

ATTACHMENTS

REFERENCES FOR INTERROGATORY RESPONSES

ATTACHMENT A – TD COMMITMENT LETTER FOR DEBT



Central Ontario Commercial Banking Group
16655 Yonge Street, Unit 1
Newmarket, Ontario
L3X 1V6

Telephone No.: (905) 836-5949
Fax No.: (905) 836-8771

October 4, 2017

NEWMARKET - TAY POWER DISTRIBUTION LTD.
590 Steven Court
Newmarket, Ontario
L3Y 6Z2

Attention: Mr. Paul Ferguson

Dear Mr. Ferguson,

The following amending agreement (the "Amending Agreement") amends the terms and conditions of the credit facilities (the "Facilities") provided to the Borrower pursuant to the Agreement dated March 14, 2017 and the subsequent Amending Agreement dated April 12, 2017.

BORROWER

NEWMARKET - TAY POWER DISTRIBUTION LTD. - Borrower A
MIDLAND POWER UTILITY CORPORATION - Borrower B

NEWMARKET - TAY POWER DISTRIBUTION LTD. and MIDLAND POWER UTILITY CORPORATION are collectively known in this Agreement as the "Borrower".

LENDER

The Toronto-Dominion Bank (the "Bank"), through its Central Ontario Commercial Banking Group in Newmarket, Ontario.

CREDIT LIMIT

Borrower A:

- 1) CAD\$2,500,000
- 2) CAD\$1,500,000
- 3) CAD\$2,765,940
- 4) CAD\$5,894,835
- 5) CAD\$21,217,000
- 6) CAD\$6,300,000

Borrower B:

- 7) CAD\$4,335,000

**ANCILLARY
FACILITIES**

AMEND THE FOLLOWING:

Borrower A

- 1) TD Visa Business card (or cards) for an aggregate amount of **CAD\$250,000**.

**SCHEDULE "A" -
STANDARD TERMS
AND CONDITIONS**

Schedule "A" sets out the Standard Terms and Conditions ("Standard Terms and Conditions") which apply to these credit facilities. The Standard Terms and Conditions, including the defined terms set out therein, form part of this Agreement, unless this letter states specifically that one or more of the Standard Terms and Conditions do not apply or are modified.

**ACCURACY OF
INFORMATION**

The Borrower hereby represents and warrants that all information that it has provided to the Bank is accurate and complete respecting, where applicable:

- (i) the names of the Borrower's directors and the names and addresses of the Borrower's beneficial owners;
- (ii) the names and addresses of the Borrower's trustees, known beneficiaries and/or settlors; and
- (iii) the Borrower's ownership, control and structure.

The Borrower will provide, or cause to be provided, such updated information and/or additional supporting information as the Bank may require from time to time with respect to any or all the matters in the Borrower's foregoing representation and warranty.

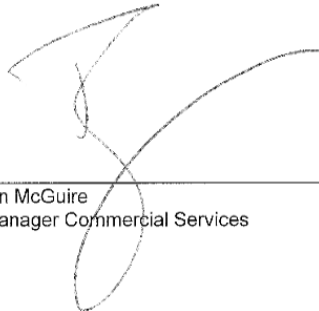
Unless otherwise stated, the amendments outlined above are in addition to the Terms and Conditions of the existing Agreement. All other terms and conditions remain unchanged.

Yours truly,

THE TORONTO-DOMINION BANK



Tim Brown
Relationship Manager



Ian McGuire
Manager Commercial Services

ATTACHMENT B – DEFERRAL AND VARIANCE ACCOUNTS

Newmarket-Tay Power Distribution Ltd. Summary of Existing Variance and Deferral Accounts as at November 23, 2017	
Account	Description
1508	Other Regulatory Assets
1508	Other Regulatory Assets - SPC
1508	Other Regulatory Assets - OCEB
1508	Other Regulatory- OREC (HST Rebate)
1508	Other Regulatory Assets - IFRS
1508	Other Regulatory Assets - CC
1518	Retail Cost Variance - Retail
1518	Retail Cost Variance - Retail CC
1521	Special Purpose Charge - Rev.
1521	Special Purpose Charge - Exp.
1521	OEB - SPC Settlement
1525	Misc. Deferred Debits
1525	Misc. Deferred Debits - CC
1525	Deferred Charges-Amortization
1525	UCEA Inc
1525	Deferred Charges-Recovery
1531	Renewable Connection Capital
1531	Renewable Connection OM&A
1534	Smart Grid Capital Deferral
1534	Smart Grid OM&A Deferral
1548	Retail Cost Variance - STR
1548	Retail Cost Variance - STR-CC
1550	Low Voltage Variance - Revenue
1550	Low Voltage Variance - Costs
1550	LV Metering Charge
1550	LV Metering Monthly Charge
1550	Low Voltage Variance - CC
1551	SME Variance Residential
1551	SME Variance GS<50

Newmarket- Tay Power Distribution Ltd. & Midland Power Utility Corporation
MAAD Interrogatory Responses
EB-2017-0269

1551	SME Variance CC
1555	Smart Meter Capital Expenditure
1555	Smart Meter Cap/Rec Offset Var
1555	Smart Meter Capital CC
1556	Smart Meter - OM&A
1556	Smart Meter - OM&A Revenue
1556	Smart Meter - OM&A CC
1567	Conserve & Demand Revenue
1567	Gateway Project
1567	Residential
1567	Affordable/Social Housing
1567	Small Business
1567	Business/Commercial/Industrial
1567	Education Program
1567	Other Programs/Discretionary
1567	Distributions System studies
1567	Program Develop & Monitoring
1567	C&DM Recovered From Customers
1567	Transition Costs
1567	Transition Costs - Recovery
1567	Transition Costs - CC
1567	Pre Market Energy
1567	Pre Market Energy-Residential
1567	Pre Market Energy-GS LT 50
1567	Pre Market Energy-GS GT 50 kW
1567	Pre Market Energy-GS GT 50 kWh
1567	Pre Market Energy-Street Light
1567	Pre Market Energy-Sentinel Lts
1567	Pre Market - Variance Recovery
1568	Rate Rider - LRAM-Residential
1568	Rate Rider - LRAM - GT 50
1568	Rate Rider - LRAM - Misc
1568	OEB - LRAM Settlement
1575	IFRS Conversion Adjustment
1576	IFRS Rate Rider

Newmarket- Tay Power Distribution Ltd. & Midland Power Utility Corporation
MAAD Interrogatory Responses
EB-2017-0269

1580	OESP Charge-IESO
1580	OESP-One Time Adjust
1580	OESP Tariff
1580	OESP Charge-Hydro One
1580	OESP Tariff Rec'd
1580	RSVA-Wholesale Market Service Revenue
1580	RSVA-wholesale Market Service Charge
1580	RSVA-WMS Fixed Charge Settlement
1580	RSVA-WMS CC
1580	RSVA-WMS - Recovery
1580	RSVA-WMS Unbilled
1580	WMS for CBR Class B
1582	RSVA-One Time Charges-Revenue
1582	RSVA-One Time Charges-Charges
1582	RSVA-One Time Charges-CC
1584	RSVA-Trans Network Revenue
1584	RSVA-Trans Network Charges
1584	RSVA-Trans Meter Credit
1584	RSVA-Trans Network CC
1584	RSVA-Trans Network Recovery
1584	RSVA-Trans Network Unbilled
1586	RSVA-Trans Connection Revenue
1586	RSVA-Trans Connection Charges
1586	RSVA-Trans Connection CC
1586	RSVA-Trans Connection Recovery
1586	RSVA-Trans Unbilled
1588	RSVA-Power Pd By Customers
1588	RSVA-Power Purchased IESO
1588	Spot Price Pd By Customers
1588	Fixed Price Pd By Customers
1588	Fixed Price Variance Account
1588	Fixed Price IMO Settlement
1588	Fixed Price Time of Use Rates
1588	RSVA-Power-CC
1588	RSVA-Energy Recovery

Newmarket- Tay Power Distribution Ltd. & Midland Power Utility Corporation
MAAD Interrogatory Responses
EB-2017-0269

1588	RSVA-Power Unbilled
1588	Regulated Price Plan Settlement
1588	Global Adjustment
1588	Global Adjustment Settlement Amount
1588	RPP Adj Settlement Amount
1588	Class A - Global Adj
1589	Pre-Market & RSVA Clearing
1590	Approved regulatory assets
1590	Approved Reg Assets - Recovery
1592	Deferred PILS
1592	Deferred PILS - Residential
1592	Deferred PILS - LT 50
1592	Deferred PILS - GT 50
1592	Deferred PILS - Unmetered
1592	Deferred PILS - Sentinel
1592	Deferred PILS - Streetlight
1592	Deferred PILS - CC
1592	Deferred PILS - Contra
1592	Deferred PILS - Contra CC
1592	Rate Rider - Tax Change - Res
1592	Rate Rider - Tax Change - LT50
1592	Rate Rider - Tax Change - GT50
1592	Rate Rider - Tax Change - Unmetered
1592	Rate Rider - Tax Change - Sentinel
1592	Rate Rider - Tax Change – Street light
1592	OEB - PILS Settlement
1595	Approved Reg Assets CC
1595	Approved Deferral Balance-2012
1595	Approved Deferral Recovery 2012
1595	Approved SM Recovery-2008
1595	Approved Deferral Balance-2010
1595	Approved Deferral Recovery 2010
1595	Approved CC to be Recovered-08
1595	Approved Deferral CC-2008
1595	Unbilled Deferral & Smart M.

Newmarket- Tay Power Distribution Ltd. & Midland Power Utility Corporation
MAAD Interrogatory Responses
EB-2017-0269

1595	Global Adjustment Rate Rider
1595	Foregone Revenue Rate Rider
1588	Global Adj - CC
1588	Reg Price Plan Retailer Settlement

Midland PUC	
Summary of Existing Variance and Deferral Accounts	
as at October 31, 2017	
Account – Sub Account	Description
1508-2000	Other Regulatory Assets - OEB Assessments
1508-2100	Other Regulatory Assets - OEB Assmts - Interest
1508-6000	Other Regulatory Assets - IFRS Transition Cost Variance
1508-6100	Other Regulatory Assets - IFRS Transition Cost Variance
1508-8000	Other Regulatory Assets - Energy East Consultation Costs
1508-8100	Other Regulatory Assets - Energy East Consultation Costs - Interest
1518-1600	RSVA - Retailer
1518-1610	RSVA - Retailer
1550-1600	Low Voltage (LV) Variance Account
1550-1610	Low Voltage (LV) Variance Account - Interest
1551-1000	IESO - Smart Metering Entity Charge
1551-1001	IESO - Smart Metering Entity Interest
1555-3000	Smart Meter Capital and Recovery Offset - Stranded Meter Cap
1555-3100	Smart Meter Capital and Recovery Offset - Stranded Meter Rec
1555-3200	Smart Meter Capital and Recovery Offset - Stranded Meter Int
1563-2000	Deferred PILS - 2012 IRM
1563-2100	Deferred PILS - Interest - 2012 IRM
1568-1000	LRAM Variance Account
1568-1010	LRAM Variance Account - Interest
1580-6000	RSVA WMS
1580-6010	RSVA WMS - Interest
1580-6100	RSVA WMS - CBR Class B
1580-6110	RSVA WMS - CBR Class B - Interest
1584-6000	RSVA NW
1584-6010	RSVA NW - Interest
1586-6000	RSVA CN
1586-6010	RSVA CN - Interest
1588-2060	RSVA Power
1588-2061	RSVA Power - Interest
1589-5060	RSVA Power - Global Adjustment
1589-5061	RSVA Power - Global Adjustment - Interest
1592-1000	PILs and Tax Variances - HST

