



Kent Kirkpatrick
City Manager / Directeur municipal

July 12, 2013

Mr. Roderick M. Bryden
President and CEO
Plasco Energy Group Inc.
1000 Innovation Drive, Suite 400
Ottawa, ON K2K 3E7

Dear Mr. Bryden:

I am writing in regard to Article 4.1(b) in the Plasco Long-Term Waste Conversion Agreement made the 15th day of December, 2012, between the City of Ottawa and Plasco Energy Ottawa (1) Inc. Specifically, the purpose of this letter is twofold: to provide the 60-day notice required in the aforementioned Article and to request a formal response from you regarding Plasco's intent regarding the Agreement.

As outlined in the Long-Term Conversion Agreement:

“Plasco Ottawa must confirm financial arrangements for the Commercial Facility no later than March 31, 2013, which will be evidenced by: (i) Plasco Ottawa demonstrating to the City that it has unconditionally (except for usual construction financial conditions in respect of the continued advance of funds by the lender) secured all necessary financing (including debt or equity) to fund the entire construction budget for the Commercial Facility and has received a first draw on such debt financing facility; and (ii) Plasco Ottawa will have actually expended and/or made binding commitment(s) to expend at least \$5 million in respect of orders to manufacture components required for the Commercial Facility. Failing satisfaction of these conditions related to the confirmation of financial arrangements, the City will have the right to terminate the WCA, provided that it shall have given Plasco Ottawa sixty days prior written notice of such termination.”

On February 13, 2013, Council adopted a motion that extended the March 31, 2013 deadline for confirmation of the financial requirements for the commercial facility by Plasco Ottawa to the end of August 2013, and directed staff to bring forward a report on these requirements to Environment Committee and Council for consideration.

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In order to meet the Council-directed deadline, a report will need to be before Environment Committee on Thursday, August 22 and Council on Wednesday, August 28, 2013. The Environment Committee agenda and report will be released publicly on August 15, 2013. In order to ensure that the report is available for release on this date, Plasco must provide the necessary documentation to the City for verification on or before July 31, 2013.

If it is Plasco Ottawa's intent to request an extension, a briefing will be required with City officials regarding the rationale for a further extension and a comprehensive update on the current status of financial arrangements. This briefing will need to occur prior to the end of this month.

Please advise me in writing of your intent in this matter.

Sincerely,

A handwritten signature in black ink, appearing to read 'K. Kirkpatrick', with a long horizontal line extending to the right from the end of the signature.

Kent Kirkpatrick
City Manager

c.c. Rick O'Connor, City Clerk and Solicitor
Steve Kanellakos, Deputy City Manager, City Operations