. Thank you for your immediate attention to this matter.

Sincerely,



John McBride

Canada

AMENDMENT #3

**BIOSOLIDS ENERGY CENTRE WITH CAPITAL REGIONAL DISTRICT (“CRD”)
CONDITIONAL FINANCIAL AGREEMENT**

BETWEEN:

PPP Canada Inc.

AND:

Capital Regional District

(hereinafter collectively referred to as the “Parties”)

WHEREAS the Parties executed a Conditional Financial Agreement (the “Agreement”) on the 16th day of July 2012;

AND WHEREAS the Parties amended the Agreement to extend the ‘Closing’, extend the ‘Expiry Date’ and update the ‘Projected Dates for Project Milestones’ (“Amendment 1”) on the 30th day of March 2016;

AND WHEREAS the Parties now wish to further amend the Agreement to extend the ‘Closing’ and the ‘Expiry Date’ (“Amendment 3”).

NOW THEREFORE, in consideration of the mutual covenants and subject to the terms and conditions hereinafter set forth, the Parties agree as follows:

ARTICLE 1 - DEFINITIONS AND INTERPRETATION

1.1 In this Amendment 3, unless specifically defined herein, all capitalized terms shall have the meanings ascribed thereto in the Agreement.

ARTICLE 2 – AMENDMENTS

2.1 The Section of the Agreement titled “**Closing**” on page 5 of 16 is hereby deleted in its entirety and replaced with the following:

“The Eligible Recipient and PPP Canada agree to work in good faith to negotiate and enter into the Financial Agreement and complete the transactions contemplated by this Agreement by **December 31, 2016** or such later date as may be agreed in writing by PPP Canada and the Eligible Recipient.”

2.2 The Section of the Agreement titled “**Expiry Date**” on page 5 of 16 is hereby deleted in its entirety and replaced with the following:

“If the Financial Agreement has not been entered into by December 31, 2016 this Agreement shall expire and the Support shall be revoked by PPP Canada without further notice or liability to the Eligible Recipient. The Eligible Recipient hereby acknowledges and agrees that PPP Canada shall not be liable to the Eligible Recipient for any damages arising out of the termination or revocation of this Agreement and hereby releases PPP Canada from any and all such claims.”

2.3 The Section of Schedule “A” titled **Key Projected Project Milestones** on page 8 of 16 is hereby deleted in its entirety.

ARTICLE 3 – EFFECTIVE DATE

3.1 This Amendment 3 shall be made effective upon signing by all the Parties (“Amendment 3 Effective Date”). If signed on different dates then the Amendment 3 Effective Date shall be the date of the last signature.

ARTICLE 4 - AFFIRMATION OF AGREEMENT

4.1 All other terms and conditions of the Agreement remain unamended.

ARTICLE 5 – COUNTERPART EXECUTION

5.1 This Amendment 3 may be signed in counterpart, and the signed copies will, when attached, constitute an original agreement. The Parties further agree that a faxed or emailed signature will be deemed to be and shall have the same effect as an original signature.

IN WITNESS WHEREOF this Amendment 3 has been executed by the duly authorized officers of the Parties as of the dates provided below.

PPP CANADA INC.:

Name: John McBride, CEO, PPP Canada

Signature: 

Date: Sept. 29 / 2016

CAPITAL REGIONAL DISTRICT:

Name:.....

Signature:.....

Date:.....