Newmarket- Tay Power Distribution Ltd. & Midland Power Utility Corporation
MAAD Interrogatory Responses
EB-2017-0269

1592-1100	PILs and Tax Variances - HST/OVAT Input Tax Credits (Contra)
1595-1540	Reg Asset Balance - 2010-2012 Rate Appn Tax
1595-1541	Reg Asset Balance - 2010-2012 Rate Appn Tax - Interest
1595-3440	2013 Reg Asset Principal Balance Approved (2015 IRM)
1595-3441	2013 Reg Asset Carrying Charges Approved (2015 IRM)
1595-3442	2013 Reg Asset Disposition Balance (2015 IRM)
1595-3443	2013 Reg Asset Net Carrying Charge Balance (2015 IRM)
1595-3450	2013 Reg Asset Principal Balance Approved - GA (2015 IRM)
1595-3451	2013 Reg Asset Carrying Charges Approved - GA (2015 IRM)
1595-3452	2013 Reg Asset Recovery Balance - GA (2015 IRM)
1595-3453	2013 Reg Asset Net Carrying Charge Balance - GA (2015 IRM)
1595-3460	2014 Reg Asset Principal Balance Approved (2016 IRM)
1595-3461	2014 Reg Asset Carrying Charges Approved (2016 IRM)
1595-3462	2014 Reg Asset Disposition Balance (2016 IRM)
1595-3463	2014 Reg Asset Net Carrying Charge Balance (2016 IRM)
1595-3470	2014 Reg Asset Principal Balance Approved - GA (2016 IRM)
1595-3471	2014 Reg Asset Carrying Charges Approved - GA (2016 IRM)
1595-3472	2014 Reg Asset Recovery Balance - GA (2016 IRM)
1595-3473	2014 Reg Asset Net Carrying Charge Balance - GA (2016 IRM)
1595-3480	2015 Reg Asset Principal Balance Approved (2017 IRM)
1595-3481	2015 Reg Asset Carrying Charges Approved (2017 IRM)
1595-3483	2015 Reg Asset Net Carrying Charge Balance (2017 IRM)
1595-3490	2015 Reg Asset Principal Balance Approved - GA (2017 IRM)
1595-3491	2015 Reg Asset Carrying Charges Approved - GA (2017 IRM)
1595-3493	2015 Reg Asset Net Carrying Charge Balance - GA (2017 IRM)

ATTACHMENT C – PRO FORMA FINANCIAL STATEMENTS 2018

Projected Statement of Comprehensive Income - 2018 (000's)	combined utility	NT Power	MPUC
Revenue	122,870	98,603	24,207
Cost of Sales	101,662	81,780	19,882
Net Distribution Revenue	21,208	16,823	4,325
Operating Expenses	18,571	13,953	3,504
Income before undernoted items and income taxes	2,677	2,870	821
Other (income) expenses	503	503	0
Income before income taxes	2,133	2,367	821
Provision for income taxes	565	627	148
Net income	1,568	1,740	674

Projected Statement of Financial Position - 2018 (000's)	combined utility	NT Power	MPUC
Assets			
Current Assets	36,312	37,602	6,940
Property, plant and equipment	83,802	72,245	11,557
Goodwill	12,063		
Other non-current assets	3,340	136	1,340
Regulatory assets	7,896	6,386	1,510
Total Assets	143,413	118,233	21,346
Liabilities			
Current Liabilities	16,865	13,540	3,325
Long-term Liabilities	77,510	55,083	6,654
Total Liabilities	94,375	68,623	11,367
Shareholder's Equity			
Share capital	27,140	27,140	1,271
Retained earnings	21,898	22,470	10,097
Total Shareholder's Equity	49,039	118,233	11,367
Total Liabilities and Shareholder's Equity	143,413	118,233	21,346

ATTACHMENT E - AFTER HOURS SERVICE AGREEMENT

This Agreement made this 1st day of January, 2016.

BETWEEN

NEWMARKET - TAY POWER DISTRIBUTION LTD.
(NT Power)

and

MIDLAND POWER UTILITY CORPORATION
(Midland Power)

(each a "Party" and collectively, the "Parties")

WHEREAS through informal arrangements, the Parties have provided on call coverage services and standby services to their own and each other's customers in order to respond to emergency situations and power disruptions;

AND WHEREAS through informal arrangements, the Parties have conducted general and emergency line work to their own and each other's Distribution System at the request and availability of the other party.

AND WHEREAS the Parties wish to formalize their understanding by setting out in this agreement the terms upon which on call coverage, standby services, general and emergency line work, hydro meter installations and re-verifications will be provided;

NOW THEREFORE in consideration of the mutual covenants contained in this agreement and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. Definitions

The following definitions shall apply to his agreement:

- 1.1. *Reasonable Response Time* means that emergency trouble calls including fire, ambulance and police will be responded to within 60 minutes. The arrival of a qualified service person on site will constitute a response.
- 1.2. *IHSA* means Infrastructure Health & Safety Association (formerly E&USA, Electrical and Utility Safety Association);
- 1.3. *OEB* means the Ontario Energy Board;
- 1.4. *CVP* means Construction Verification Program approved by the Electrical Safety Authority
- 1.5. *Regular Business Hours* means between
- Tay Hydro 7:30 to 16:00 hrs
 - Midland Power 7:30 to 16:00 hrs
- 1.6. *Business Day* means Monday to Friday inclusive; and,
- 1.7. *Discrepancy in Work Procedure* means a work procedure that is set by one Party and that may be in conflict with a work procedure of the other Party.
- 1.8. *Tay Hydro* means all personnel, equipment, operational and administrative functions normally located at and conducted from NT Power's service centre located in Port McNicoll.

2. Terms of Agreement

This agreement shall commence on January 1, 2016 and shall continue on a period of three years, ending on December 31, 2018 unless prior to its termination, the Parties agree to a further term.

3. Requests for Service

The Parties agree that customers shall be able to contact them outside of regular business hours regarding emergency and power quality issues by calling the after hours telephone number advertised by Tay Hydro being (705)534-7281 and Midland Power, being (705)526-9361.

4. After Hours Agencies

4.1. Midland Power agrees that it will use Huronia Alarms its agent to receive after hour's calls from customers and Tay Hydro agrees it will use Huronia Alarms as its agent (each an "Agency" and collectively the "Agencies") to receive after hour's calls from customers.

4.2. The Parties agree that they may decide at their own discretion to use different Agencies from those specified above. Should NT Power or Midland Power decide to use a different agency, it must advise the other in writing of the change.

5. Staffing of On Call Services

Midland Power and Tay Hydro agree that their line staff will alternate weekly regarding responsibility for providing on call services to The Town of Midland and to Tay Hydro. One line staff member from either Tay Hydro or Midland Power will provide standby duties on a weekly basis to customers requiring after hours emergency services or power restoration. These services shall be provided to customers within a reasonable response time and pursuant to OEB guidelines.

6. Line Section Standby List

6.1. Midland Power and Tay Hydro agree that they shall prepare a yearly Line Section Standby List which shall identify the line staff available to provide after hours on-call services for each week of the year. It shall identify the standby lineman, other employees who can provide assistance to the standby lineman and the sequence in which the employees are to be called by the Agencies in the event that the lineman requires additional assistance. The list for the following year shall be prepared in the preceding November and will be forwarded to the Midland Power and Tay Hydro staff members for review in December. The list shall attempt to equalize the number of weeks and statutory holidays for which each lineman provides standby services.

6.2. Midland Power and Tay Hydro shall provide by fax or email weekly on Thursday to each agency the Line Section Standby List for the upcoming week in the form attached as Schedule A identifying the standby lineman and other employees to be called in the event that the standby lineman requires assistance.

7. Protection of Privacy

The Parties agree that they shall comply with the terms of the Personal Information Protection and Electronic Documents Act with respect to all information that they receive from each other including but not limited

to particulars with respect to each others' employees and personal information relating to them. The Parties further agree that they shall instruct their Agents designated to receive after hours calls from customers and who receive Station Line Standby Lists containing personal information relating to the Parties' employees to protect this information in accordance with the above noted legislation.

8. Contact Protocol

8.1. Midland Power and Tay Hydro agree that when an Agency receives a call from a customer regarding emergency or power quality issues, the Agency shall first attempt to contact the designated standby lineman at the number provided. The Agency will only call one number for the standby lineman, this being the designated pager call number for the area. The Agency will also call one number only for each employee listed on the Line Section Standby List for any other assistance required.

8.2. The standby lineman upon receipt of a pager call shall contact the Agency within 15 minutes to receive the information necessary to respond to the trouble or emergency call.

8.3. In the event that the Agency has not been contacted by the designated standby lineman within 15 minutes of its initial attempt, the agency shall attempt to contact the next employee listed on the Line Section Standby List.

9. Determination of Whether Assistance Required

Midland Power and Tay Hydro agree that when the standby lineman responds to an Agency's call, the standby lineman may be able to determine whether he or she will require assistance to provide the service. Alternatively, the standby lineman may wait to assess the service to be provided to the customer prior to determining whether he or she will require assistance. If the standby lineman determines that assistance is required, Midland Power and Tay Hydro agree that the Agency will contact the next person on the Line Section Standby List to request the assistance.

10. Trading Standby Week Assignments

10.1 Midland Power and Tay Hydro agree that their employees may trade their standby week assignments with each other. It is understood that the trading of a standby will not alter in any way the sequence of calling for additional assistance which is established through the annual standby list. If employees decide to trade their standby week assignments, they must provide notice as follows:

10.1.1 If an entire assigned week is to be traded, the employees involved must advise Midland Power and Tay Hydro by the Wednesday prior to the commencement of the standby week in which the assignment is traded.

- Tay Hydro shall be advised of any such change by telephone, fax or email to the Tay Operations phone: [REDACTED], fax: [REDACTED] or email: [REDACTED] and [REDACTED]

- Midland Power shall be advised of any such change by telephone, fax, or email to Operations phone: [REDACTED], fax: [REDACTED], or email: midpuc@midlandpuc.on.ca.

10.2 If only a short duration of 2 days or less is to be traded, the employee trading the standby assignment must ensure that the communication devices, pager and cell phone and standby vehicle is provided to the person accepting the trade. If the person that has accepted the trade receives a call, he or she shall inform that Agency that a trade has occurred and that he or she will be responding to the call.

11. Filling Standby List Vacancies

11.1 Midland Power and Tay Hydro agree that if for any reason a vacancy should occur in the Line Section Standby List that was otherwise assigned to a Tay Hydro employee, Tay Hydro will fill the vacancy for either a single week or multiple weeks through a senior-choice or junior-force option. The corollary applies to Midland Power. In the event that the vacancy is filled through the junior-force option, the option would then be available to the 2nd party if an agreement can be made.

11.2 The employees on the Standby List may elect to fill a vacancy for the balance of the year. The first choice for election shall go to the employees of Midland Power if a Midland Power employee caused the vacancy. The corollary applies to Tay Hydro.

12. Qualifications of On-Call Employees

The Parties agree that all employees listed on the Line Section Standby List shall be deemed competent and qualified as defined by the Electrical Safety Authority guidelines and their respective CVPs'. Standby personnel shall have successfully completed 3rd year Power Lineman training and have a minimum of 4000 hrs work experience in the Line trade. The most current EUSA Rule Book along with Policies of each Party will determine qualifications and competencies.

13. Orientation

Midland Power and Tay Hydro agree that they shall provide for their employees to be listed on the Section Line Standby List a suitable orientation session. The orientation will include but not necessarily be limited to a tour of the distribution systems, Tay Hydro Control Room, substations, work centers and other facilities of which an overview may be warranted. Employees will also be familiarized with the operation of applicable vehicles and equipment as well as each other's CVP.

