

SCHEDULE "A"

FORM OF PROMISSORY NOTE

PROMISSORY NOTE

Principal Amount: \$1,742,821.00

Due: On Demand

Victoria Harbour, Ontario
November 1, 2000

For value received, the undersigned promises to pay to the order of The Corporation of the Township of Tay (the "Township") at Victoria Harbour, Ontario, the sum of \$1,742,821.00 together with interest calculated at the rate of 7.25% per annum and payable semi-annually on June 30th and December 31st in each year with the first interest payment due on December 31, 2000, covering interest accruing from November 1, 2000 to December 31, 2000. Provided that the rate of interest payable under this Promissory Note may be changed from time to time by written agreement between the Township and the undersigned confirmed by a By-law of the Township and a Resolution of the Board of Directors of the undersigned and failing such agreement the interest rate shall continue to remain at the rate of 7.25% per annum until demand for payment has been made.

The undersigned shall not have the right to pre-pay the principal amount outstanding on this Promissory Note in whole or in part at any time other than as required by the Township.

TAY HYDRO-ELECTRIC
DISTRIBUTION COMPANY INC.

Name:
Title:


David J. Smith

I have authority to bind the Corporation.