14. Follow Up Training

Midland Power and Tay Hydro agree that they will conduct reviews as needed with their employees of all distribution changes that may affect the provision of on-call services. These reviews shall be completed within a reasonable time after any distribution change is implemented.

15. Communications

15.1 The Parties agree that Tay Hydro vehicles normally stationed in the Tay Hydro yard and Midland Power vehicles will be equipped with radios and common radio frequencies. This will allow direct radio communication between Tay Hydro and Midland Power crews when involved with the same project or trouble call. If required Midland Power will communicate with Tay Hydro Control Operators via cell phone.

15.2 The Parties agree that Tay Hydro and Midland Power will provide each other with current cell phone, pager and home telephone numbers for all staff and supervisors that are subject to this agreement.

16. Safety

The Parties represent and warrant to each other that they are members of IHSA and conduct their work in accordance with the IHSA Rule Book, Utility Work Protection Code and Safe Practice Guides. The Parties represent and warrant to each other that their employees have received appropriate training in this regard. The Parties agree that safety of their employees in the performance of any task is a priority. The Parties agree that should a safety issue arise in the performance of work pursuant to this agreement, the employee shall contact a supervisor of the area in which the employee is working.

17. Work Procedures

17.1 The Parties agree that if a discrepancy occurs in a work procedure, the standby lineman has the requisite knowledge to

make a decision regarding the best work practice to be used. If a decision cannot be agreed upon, a Supervisor is to be summoned.

17.2 The Parties agree that Schedule "C" – SUPERVISORY ASSISTANCE FOR AFTER HOUR CALL shall be followed when all on-call work is performed outside of regular business hours.

18. Access to Facilities and Material

The Parties agree to exchange with each other keys to their respective outside facilities in order to permit each other's employees access to the facilities as required to obtain materials and to complete the required work.

19. Reporting of Work

19.1 Midland Power and Tay Hydro agree that all on-call work performed outside of regular business hours by their employees must be reported to the work center for the area in which they work was done prior to the work starting time for that area's regularly scheduled crew. Midland Power and Tay Hydro agree that all system changes must be communicated to all regularly scheduled employees in that area prior to their commencing work. The on-call employees who performed the work shall so advise the area supervisor either in writing or verbally prior to the commencement of work of regularly scheduled employees. The Parties also agree that all invoicing will be completed within 60 days; if this cannot be achieved notification must be given by electronic means of the delay.

19.2 System changes in Tay Hydro must be reported to the working Foreman or Operations Control Room by telephone at the start of the next regular shift or earlier by faxing a message or leaving a voice message at Tay Hydro's Operations Control Room direct telephone communication and for voice messaging and fax numbers:

- Telephone: [REDACTED]
- Fax: [REDACTED]

19.3 System changes in Midland must be reported to Midland's Operations Manager or Working Foreman by telephone at the start of the next regular shift or earlier by faxing a message:

- Telephone: [REDACTED]
- Fax: [REDACTED]

19.4 The Parties further agree that before an on-call employee leaves the work center, if the system is out of normal or if

equipment is out of service, all system operation maps are to be updated and all out of service equipment is to be tagged.

19.5 The Parties further agree that employees who perform on-call work shall complete and report to their respective work centers all documents such as response reports, outage reports, PC17Bs and overtime reports prior to the start of work of regularly scheduled employees. All documents shall be faxed to the appropriate work center.

20. Planned Overtime Work

The Parties agree that the planned overtime work shall be conducted by employees of the Party in that respective area and shall not be considered as the provision of on-call services. That Party's employees may agree to perform any overtime work required. In the event that those employees do not agree to perform overtime work required, the Parties agree that the Section Line Standby List shall be consulted to determine the next available employee from that area in proximity to the planned overtime work date. If necessary, the other Party's employees may be considered for performance of planned overtime work.

21. General and Emergency Line Work

The Parties agree that if assistance is requested to perform general or emergency line work, the Parties if available will assist. It is understood that if an emergency should occur in one Party's own area, that Party may be required to respond to that emergency and may terminate any assistance or other work being performed. Prior to leaving the worksite the Party must make the site safe and inform the other Party of its terminating the task.

22. Insurance

22.1 NT Power shall arrange and maintain, at its own expense, a liability insurance policy satisfactory to Midland Power in the minimum amount of five million dollars (\$5,000,000.00) in order to indemnify Midland Power as provided in paragraph 24.1 of this agreement. Such insurance shall name Midland Power as an additional insured, shall contain a cross liability clause and shall specify that it is primary coverage and not contributory with or excess of any insurance maintained by NT Power save and except when arising from the negligence or willful acts of NT Power and/or anyone NT Power may be legally responsible for. A satisfactory certificate of insurance shall be provided as part of this agreement.

22.2 Midland Power shall arrange and maintain, at its own expense, a liability insurance policy satisfactory to NT Power in the minimum amount of five million dollars (\$5,000,000.00) in order to indemnify NT Power as provided in paragraph 24.2 of this agreement. Such insurance shall name Newmarket-Tay Power Distribution Ltd. as an additional insured, shall contain a cross liability clause and shall specify that it is primary coverage and not contributory with or excess of any insurance maintained by Midland Power save and except when arising from the negligence or willful acts of Midland Power and/or anyone Midland Power may be legally responsible for. A satisfactory certificate of insurance shall be provided as part of this agreement.

23. Indemnity

23.1 NT Power agrees to indemnify and save harmless Midland Power from and against any and all fees, expenses, costs, damages, suits, actions or liabilities arising or growing out of the failure of NT Power's failure to perform any of its obligations under this agreement and from all claims and demands of every kind and nature made by any person or persons to or against Midland Power for all and every manner of costs, damages or expenses incurred by or injury or damage to such person or persons of his, her or their property, if such claims or demands arise out of the work carried out by NT Power pursuant to this agreement and from all costs, counsel fees, expenses and liabilities incurred in connection with any such claim or any action or proceeding.

23.2 Midland Power agrees to indemnify and save harmless NT Power from and against any and all fees, expenses, costs, damages, suits, actions or liabilities arising or growing out of the failure of Midland Power's failure to perform any of its obligations under this agreement and from all claims and demands of every kind and nature made by any person or persons to or against NT Power for all and every manner of costs, damages or expenses incurred by or injury or damage to such person or persons or his, her or their property, if such claims or demands arise out of the work carried out by Midland Power pursuant to this agreement and from all costs, counsel fees, expenses and liabilities incurred in connection with any such claim or any action or proceeding.

24. Early Termination of Agreement

24.1 The Parties agree that either of them may terminate this agreement at any time by providing the other party with 30 calendar day's written notice. Any notices required or permitted to be given under this section shall be delivered in person,

transmitted by fax or sent by registered mail, charges prepaid,
addressed as follows:

TO: Newmarket – Tay Power Distribution Ltd.
489 Finlayson Street
P.O. Box 160
Port McNicoll, ON L0K 1R0

Attention: [REDACTED]

TO: Midland Power Utility Corporation
16984 Highway 12
P.O. Box 820
Midland, ON L4R 4P4

Attention: [REDACTED]

24.2 Any such notice or other communication shall be deemed to have been given and received on the day on which it was delivered or transmitted (or, if such day is not a business day, on the next following business day) or, if mailed, on the third business day following the date of mailing.

24.3 Either party may at any time change its address for service from time to time by given notice to the other party in accordance with this section.

25. Applicable Law

This agreement shall be governed by the law of the Province of Ontario and the applicable federal laws of Canada.

26. Assignment

Neither this agreement nor any rights, remedies, liabilities or obligations arising under it or by reason of it shall be assignable by any party without the prior written consent of the other party. This agreement shall enure to the benefit of and be binding on the parties and their respective successors and permitted assigns.

27. Severability

If any provision of this agreement is found by a court of competent jurisdiction to be invalid, illegal or unenforceable in an respect, such provision shall be deemed severed and shall not affect the validity, legality or enforceability of the remaining provisions of this agreement, unless such invalidity or unenforceability renders the operation of this agreement impossible.

28. Amendments

This agreement may be modified, changed or amended only by an express written agreement signed by the Parties.

29. Waiver

The failure of either party to exercise any right, power or option to enforce any remedy or to insist upon the strict compliance with the terms, conditions and covenants under this agreement shall not constitute a waiver of the terms, conditions and covenants in this agreement with respect to that or any other or subsequent breach nor a waiver by the party at any time afterwards to require strict compliance with all terms conditions and covenants in this agreement including the terms, conditions and covenants with respect to which the party has failed to exercise such right, power or option. Nothing shall be construed or have the effect of a waiver except an instrument in writing signed by the party which expressly waives a right, power or option under this agreement.

IN WITNESS, the Parties have caused this agreement to be executed by the signature of their proper representatives, duly authorized in that behalf.

**NEWMARKET - TAY POWER
DISTRIBUTION LTD.**



Per: P.D. Ferguson, P.Eng
Title: President

**MIDLAND POWER UTILITY
CORPORATION**



Per: Phil Marley
Title: President & CEO

SCHEDULE "A"

SAMPLE – FAX TRANSMITTAL TO AFTER HOUR EMERGENCY SERVICES

**TAY HYDRO EMERGENCY SERVICES
 Standby and Call Out Information**

TAY			
Lineman 1	Name	Cell #	Home #
Additional Assistance – Order of Call Out			
Lineman	1	[REDACTED]	[REDACTED]
Lineman	2	[REDACTED]	[REDACTED]
Lineman	3	[REDACTED]	[REDACTED]
Lineman	4	Name	Home #
Lineman	5	Name	Home #
Lineman	6	Name	Home #
Lineman	7	Name	Home #

MIDLAND			
	Name	Cell Phone	Home Phone
Operations Manager	[REDACTED]	[REDACTED]	[REDACTED]
Working Foreman A	[REDACTED]	[REDACTED]	[REDACTED]

SCHEDULE "B"
PART A – LABOUR RATES

#	Spec	Item	Unit	Reg Rate	Prem OT Rate	Other Rate
1		Labour	Hour	\$80 /hour	\$160/hour	
2			Hour			
3			Hour			
4			Hour			

PART B – VEHICLE RATES

#	Spec	Item	Unit	Reg Rate	Prem OT Rate	Other Rate
1		Small Truck	Hour	\$15 / hour	\$15/hour	
2		Large Truck	Hour	\$74.00 / hour	\$74.00 / hour	
3		Trailer	Hour	\$12 / hour	\$12 / hour	
4						

SCHEDULE "C"

MANAGEMENT ASSISTANCE FOR AFTER HOURS CALLS

1. Manager, System Operations and/or Chief Operating Officer

Must be requested by the On Call Lineman; the after hour agency will contact for:

- a. Any personal injury or accident requiring medical aid
- b. Any vehicle / equipment accident / incident
- c. ANY spill
- d. Any power interruption goes beyond or is expected to go beyond 4 hours
- e. Any request made for assistance outside of normal operating practice
- f. Large and/or long term power interruptions
- g. When two or more crews are deployed to major events
- h. When loss of two or more feeders results in 2000 or more customers experiencing a sustained outage
- i. When communications is required with the media

**ATTACHMENT F – MPUC CREDIT FACILITY AGREEMENT WITH
CANADIAN CHARTERED BANK**



295 King Street
Midland, Ontario
L4R 3M5
Tel: 705 526 5475 ex. 305
Fax: 705 727 0866

October 23, 2014

MIDLAND POWER UTILITY CORPORATION
16984 Highway 12
PO Box 820 Station Main
Midland, Ontario
L4R 4P4

Attention: Christine Bell

We are pleased to offer the Borrower the following credit facilities (the "Facilities"), subject to the following terms and conditions.

BORROWER

MIDLAND POWER UTILITY CORPORATION (the "Borrower")

LENDER

The Toronto-Dominion Bank (the "Bank"), through its Collier Street branch, in Barrie, Ontario.

CREDIT LIMIT

1) CAD\$4,380,000. ~

**TYPE OF CREDIT
AND BORROWING
OPTIONS**

- 1) **Operating Loan** available at the Borrower's option by way of:
- Prime Rate Based Loans in CAD\$ ("Prime Based Loans"). ~
 - Bankers Acceptances in CAD\$ or USD\$ ("B/As"). ~
 - Stand-by Letters of Guarantee in CAD\$ ("L/Gs"). ~

PURPOSE

- 1) To finance working capital requirements including Prudential/IMO Requirements.

TENOR

- 1) Committed. ✓

**CONTRACTUAL
TERM**

- 1) Matures November 30th, 2015. ✓
Extendible at the Lender's option for another 364 day period. ✓

**INTEREST RATES
AND FEES**

Advances shall bear interest and fees as follows:

- 1) **Operating Loan:**
- Prime Based Loans: Prime Rate + 0.00% per annum. ✓
 - B/As: Stamping Fee at 1.00% per annum. ✓
 - L/Gs: 0.50% per annum. ✓

For all Facilities, interest payments will be made in accordance with Schedule "A" attached hereto unless otherwise stated in this Letter or in the Rate and Payment Terms Notice applicable for a particular drawdown. Information on interest rate and fee definitions, interest rate calculations and payment is set out in the Schedule "A" attached hereto.

**COMMITMENT
FEE**

On the third Business Day following the last Business Day of March, June, September, and December, in each year, the Borrower shall pay to the Bank a Commitment Fee for the Committed Revolving/Reducing Multiple Draw Facility in an amount equal to 0.15% per annum calculated on the daily average amount of the undrawn portion of the Committed Revolving/Reducing Multiple Draw Facility during the quarter just ended.

DRAWDOWN

- 1) On a revolving basis. Letters of Guarantee and Banker's Acceptance draws available at the request of the Borrower. Includes \$1,095,730.00 carve out for IESO Prudential L/G.

BUSINESS CREDIT SERVICE

The Borrower will have access to the Operating Loan (Facility 1) via Loan Account Number 2072-9204276/3032 (the "Loan Account") up to the Credit Limit of the Operating Loan by withdrawing funds from the Borrower's Current Account Number 3032-5204276 (the "Current Account"). The Borrower agrees that each advance from the Loan Account will be in an amount equal to \$20,000 (the "Transfer Amount") or a multiple thereof. If the Transfer Amount is NIL, the Borrower agrees that an advance from the Borrower's Loan Account may be in an amount sufficient to cover the debits made to the Current Account.

The Borrower agrees that:

- a) all other overdraft privileges which have governed the Borrower's Current Account are hereby cancelled.
- b) all outstanding overdraft amounts under any such other agreements are now included in indebtedness under this Agreement.

The Bank may, but is not required to, automatically advance the Transfer Amount or a multiple thereof or any other amount from the Loan Account to the Current Account in order to cover the debits made to the Current Account if the amount in the Current Account is insufficient to cover the debits. The Bank may, but is not required to, automatically and without notice apply the funds in the Current Account in amounts equal to the Transfer Amount or any multiple thereof or any other amount to repay the outstanding amount in the Loan Account.

REPAYMENT AND REDUCTION OF AMOUNT OF CREDIT FACILITY

- 1) Interest only with bullet repayment at maturity. Facility may be extended without penalty at the Borrower's request and the Lender's option. Repayment in full if drawn upon for L/G & L/C.

PREPAYMENT

- 1) Permitted without penalty at any time on floating rate terms, subject to any unwinding costs.

SECURITY

The following security shall be provided, shall, unless otherwise indicated, support all present and future indebtedness and liability of the Borrower and the grantor of the security to the Bank including without limitation indebtedness and liability under guarantees, foreign exchange contracts, cash management products, and derivative contracts, shall be registered in first position, and shall be on the Bank's standard form, supported by resolutions and solicitor's opinion, all acceptable to the Bank.

- a) General Security Agreement ("GSA") representing a First charge on all the Borrower's present and after acquired personal property.
- b) Subordination Agreement/Priorities Agreement (inter-creditor agreement) whereby the Town of Midland subordinates its security interest in favour of the Bank.
- c) Automobile Liability Insurance CAD \$15,000,000. ✓
- d) General Liability Insurance CAD \$13,147,165.

** 110 note on ledger;*

All persons and entities required to provide a guarantee shall be referred to in this Agreement individually as a "Surety" and/or "Guarantor" and collectively as the "Guarantors";

All of the above security and guarantees shall be referred to collectively in this Agreement as "Bank Security".

**DISBURSEMENT
CONDITIONS**

The obligation of the Bank to permit any drawdown hereunder is subject to the Standard Disbursement Conditions contained in Schedule "A".

**REPRESENTATIONS
AND WARRANTIES**

All representations and warranties shall be deemed to be continually repeated so long as any amounts remain outstanding and unpaid under this Agreement or so long as any commitment under this Agreement remains in effect. The Borrower makes the Standard Representations and Warranties set out in Schedule "A".

**POSITIVE
COVENANTS**

So long as any amounts remain outstanding and unpaid under this Agreement or so long as any commitment under this Agreement remains in effect, the Borrower will and will ensure that its subsidiaries and each of the Guarantors will observe the Standard Positive Covenants set out in Schedule "A" and in addition will:

- a) Comply with affiliate Relationship Code.
- b) Comply with all applicable environmental regulations at all times.
- c) Comply with all contractual obligations and laws, including payment of taxes.
- d) Comply with all terms of all licenses and immediately advise the Bank if OEB shall notify the Borrower of a default under a license or if the license is amended, cancelled, suspended or revoked (any such circumstances will also constitute an Event of Default).

- e) File all OEB rate submissions as outlined in the three year business plan.
- f) Maintain adequate insurance.
- g) Provide 3 year Projected Statements within 120 days of each fiscal year end.
- h) Provide Annual OEB Rate Submission and SQI, when applicable.
- i) Provide Audited Financial Statements within 120 calendar days of fiscal year end.
- j) Remain in the regulated business of electricity distribution and maintaining all requisite licenses to do so.

NEGATIVE COVENANTS

So long as any amounts remain outstanding and unpaid under this Agreement or so long as any commitment under this Agreement remains in effect, the Borrower will and will ensure that its subsidiaries and each of the Guarantors will observe the Standard Negative Covenants set out in Schedule "A". In addition the Borrower will not and will ensure that its subsidiaries and each of the Guarantors will not:

- a) Change ownership/control of the Borrower.
- b) Change status of the Borrower as a "for Profit" Limited Distribution Company.
- c) Distributions limited to excess Free Cashflow less Interest Costs and Principal (if any) providing Interest Coverage Ratio (ICR) as defined below is met and no default has occurred.

Free Cashflow is defined as EBITDA less Cash Taxes less Unfinanced CAPEX (net of Contributed Capital).

EBITDA is defined as Earnings Before Interest, Taxes, Depreciation, and Amortization.

Unfinanced CAPEX is defined as Capital Purchases less Capital Sales less financing for the Capital Purchases.
- d) Incur further material outside investments, mergers, amalgamations or consolidations with the Bank's prior consent.
- e) Provide material third party guarantees without the Bank's prior consent.
- f) Repay shareholder debt, inter-company debt (principal or interest), beyond the permitted distributions outlined above, without the Bank's prior written consent.

PERMITTED LIENS

Permitted Liens as referred to in Schedule "A" are:

Purchase Money Security Interests, not to exceed at any time, for the Borrower and its subsidiaries, \$500,000 in the aggregate.

**FINANCIAL
COVENANTS**

The Borrower agrees at all times to:

- a) Maintain a maximum Total Debt to Capitalization of 0.6:1. To be tested annually. ✓

Total debt is defined as all interest bearing and non-interest bearing debt, not including deposits, employee future benefits or payables.

Capitalization is defined as the sum of total debt, shareholder's equity, contributed capital, preference share capital net of any goodwill.

- b) Maintain a minimum Interest Coverage Ratio (ICR) of 2.50x. To be tested annually. ✓

ICR defined as:

$$\frac{\text{EBITDA} - 40\% \text{ of Capital Expenditures (net of Contributed Capital)} - \text{Cash Taxes}}{\text{Total Cash Interest Expense}}$$

EBITDA is defined as Earnings before Interest, Amortization and Income Taxes.

**EVENTS OF
DEFAULT**

The Bank may accelerate the payment of principal and interest under any committed credit facility hereunder and cancel any undrawn portion of any committed credit facility hereunder, at any time after the occurrence of any one of the Standard Events of Default contained in Schedule "A" attached hereto and after any one of the following additional Events of Default:

- a) Customary for a transaction of this nature, including without limitation any material adverse change in legislation or regulation of the electrical distribution business in Ontario.
- b) Default on any of these terms and conditions.
- c) Loss of OEB License.
- d) Material Judgements.

**ANCILLARY
FACILITIES**

As at the date of this Agreement, the following uncommitted ancillary products are made available. These products may be subject to other agreements.

TD Visa Business card (or cards) for an aggregate amount of \$36,000. ✓

**AVAILABILITY OF
OPERATING LOAN**

The Operating Loan is uncommitted, made available at the Bank's discretion, and is not automatically available upon satisfaction of the terms and conditions, conditions precedent, or financial tests set out herein.

The occurrence of an Event of Default is not a precondition to the Bank's right to accelerate repayment and cancel the availability of the Operating Loan.

**SCHEDULE "A" -
STANDARD TERMS
AND CONDITIONS**

Schedule "A" sets out the Standard Terms and Conditions ("Standard Terms and Conditions") which apply to these credit facilities. The Standard Terms and Conditions, including the defined terms set out therein, form part of this Agreement, unless this letter states specifically that one or more of the Standard Terms and Conditions do not apply or are modified.

We trust you will find these facilities helpful in meeting your ongoing financing requirements. We ask that if you wish to accept this offer of financing (which includes the Standard Terms and Conditions), please do so by signing and returning the attached duplicate copy of this letter to the undersigned. This offer will expire if not accepted in writing and received by the Bank on or before **November 30th, 2014.**

Yours truly,

THE TORONTO-DOMINION BANK



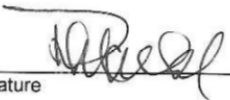
Britt McKerrow
Relationship Manager



Tony Catallo
Manager, Commercial Credit

TO THE TORONTO-DOMINION BANK:

MIDLAND POWER UTILITY CORPORATION hereby accepts the foregoing offer this 5th day of December, 2014. The Borrower confirms that, except as may be set out above, the credit facility(ies) detailed herein shall not be used by or on behalf of any third party.



Signature



Signature



Print Name & Position
PRESIDENT & CEO



Print Name & Position
VICE CHAIR

SCHEDULE A
STANDARD TERMS AND CONDITIONS

1. INTEREST RATE DEFINITIONS

Prime Rate means the rate of interest per annum (based on a 365 day year) established and reported by the Bank to the Bank of Canada from time to time as the reference rate of interest for determination of interest rates that the Bank charges to customers of varying degrees of creditworthiness in Canada for Canadian dollar loans made by it in Canada.

The Stamping Fee rate per annum for CAD\$ B/As is based on a 365 day year and the Stamping Fee is calculated on the Face Amount of each B/A presented to the Bank for acceptance. The Stamping Fee rate per annum for USD\$ B/As is based on a 360 day year and the Stamping Fee is calculated on the Face Amount of each B/A presented to the Bank for acceptance.

LIBOR means the rate of interest per annum (based on a 360 day year) as determined by the Bank (rounded upwards, if necessary to the nearest whole multiple of 1/16th of 1%) at which the Bank may make available United States dollars which are obtained by the Bank in the Interbank Euro Currency Market, London, England at approximately 11:00 a.m. (Toronto time) on the second Business Day before the first day of, and in an amount similar to, and for the period similar to the interest period of, such advance.

USBR means the rate of interest per annum (based on a 365 day year) established by the Bank from time to time as the reference rate of interest for the determination of interest rates that the Bank charges to customers of varying degrees of creditworthiness for US dollar loans made by it in Canada.

Any interest rate based on a period less than a year expressed as an annual rate for the purposes of the Interest Act (Canada) is equivalent to such determined rate multiplied by the actual number of days in the calendar year in which the same is to be ascertained and divided by the number of days in the period upon which it was based.

2. INTEREST CALCULATION AND PAYMENT

Interest on Prime Based Loans and USBR Loans is calculated daily (including February 29 in a leap year) and payable monthly in arrears based on the number of days the subject loan is outstanding unless otherwise provided in the Rate and Payment Terms Notice. Interest is charged on February 29 in a leap year.

The Stamping Fee is calculated based on the amount and the term of the B/A and payable upon acceptance by the Bank of the B/A. The net proceeds received by the Borrower on a B/A advance will be equal to the Face Amount of the B/A discounted at the Bank's then prevailing B/A discount rate for CAD\$ B/As or USD\$ B/As as the case may be, for the specified term of the B/A less the B/A Stamping Fee.

Interest on LIBOR Loans is calculated and payable on the earlier of contract maturity or quarterly in arrears, for the number of days in the LIBOR interest period.

L/C and L/G fees are payable at the time set out in the Letter of Credit Indemnity Agreement applicable to the issued L/C or L/G.

Interest on Fixed Rate Term Loans is compounded monthly and payable monthly in arrears unless otherwise provided in the Rate and Payment Terms Notice.

Interest is payable both before and after maturity or demand, default and judgment.

Each payment under this Agreement shall be applied first in payment of costs and expenses, then interest and fees and the balance, if any, shall be applied in reduction of principal.

For loans not secured by real property, all overdue amounts of principal and interest and all amounts outstanding in excess of the Credit Limit shall bear interest from the date on which the same became due or from when the excess was incurred, as the case may be, until the date of payment or until the date the excess

is repaid at 21% per annum, or such lower interest rate if the Bank agrees to a lower interest rate in writing. Nothing in this clause shall be deemed to authorize the Borrower to incur loans in excess of the Credit Limit.

If any provision of this Agreement would oblige the Borrower to make any payment of interest or other amount payable to the Bank in an amount or calculated at a rate which would be prohibited by law or would result in a receipt by the Bank of "interest" at a "criminal rate" (as such terms are construed under the Criminal Code (Canada)), then, notwithstanding such provision, such amount or rate shall be deemed to have been adjusted with retroactive effect to the maximum amount or rate of interest, as the case may be, as would not be so prohibited by applicable law or so result in a receipt by the Bank of "interest" at a "criminal rate", such adjustment to be effected, to the extent necessary (but only to the extent necessary), as follows: first, by reducing the amount or rate of interest, and, thereafter, by reducing any fees, commissions, costs, expenses, premiums and other amounts required to be paid to the Bank which would constitute interest for purposes of section 347 of the Criminal Code (Canada).

3. DRAWDOWN PROVISIONS

Prime Based and USBR Loans

There is no minimum amount of drawdown by way of Prime Based Loans and USBR Loans, except as stated in the section of the Agreement titled "Business Credit Services Agreement", if that section of the Agreement has not been deleted. The Borrower shall provide the Bank with 3 Business Days' notice of a requested Prime Based Loan or USBR Loan over \$1,000,000.

B/As

The Borrower shall advise the Bank of the requested term or maturity date for B/As issued hereunder. The Bank shall have the discretion to restrict the term or maturity dates of B/As. In no event shall the term of the B/A exceed the Contractual Term Maturity Date. The minimum amount of a drawdown by way of B/As is \$1,000,000 and in multiples of \$100,000 thereafter. The Borrower shall provide the Bank with 3 Business Days' notice of a requested B/A drawdown.

The Borrower shall pay to the Bank the full amount of the B/A at the maturity date of the B/A.

The Borrower appoints the Bank as its attorney to and authorizes the Bank to (i) complete, sign, endorse, negotiate and deliver B/As on behalf of the Borrower in handwritten form, or by facsimile or mechanical signature or otherwise, (ii) accept such B/As, and (iii) purchase, discount, and/or negotiate B/As.

LIBOR

The Borrower shall advise the Bank of the requested LIBOR contract maturity period. The Bank shall have the discretion to restrict the LIBOR contract maturity. In no event shall the term of the LIBOR contract exceed the Contractual Term Maturity Date. The minimum amount of a drawdown by way of a LIBOR Loan is \$1,000,000, and shall be in multiples of \$100,000 thereafter. The Borrower will provide the Bank with 3 Business Days' notice of a requested LIBOR Loan.

L/C and/or L/G

The Bank shall have the discretion to restrict the maturity date of L/Gs or L/Cs.

B/A - Prime Conversion

The Borrower will provide the Bank with at least 3 Business Days' notice of its intention either to convert a B/A to a Prime Based Loan or vice versa, failing which, the Bank may decline to accept such additional B/As or may charge interest on the amount of Prime Based Loans resulting from maturity of B/As at the rate of 115% of the rate applicable to Prime Based Loans for the 3 Business Day period immediately following such maturity. Thereafter, the rate shall revert to the rate applicable to Prime Based Loans.

Cash Management

The Bank may, and the Borrower hereby authorizes the Bank to, drawdown under the Operating Loan to satisfy any obligations of the Borrower to the Bank in connection with any cash management service provided by the Bank to the Borrower. The Bank may drawdown under the Operating Loan even if the drawdown results in amounts outstanding in excess of the Credit Limit.

Notice

Prior to each drawdown and at least 10 days prior to each Rate Term Maturity, the Borrower will advise the Bank of its selection of drawdown options from those made available by the Bank. The Bank will, after each drawdown, other than drawdowns by way of BA, LIBOR Loan or under the operating loan, send a Rate and Payment Terms Notice to the Borrower.

4. PREPAYMENT

Fixed Rate Term Loans

10% Prepayment Option Chosen.

- (a) Once, each calendar year, ("Year"), the Borrower may, provided that an Event of Default has not occurred, prepay in one lump sum, an amount of principal outstanding under a Fixed Rate Term Loan not exceeding 10% of the original amount of the Fixed Rate Term Loan, upon payment of all interest accrued to the date of prepayment without paying any prepayment charge. If the prepayment privilege is not used in one Year, it cannot be carried forward and used in a later Year.
- (b) Provided that an Event of Default has not occurred, the Borrower may prepay more than 10% of the original amount of a Fixed Rate Term Loan in any Year, upon payment of all interest accrued to the date of prepayment and an amount equal to the greater of:
 - i) three months' interest on the amount of the prepayment (the amount of prepayment is the amount of prepayment exceeding the 10% limit described in Section 4(a)) using the interest rate applicable to the Fixed Rate Term Loan being prepaid; and
 - ii) the Interest Rate Differential, being the amount by which:
 - a. the total amount of interest on the amount of the prepayment (the amount of prepayment is the amount of prepayment exceeding the 10% limit described in Section 4(a)) using the interest rate applicable to the Fixed Rate Term Loan being prepaid calculated for the period of time from the prepayment date until the Rate Term Maturity Date for the Fixed Rate Term Loan being prepaid (the "Remaining Term"), exceeds
 - b. the total amount of interest on the amount of the prepayment (the amount of prepayment is the amount of prepayment exceeding the 10% limit described in Section 4(a)) using the interest rate applicable to a fixed rate term loan that the Bank would make to a borrower for a comparable facility on the prepayment date, calculated for the Remaining Term.

10% Prepayment Option Not Chosen.

- (c) The Borrower may, provided that an Event of Default has not occurred, prepay all or any part of the principal then outstanding under a Fixed Rate Term Loan upon payment of all interest accrued to the date of prepayment and an amount equal to the greater of:
 - i) three months' interest on the amount of the prepayment using the interest rate applicable to the Fixed Rate Term Loan being prepaid; and
 - ii) the Interest Rate Differential, being the amount by which:

- a. the total amount of interest on the amount of the prepayment using the interest rate applicable to the Fixed Rate Term Loan being prepaid calculated for the period of time from the prepayment date until the Rate Term Maturity Date for the Fixed Rate Term Loan being prepaid (the "Remaining Term"), exceeds
- b. the total amount of interest on the amount of the prepayment using the interest rate applicable to a fixed rate term loan that the Bank would make to a borrower for a comparable facility on the prepayment date, calculated for the Remaining Term.

Floating Rate Term Loans

The Borrower may prepay the whole or any part of the principal outstanding under a Floating Rate Term Loan, at any time without the payment of prepayment charges.

5. STANDARD DISBURSEMENT CONDITIONS

The obligation of the Bank to permit any drawdowns hereunder at any time is subject to the following conditions precedent:

- a) The Bank shall have received the following documents which shall be in form and substance satisfactory to the Bank:
 - i) A copy of a duly executed resolution of the Board of Directors of the Borrower empowering the Borrower to enter into this Agreement;
 - ii) A copy of any necessary government approvals authorizing the Borrower to enter into this Agreement;
 - iii) All of the Bank Security and supporting resolutions and solicitors' letter of opinion required hereunder;
 - iv) The Borrower's compliance certificate certifying compliance with all terms and conditions hereunder;
 - v) all operation of account documentation; and
 - vi) For drawdowns under the Facility by way of L/C or L/G, the Bank's standard form Letter of Credit Indemnity Agreement
- b) The representations and warranties contained in this Agreement are correct.
- c) No event has occurred and is continuing which constitutes an Event of Default or would constitute an Event of Default, but for the requirement that notice be given or time elapse or both.
- d) The Bank has received the arrangement fee payable hereunder (if any) and the Borrower has paid all legal and other expenses incurred by the Bank in connection with the Agreement or the Bank Security.

6. STANDARD REPRESENTATIONS AND WARRANTIES

The Borrower hereby represents and warrants, which representations and warranties shall be deemed to be continually repeated so long as any amounts remain outstanding and unpaid under this Agreement or so long as any commitment under this Agreement remains in effect, that:

- a) The Borrower is a duly incorporated corporation, a limited partnership, partnership, or sole proprietorship, duly organized, validly existing and in good standing under the laws of the jurisdiction where the Branch/Centre is located and each other jurisdiction where the Borrower has property or assets or carries on business and the Borrower has adequate corporate power and authority to carry on its business, own property, borrow monies and enter into agreements therefore, execute and deliver the Agreement, the Bank Security, and documents required hereunder, and observe and perform the terms and provisions of this Agreement.
- b) There are no laws, statutes or regulations applicable to or binding upon the Borrower and no provisions in its charter documents or in any by-laws, resolutions, contracts, agreements, or arrangements which would be contravened, breached, violated as a result of the execution, delivery, performance, observance, of any terms of this Agreement.

- c) No Event of Default has occurred nor has any event occurred which, with the passage of time or the giving of notice, would constitute an Event of Default under this Agreement or which would constitute a default under any other agreement.
- d) There are no actions, suits or proceedings, including appeals or applications for review, or any knowledge of pending actions, suits, or proceedings against the Borrower and its subsidiaries, before any court or administrative agency which would result in any material adverse change in the property, assets, financial condition, business or operations of the Borrower.
- e) All material authorizations, approvals, consents, licenses, exemptions, filings, registrations and other requirements of governmental, judicial and public bodies and authorities required to carry on its business have been or will be obtained or effected and are or will be in full force and effect.
- f) The financial statements and forecasts delivered to the Bank fairly present the present financial position of the Borrower, and have been prepared by the Borrower and its auditors in accordance with the International Financial Reporting Standards or GAAP for Private Enterprises.
- g) All of the remittances required to be made by the Borrower to the federal government and all provincial and municipal governments have been made, are currently up to date and there are no outstanding arrears. Without limiting the foregoing, all employee source deductions (including income taxes, Employment Insurance and Canada Pension Plan), sales taxes (both provincial and federal), corporate income taxes, corporate capital taxes, payroll taxes and Workers' Compensation dues are currently paid and up to date.
- h) All information that the Borrower has provided to the Bank is accurate and complete respecting, where applicable:
 - i) the names of the Borrower's directors and the names and addresses of the Borrower's beneficial owners;
 - ii) the names and addresses of the Borrower's trustees, known beneficiaries and/or settlors; and
 - iii) the Borrower's ownership, control and structure.

7. STANDARD POSITIVE COVENANTS

So long as any amounts remain outstanding and unpaid under this Agreement or so long as any commitment under this Agreement remains in effect, the Borrower will, and will ensure that its subsidiaries and each of the Guarantors will:

- a) Pay all amounts of principal, interest and fees on the dates, times and place specified herein, under the Rate and Payment Terms Notice, and under any other agreement between the Bank and the Borrower.
- b) Advise the Bank of any change in the amount and the terms of any credit arrangement made with other lenders or any action taken by another lender to recover amounts outstanding with such other lender.
- c) Advise promptly after the happening of any event which will result in a material adverse change in the financial condition, business, operations, or prospects of the Borrower or the occurrence of any Event of Default or default under this Agreement or under any other agreement for borrowed money.
- d) Do all things necessary to maintain in good standing its corporate existence and preserve and keep all material agreements, rights, franchises, licenses, operations, contracts or other arrangements in full force and effect.
- e) Take all necessary actions to ensure that the Bank Security and its obligations hereunder will rank ahead of all other indebtedness of and all other security granted by the Borrower.
- f) Pay all taxes, assessments and government charges unless such taxes, assessments, or charges are being contested in good faith and appropriate reserves shall be made with funds set aside in a separate trust fund.
- g) Provide the Bank with information and financial data as it may request from time to time, including, without limitation, such updated information and/or additional supporting information as the Bank may require with respect to any or all the matters in the Borrower's representation and warranty in Section 6(h).
- h) Maintain property, plant and equipment in good repair and working condition.

- i) Inform the Bank of any actual or probable litigation and furnish the Bank with copies of details of any litigation or other proceedings, which might affect the financial condition, business, operations, or prospects of the Borrower.
- j) Provide such additional security and documentation as may be required from time to time by the Bank or its solicitors.
- k) Continue to carry on the business currently being carried on by the Borrower its subsidiaries and each of the Guarantors at the date hereof.
- l) Maintain adequate insurance on all of its assets, undertakings, and business risks.
- m) Permit the Bank or its authorized representatives full and reasonable access to its premises, business, financial and computer records and allow the duplication or extraction of pertinent information therefrom and
- n) Comply with all applicable laws.

8. STANDARD NEGATIVE COVENANTS

So long as any amounts remain outstanding and unpaid under this Agreement or so long as any commitment under this Agreement remains in effect, the Borrower will not and will ensure that its subsidiaries and each of the Guarantors will not:

- a) Create, incur, assume, or suffer to exist, any mortgage, deed of trust, pledge, lien, security interest, assignment, charge, or encumbrance (including without limitation, any conditional sale, or other title retention agreement, or finance lease) of any nature, upon or with respect to any of its assets or undertakings, now owned or hereafter acquired, except for those Permitted Liens, if any, set out in the Letter.
- b) Create, incur, assume or suffer to exist any other indebtedness for borrowed money (except for indebtedness resulting from Permitted Liens, if any) or guarantee or act as surety or agree to indemnify the debts of any other Person.
- c) Merge or consolidate with any other Person, or acquire all or substantially all of the shares, assets or business of any other Person.
- d) Sell, lease, assign, transfer, convey or otherwise dispose of any of its now owned or hereafter acquired assets (including, without limitation, shares of stock and indebtedness of subsidiaries, receivables and leasehold interests), except for inventory disposed of in the ordinary course of business.
- e) Terminate or enter into a surrender of any lease of any property mortgaged under the Bank Security.
- f) Cease to carry on the business currently being carried on by each of the Borrower, its subsidiaries, and the Guarantors at the date hereof.
- g) Permit any change of ownership or change in the capital structure of the Borrower.

9. ENVIRONMENTAL

The Borrower represents and warrants (which representation and warranty shall continue throughout the term of this Agreement) that the business of the Borrower, its subsidiaries and each of the Guarantors is being operated in compliance with applicable laws and regulations respecting the discharge, omission, spill or disposal of any hazardous materials and that any and all enforcement actions in respect thereto have been clearly conveyed to the Bank.

The Borrower shall, at the request of the Bank from time to time, and at the Borrower's expense, obtain and provide to the Bank an environmental audit or inspection report of the property from auditors or inspectors acceptable to the Bank.

The Borrower hereby indemnifies the Bank, its officers, directors, employees, agents and shareholders, and agrees to hold each of them harmless from all loss, claims, damages and expenses (including legal and audit expenses) which may be suffered or incurred in connection with the indebtedness under this Agreement or in connection with the Bank Security.

10. STANDARD EVENTS OF DEFAULT

The Bank may accelerate the payment of principal and interest under any committed credit facility hereunder and cancel any undrawn portion of any committed credit facility hereunder, at any time after the occurrence of any one of the following Events of Default:

- a) Non-payment of principal outstanding under this Agreement when due or non-payment of interest or fees outstanding under this Agreement within 3 Business Days of when due.
- b) If any representation, warranty or statement made hereunder or made in connection with the execution and delivery of this Agreement or the Bank Security is false or misleading at any time.
- c) If any representation or warranty made or information provided by the Guarantor to the Bank from time to time, including without limitation, under or in connection with the Personal Financial Statement and Privacy Agreement provided by the Guarantor, is false or misleading at any time.
- d) If there is a breach or non-performance or non-observance of any term or condition of this Agreement or the Bank Security and, if such default is capable to being remedied, the default continues unremedied for 5 Business Days after the occurrence.
- e) If the Borrower, any one of its subsidiaries, or, if any of the Guarantors makes a general assignment for the benefit of creditors, files or presents a petition, makes a proposal or commits any act of bankruptcy, or if any action is taken for the winding up, liquidation or the appointment of a liquidator, trustee in bankruptcy, custodian, curator, sequestrator, receiver or any other officer with similar powers or if a judgment or order shall be entered by any court approving a petition for reorganization, arrangement or composition of or in respect of the Borrower, any of its subsidiaries, or any of the Guarantors or if the Borrower, any of its subsidiaries, or any of the Guarantors is insolvent or declared bankrupt.
- f) If there exists a voluntary or involuntary suspension of business of the Borrower, any of its subsidiaries, or any of the Guarantors.
- g) If action is taken by an encumbrancer against the Borrower, any of its subsidiaries, or any of the Guarantors to take possession of property or enforce proceedings against any assets.
- h) If any final judgment for the payment of monies is made against the Borrower, any of its subsidiaries, or any of the Guarantors and it is not discharged within 30 days from the imposition of such judgment.
- i) If there exists an event, the effect of which with lapse of time or the giving of notice, will constitute an event of default or a default under any other agreement for borrowed money in excess of the Cross Default Threshold entered into by the Borrower, any of its subsidiaries, or any of the Guarantors.
- j) If the Borrower, any one of its subsidiaries, or any of the Guarantors default under any other present or future agreement with the Bank or any of the Bank's subsidiaries, including without limitation, any other loan agreement, forward foreign exchange transactions, interest rate and currency and/or commodity swaps.
- k) If the Bank Security is not enforceable or if any party to the Bank Security shall dispute or deny any liability or any of its obligations under the Bank Security, or if any Guarantor terminates a guarantee in respect of future advances.
- l) If, in the Bank's determination, a material adverse change occurs in the financial condition, business operations or prospects of the Borrower, any of the Borrower's subsidiaries, or any of the Guarantors.

11. ACCELERATION

If the Bank accelerates the payment of principal and interest hereunder, the Borrower shall immediately pay to the Bank all amounts outstanding hereunder, including without limitation, the amount of unmatured B/As and LIBOR Loans and the amount of all drawn and undrawn L/Gs and L/Cs. All cost to the Bank of unwinding LIBOR Loans and all loss suffered by the Bank in re-employing amounts repaid will be paid by the Borrower.

The Bank may demand the payment of principal and interest under the Operating Loan (and any other uncommitted facility) hereunder and cancel any undrawn portion of the Operating Loan (and any other uncommitted facility) hereunder, at any time whether or not an Event of Default has occurred.

12. CURRENCY INDEMNITY

USD\$ loans must be repaid with USD\$ and CAD\$ loans must be repaid with CAD\$ and the Borrower shall indemnify the Bank for any loss suffered by the Bank if USD\$ loans are repaid with CAD\$ or vice versa, whether such payment is made pursuant to an order of a court or otherwise.

13. TAXATION ON PAYMENTS

All payments made by the Borrower to the Bank will be made free and clear of all present and future taxes (excluding the Bank's income taxes), withholdings or deductions of whatever nature. If these taxes, withholdings or deductions are required by applicable law and are made, the Borrower, shall, as a separate and independent obligation, pay to the Bank all additional amounts as shall fully indemnify the Bank from any such taxes, withholdings or deductions.

14. REPRESENTATION

No representation or warranty or other statement made by the Bank concerning any of the credit facilities shall be binding on the Bank unless made by it in writing as a specific amendment to this Agreement.

15. CHANGING THE AGREEMENT

- a) The Bank may, from time to time, unilaterally change the provisions of this Agreement where (i) the provisions of the Agreement relate to the Operating Loan (and any other uncommitted facility) or (ii) such change is for the benefit of the Borrower, or made at the Borrower's request, including without limitation, decreases to fees or interest payable hereunder or (iii) where such change makes compliance with this Agreement less onerous to the Borrower, including without limitation, release of security. These changes can be made by the Bank providing written notice to the Borrower of such changes in the form of a specific waiver or a document constituting an amending agreement. The Borrower is not required to execute such waiver or amending agreement, unless the Bank requests the Borrower to sign such waiver or amending agreement. A change in the Prime Rate and USBR is not an amendment to the terms of this Agreement that requires notification to be provided to the Borrower.
- b) Changes to the Agreement, other than as described in a) above, including changes to covenants and fees payable by the Borrower, are required to be agreed to by the Bank and the Borrower in writing, by the Bank and the Borrower each signing an amending agreement.
- c) The Bank is not required to notify a Guarantor of any change in the Agreement, including any increase in the Credit Limit.

16. ADDED COST

If the introduction of or any change in any present or future law, regulation, treaty, official or unofficial directive, or regulatory requirement, (whether or not having the force of law) or in the interpretation or application thereof, relates to:

- i) the imposition or exemption of taxation of payments due to the Bank or on reserves or deemed reserves in respect of the undrawn portion of any Facility or loan made available hereunder; or,
- ii) any reserve, special deposit, regulatory or similar requirement against assets, deposits, or loans or other acquisition of funds for loans by the Bank; or,
- iii) the amount of capital required or expected to be maintained by the Bank as a result of the existence of the advances or the commitment made hereunder;

and the result of such occurrence is, in the sole determination of the Bank, to increase the cost of the Bank or to reduce the income received or receivable by the Bank hereunder, the Borrower shall, on demand by the Bank, pay to the Bank that amount which the Bank estimates will compensate it for such additional cost or reduction in income and the Bank's estimate shall be conclusive, absent manifest error.

17. EXPENSES

The Borrower shall pay, within 5 Business Days following notification, all fees and expenses (including but not limited to all legal fees) incurred by the Bank in connection with the preparation, registration and ongoing administration of this Agreement and the Bank Security and with the enforcement of the Bank's rights and remedies under this Agreement and the Bank Security whether or not any amounts are advanced under the Agreement. These fees and expenses shall include, but not be limited, to all outside counsel fees and expenses and all in-house legal fees and expenses, if in-house counsel are used, and all outside professional advisory fees and expenses. The Borrower shall pay interest on unpaid amounts due pursuant to this paragraph at the All-In Rate plus 2% per annum.

Without limiting the generality of Section 24, the Bank or its agent, is authorized to debit any of the Borrower's accounts with the amount of the fees and expenses owed by the Borrower hereunder, including the registration fee in connection with the Bank Security, even if that debiting creates an overdraft in any such account. If there are insufficient funds in the Borrower's accounts to reimburse the Bank or its agent for payment of the fees and expenses owed by the Borrower hereunder, the amount debited to the Borrower's accounts shall be deemed to be a Prime Based Loan under the Operating Loan.

The Borrower will, if requested by the Bank, sign a Pre-Authorized Payment Authorization in a format acceptable to the Bank to permit the Bank's agent to debit the Borrower's accounts as contemplated in this Section.

18. NON WAIVER

Any failure by the Bank to object to or take action with respect to a breach of this Agreement or any Bank Security or upon the occurrence of an Event of Default shall not constitute a waiver of the Bank's right to take action at a later date on that breach. No course of conduct by the Bank will give rise to any reasonable expectation which is in any way inconsistent with the terms and conditions of this Agreement and the Bank Security or the Bank's rights thereunder.

19. EVIDENCE OF INDEBTEDNESS

The Bank shall record on its records the amount of all loans made hereunder, payments made in respect thereto, and all other amounts becoming due to the Bank under this Agreement. The Bank's records constitute, in the absence of manifest error, conclusive evidence of the indebtedness of the Borrower to the Bank pursuant to this Agreement.

The Borrower will sign the Bank's standard form Letter of Credit Indemnity Agreement for all L/Cs and L/Gs issued by the Bank.

With respect to chattel mortgages taken as Bank Security, this Agreement is the Promissory Note referred to in same chattel mortgage, and the indebtedness incurred hereunder is the true indebtedness secured by the chattel mortgage.

20. ENTIRE AGREEMENTS

This Agreement replaces any previous letter agreements dealing specifically with terms and conditions of the credit facilities described in the Letter. Agreements relating to other credit facilities made available by the Bank continue to apply for those other credit facilities. This Agreement, and if applicable, the Letter of Credit Indemnity Agreement, are the entire agreements relating to the Facilities described in this Agreement.

21. ASSIGNMENT

The Bank may assign or grant participation in all or part of this Agreement or in any loan made hereunder without notice to and without the Borrower's consent.

The Borrower may not assign or transfer all or any part of its rights or obligations under this Agreement.

22. RELEASE OF INFORMATION

The Borrower hereby irrevocably authorizes and directs the Borrower's accountant, (the "Accountant") to deliver all financial statements and other financial information concerning the Borrower to the Bank and agrees that the Bank and the Accountant may communicate directly with each other.

23. FX CLOSE OUT

The Borrower hereby acknowledges and agrees that in the event any of the following occur: (i) Default by the Borrower under any forward foreign exchange contract ("FX Contract"); (ii) Default by the Borrower in payment of monies owing by it to anyone, including the Bank; (iii) Default in the performance of any other obligation of the Borrower under any agreement to which it is subject; or (iv) the Borrower is adjudged to be or voluntarily becomes bankrupt or insolvent or admits in writing to its inability to pay its debts as they come due or has a receiver appointed over its assets, the Bank shall be entitled without advance notice to the Borrower to close out and terminate all of the outstanding FX Contracts entered into hereunder, using normal commercial practices employed by the Bank, to determine the gain or loss for each terminated FX contract. The Bank shall then be entitled to calculate a net termination value for all of the terminated FX Contracts which shall be the net sum of all the losses and gains arising from the termination of the FX Contracts which net sum shall be the "Close Out Value" of the terminated FX Contracts. The Borrower acknowledges that it shall be required to forthwith pay any positive Close Out Value owing to the Bank and the Bank shall be required to pay any negative Close Out Value owing to the Borrower, subject to any rights of set-off to which the Bank is entitled or subject.

24. SET-OFF

In addition to and not in limitation of any rights now or hereafter granted under applicable law, the Bank may at any time and from time to time without notice to the Borrower or any other Person, any notice being expressly waived by the Borrower, set-off and compensate and apply any and all deposits, general or special, time or demand, provisional or final, matured or unmatured, in any currency, and any other indebtedness or amount payable by the Bank (irrespective of the place of payment or booking office of the obligation), to or for the credit of or for the Borrower's account, including without limitation, any amount owed by the Bank to the Borrower under any FX Contract or other treasury or derivative product, against and on account of the indebtedness and liability under this Agreement notwithstanding that any of them are contingent or unmatured or in a different currency than the indebtedness and liability under this Agreement.

When applying a deposit or other obligation in a different currency than the indebtedness and liability under this Agreement to the indebtedness and liability under this Agreement, the Bank will convert the deposit or other obligation to the currency of the indebtedness and liability under this Agreement using the Bank's noon spot rate of exchange for the conversion of such currency.

25. LIMITATION ACT

The Borrower and the Bank hereby agree that the limitation period for commencement of any court action or proceeding against the Borrower with respect to demand loans shall be six (6) years rather than the period of time that is set out in the applicable limitation legislation.

26. SEVERABILITY

In the event any one or more of the provisions of this Agreement shall for any reason, including under any applicable statute or rule of law, be held to be invalid, illegal or unenforceable, that part will be severed from this Agreement and will not affect the enforceability of the remaining provisions of this Agreement, which shall remain in full force and effect.

27. MISCELLANEOUS

- i) The Borrower has received a signed copy of this Agreement;
- ii) If more than one Person, firm or corporation signs this Agreement as the Borrower, each party is jointly and severally liable hereunder, and the Bank may require payment of all amounts payable under this Agreement from any one of them, or a portion from each, but the Bank is released from any of its obligations by performing that obligation to any one of them. Each Borrower hereby acknowledges that each Borrower is an agent of each other Borrower and payment by any Borrower hereunder shall be deemed to be payment by the Borrower making the payment and by each other Borrower. Each payment, including interest payments, made will constitute an acknowledgement of the indebtedness and liability hereunder by each Borrower;
- iii) Accounting terms will (to the extent not defined in this Agreement) be interpreted in accordance with accounting principles established from time to time by the Canadian Institute of Chartered Accountants (or any successor) consistently applied, and all financial statements and information provided to the Bank will be prepared in accordance with those principles;

- iv) This Agreement is governed by the law of the Province or Territory where the Branch/Centre is located.
- v) Unless stated otherwise, all amounts referred to herein are in Canadian dollars

28. DEFINITIONS

Capitalized Terms used in this Agreement shall have the following meanings:

"All-In Rate" means the greater of the Interest Rate that the Borrower pays for Prime Based Loans (which for greater certainty includes the percent per annum added to the Prime Rate) or the highest fixed rate paid for Fixed Rate Term Loans.

"Agreement" means the agreement between the Bank and the Borrower set out in the Letter and this Schedule "A" - Standard Terms and Conditions.

"Business Day" means any day (other than a Saturday or Sunday) that the Branch/Centre is open for business.

"Branch/Centre" means The Toronto-Dominion Bank branch or banking centre noted on the first page of the Letter, or such other branch or centre as may from time to time be designated by the Bank.

"Contractual Term Maturity Date" means the last day of the Contractual Term period. If the Letter does not set out a specific Contractual Term period but rather refers to a period of time up to which the Contractual Term Maturity Date can occur, the Bank and the Borrower must agree on a Contractual Term Maturity Date before first drawdown, which Contractual Term Maturity Date will be set out in the Rate and Payments Terms Notice.

"Cross Default Threshold" means the cross default threshold set out in the Letter. If no such cross default threshold is set out in the Letter it will be deemed to be zero.

"Face Amount" means, in respect of:

- (i) a B/A, the amount payable to the holder thereof on its maturity;
- (ii) A L/C or L/G, the maximum amount payable to the beneficiary specified therein or any other Person to whom payments may be required to be made pursuant to such L/C or L/G.

"Fixed Rate Term Loan" means any drawdown in Canadian dollars under a Credit Facility at an interest rate which is fixed for a Rate Term at such rate as is determined by the Bank as its sole discretion.

"Inventory Value" means, at any time of determination, the total value (based on the lower of cost or market) of the Borrower's inventories that are subject to the Bank Security (other than (i) those inventories supplied by trade creditors who at that time have not been fully paid and would have a right to repossess all or part of such inventories if the Borrower were then either bankrupt or in receivership, (ii) those inventories comprising work in process and (iii) those inventories that the Bank may from time to time designate in its sole discretion) minus the total amount of any claims, liens or encumbrances on those inventories having or purporting to have priority over the Bank.

"Letter" means the letter from the Bank to the Borrower to which this Schedule "A" - Standard Terms and Conditions is attached.

"Letter of Credit" or *"L/C"* means a documentary letter of credit or similar instrument in form and substance satisfactory to the Bank.

"Letter of Guarantee" or *"L/G"* means a stand-by letter of guarantee or similar instrument in form and substance satisfactory to the Bank.

"Person" includes any individual, sole proprietorship, corporation, partnership, joint venture, trust, unincorporated association, association, institution, entity, party, or government (whether national, federal, provincial, state, municipal, city, county, or otherwise and including any instrumentality, division, agency, body, or department thereof).

"Purchase Money Security Interest" means a security interest on equipment which is granted to a lender or to the seller of such equipment in order to secure the purchase price of such equipment or a loan to acquire such equipment, provided that the amount secured by the security interest does not exceed the cost of the equipment, the Borrower provides written notice to the Bank prior to the creation of the security interest, and the creditor under the security interest has, if requested by the Bank, entered into an inter-creditor agreement with the Bank, in a format acceptable to the Bank.

"Rate Term" means that period of time as selected by the Borrower from the options offered to it by the Bank, during which a Fixed Rate Term Loan will bear a particular interest rate. If no Rate Term is selected, the Borrower will be deemed to have selected a Rate Term of 1 year.

"Rate Term Maturity" means the last day of a Rate Term which day may never exceed the Contractual Term Maturity Date.

"Rate and Payment Terms Notice" means the notice sent by the Bank setting out the interest rate and payment terms for a particular drawdown.

"Receivable Value" means, at any time of determination, the total value of those of the Borrower's trade accounts receivable that are subject to the Bank Security other than (i) those accounts then outstanding for 90 days, (ii) those accounts owing by Persons, firms or corporations affiliated with the Borrower, (iii) those accounts that the Bank may from time to time designate in its sole discretion, (iv) those accounts subject to any claim, liens, or encumbrance having or purporting to have priority over the Bank, (v) those accounts which are subject to a claim of set-off by the obligor under such account, MINUS the total amount of all claims, liens, or encumbrances on those receivables having or purporting to have priority over the Bank.

"Receivables/Inventory Summary" means a summary of the Borrower's trade account receivables and inventories, in form as the Bank may require and certified by a senior officer/representative of the Borrower.

"USD\$ Equivalent" means, on any date, the equivalent amount in United States Dollars after giving effect to a conversion of a specified amount of Canadian Dollars to United States Dollars at the Bank's noon spot rate of exchange for Canadian Dollars to United States Dollars established by the Bank for the day in question.



295 King Street
Midland, Ontario
L4R 3M5
Tel: 705 526 5475 ex. 305
Fax: 705 727 0866

April 28, 2015

MIDLAND POWER UTILITY CORPORATION
16984 Highway 12
PO Box 820 Station Main
Midland, Ontario
L4R 4P4

Attention: Christine Bell.

The following amending agreement (the "Amending Agreement") amends the terms and conditions of the credit facilities (the "Facilities") provided to the Borrower pursuant to the Agreement dated October 23, 2014:

BORROWER

MIDLAND POWER UTILITY CORPORATION (the "Borrower")

LENDER

The Toronto-Dominion Bank (the "Bank"), through its Collier Street branch, in Barrie, Ontario.

CREDIT LIMIT

Amend:
1) CAD\$4,335,000

DRAWDOWN

Amend
1) On a revolving basis. Letters of Guarantee and Banker's Acceptance draws available at the request of the Borrower. Includes carve out for IESO Prudential L/G.

SECURITY

The following security shall be provided, shall, unless otherwise indicated, support all present and future indebtedness and liability of the Borrower and the grantor of the security to the Bank including without limitation indebtedness and liability under guarantees, foreign exchange contracts, cash management products, and derivative contracts, shall be registered in first position, and shall be on the Bank's standard form, supported by resolutions and solicitor's opinion, all acceptable to the Bank.

Add:

- e) Subordination Agreement/Priorities Agreement (inter-creditor agreement) whereby TD Bank limits its first-ranking priority to the amount of \$4,500,000 principal plus accrued interest and fees, in favour of Ontario Infrastructure and Lands Corporation; and agrees that the revolving line of credit may not be increased without the consent of Ontario Infrastructure and Lands Corporation.

All persons and entities required to provide a guarantee shall be referred to in this Agreement individually as a "Surety" and/or "Guarantor" and collectively as the "Guarantors";

All of the above security and guarantees shall be referred to collectively in this Agreement as "Bank Security".

PERMITTED LIENS

Permitted Liens as referred to in Schedule "A" are:

Add:

- b) Debentures and term loans subordinated to the Bank subject to the terms and conditions herein.

AVAILABILITY OF OPERATING LOAN

The Operating Loan is uncommitted, made available at the Bank's discretion, and is not automatically available upon satisfaction of the terms and conditions, conditions precedent, or financial tests set out herein.

The occurrence of an Event of Default is not a precondition to the Bank's right to accelerate repayment and cancel the availability of the Operating Loan.

SCHEDULE "A" - STANDARD TERMS AND CONDITIONS

Schedule "A" sets out the Standard Terms and Conditions ("Standard Terms and Conditions") which apply to these credit facilities. The Standard Terms and Conditions, including the defined terms set out therein, form part of this Agreement, unless this letter states specifically that one or more of the Standard Terms and Conditions do not apply or are modified.

We ask that the Borrower acknowledges agreement to these amendments by signing and returning the attached duplicate copy of this Amending Agreement to the undersigned on or before 30 May 2015.

**ACCURACY OF
INFORMATION**

The Borrower hereby represents and warrants that all information that it has provided to the Bank is accurate and complete respecting, where applicable:

- (i) the names of the Borrower's directors and the names and addresses of the Borrower's beneficial owners;
- (ii) the names and addresses of the Borrower's trustees, known beneficiaries and/or settlors; and
- (iii) the Borrower's ownership, control and structure.

The Borrower will provide, or cause to be provided, such updated information and/or additional supporting information as the Bank may require from time to time with respect to any or all the matters in the Borrower's foregoing representation and warranty.

Yours truly,

THE TORONTO-DOMINION BANK



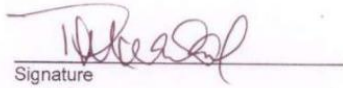
Cathlene Belknap
Customer Service Officer



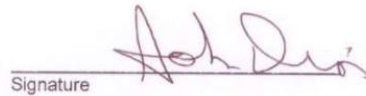
Jeff Ailsop
Manager, Commercial Services

TO THE TORONTO-DOMINION BANK:

MIDLAND POWER UTILITY CORPORATION hereby accepts the foregoing offer this ^{29th} day of APRIL, 2015. The Borrower confirms that, except as may be set out above, the credit facility detailed herein shall not be used by or on behalf of any third party.


Signature

PAUL MARLEY,
PRESIDENT / CEO
Print Name & Position


Signature

JOHN DION
VICE-CHAIR, BOARD OF DIRECTORS
Print Name & Position



295 King Street
Midland, Ontario
L4R 3M5
Tel: 705 526 5475 ex. 305
Fax: 705 727 0866

July 6, 2015

MIDLAND POWER UTILITY CORPORATION
16984 Highway 12
Midland, Ontario
L4R 4P4

Attention: Christine Bell.

The following amending agreement (the "Amending Agreement") amends the terms and conditions of the credit facilities (the "Facilities") provided to the Borrower pursuant to the Agreement dated October 23, 2014 and the subsequent Amending Agreement dated April 28, 2015:

BORROWER

MIDLAND POWER UTILITY CORPORATION (the "Borrower")

LENDER

The Toronto-Dominion Bank (the "Bank"), through its Collier Street branch, in Barrie, Ontario.

**CONTRACTUAL
TERM**

Amend:

- 1) Matures November 30th, 2016.
Extendible at the Lender's option for another 364 day period.

**AVAILABILITY OF
OPERATING LOAN**

The Operating Loan is uncommitted, made available at the Bank's discretion, and is not automatically available upon satisfaction of the terms and conditions, conditions precedent, or financial tests set out herein.

The occurrence of an Event of Default is not a precondition to the Bank's right to accelerate repayment and cancel the availability of the Operating Loan.

**SCHEDULE "A" -
STANDARD TERMS
AND CONDITIONS**

Schedule "A" sets out the Standard Terms and Conditions ("Standard Terms and Conditions") which apply to these credit facilities. The Standard Terms and Conditions, including the defined terms set out therein, form part of this Agreement, unless this letter states specifically that one or more of the Standard Terms and Conditions do not apply or are modified.

We ask that the Borrower acknowledges agreement to these amendments by signing and returning the attached duplicate copy of this Amending Agreement to the undersigned on or before **November 30, 2015.**

**ACCURACY OF
INFORMATION**

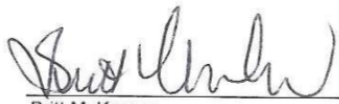
The Borrower hereby represents and warrants that all information that it has provided to the Bank is accurate and complete respecting, where applicable:

- (i) the names of the Borrower's directors and the names and addresses of the Borrower's beneficial owners;
- (ii) the names and addresses of the Borrower's trustees, known beneficiaries and/or settlors; and
- (iii) the Borrower's ownership, control and structure.

The Borrower will provide, or cause to be provided, such updated information and/or additional supporting information as the Bank may require from time to time with respect to any or all the matters in the Borrower's foregoing representation and warranty.

Yours truly,

THE TORONTO-DOMINION BANK




Britt McKerrow
Relationship Manager



Jeff Allsop
Manager, Commercial Services

TO THE TORONTO-DOMINION BANK:

MIDLAND POWER UTILITY CORPORATION hereby accepts the foregoing offer this 23rd day of SEPTEMBER, 2015. The Borrower confirms that, except as may be set out above, the credit facility detailed herein shall not be used by or on behalf of any third party.



Signature

PAUL MARLEY, CPA, CMA
PRESIDENT + CEO

Print Name & Position



Signature

JOHN KURDINK
BOARD CHAIR

Print Name & Position



Central Ontario Commercial Banking Centre
295 King Street
Midland, ON
L4R 3M5
Telephone No.: (705) 526 5475
Fax No.: (705) 727 0868

January 18, 2017

MIDLAND POWER UTILITY CORPORATION
16984 Highway 12
Midland, On
L4R 4P4

Attention: Christine Bell

The following amending agreement (the "Amending Agreement") amends the terms and conditions of the credit facilities (the "Facilities") provided to the Borrower pursuant to the Agreement dated October 23, 2014 and the subsequent Amending Agreements April 28, 2015 and July 6, 2015:

BORROWER

MIDLAND POWER UTILITY CORPORATION (the "Borrower")

LENDER

The Toronto-Dominion Bank (the "Bank"), through its Central Ontario branch, in Barrie, ON.

In accordance with the terms of the Agreement, the Bank may change the provisions of the Agreement from time to time on notice to the Borrower. The Bank hereby notifies the Borrower that this Amending Agreement amends the Agreement effective as of **December 1, 2016** as follows:

**CONTRACTUAL
TERM**

Amend:

- 1) Matures November 30th, 2017.
Extendible at the Lender's option for another 364 day period.

**AVAILABILITY OF
OPERATING LOAN**

The Operating Loan is uncommitted, made available at the Bank's discretion, and is not automatically available upon satisfaction of the terms and conditions, conditions precedent, or financial tests set out herein.

The occurrence of an Event of Default is not a precondition to the Bank's right to accelerate repayment and cancel the availability of the Operating Loan.

**SCHEDULE "A" -
STANDARD TERMS
AND CONDITIONS**

Schedule "A" sets out the Standard Terms and Conditions ("Standard Terms and Conditions") which apply to these credit facilities. The Standard Terms and Conditions, including the defined terms set out therein, form part of this Agreement, unless this letter states specifically that one or more of the Standard Terms and Conditions do not apply or are modified.

Unless otherwise stated, the amendments outlined above are in addition to the Terms and Conditions of the existing Agreement. All other terms and conditions remain unchanged.

**ACCURACY OF
INFORMATION**


The Borrower hereby represents and warrants that all information that it has provided to the Bank is accurate and complete respecting, where applicable:

- (i) the names of the Borrower's directors and the names and addresses of the Borrower's beneficial owners;
- (ii) the names and addresses of the Borrower's trustees, known beneficiaries and/or settlors; and
- (iii) the Borrower's ownership, control and structure.

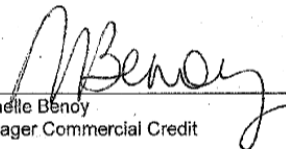
The Borrower will provide, or cause to be provided, such updated information and/or additional supporting information as the Bank may require from time to time with respect to any or all the matters in the Borrower's foregoing representation and warranty.

Yours truly,

THE TORONTO-DOMINION BANK



Britt McKerrow
Relationship Manager



Michelle Bény
Manager Commercial Credit



Central Ontario Commercial Banking Group
16655 Yonge Street, Unit 1
Newmarket, Ontario L3X 1V6

Telephone No.: (905) 836-5949
Fax No.: (905) 836-8771

November 17, 2017

MIDLAND POWER UTILITY CORPORATION
16984 Highway 12
Midland, Ontario
L4R 4P4

Attention: Christine Bell

The following amending agreement (the "Amending Agreement") amends the terms and conditions of the credit facilities (the "Facilities") provided to the Borrower pursuant to the Agreement dated October 23, 2014 and the subsequent Amending Agreements dated April 28, 2015, July 6, 2015 and January 18, 2017

BORROWER

MIDLAND POWER UTILITY CORPORATION

LENDER

The Toronto-Dominion Bank (the "Bank"), through its Central Ontario Commercial Banking Group in Newmarket, Ontario.

CREDIT LIMIT

1) **CAD\$4,335,000**

**CONTRACTUAL
TERM**

AMEND THE FOLLOWING

1) Matures November 30, 2018.
Extendible at the Lender's option for another 364 day period.

**AVAILABILITY OF
OPERATING LOAN**

The Operating Loan is uncommitted, made available at the Bank's discretion, and is not automatically available upon satisfaction of the terms and conditions, conditions precedent, or financial tests set out herein.

The occurrence of an Event of Default is not a precondition to the Bank's right to accelerate repayment and cancel the availability of the Operating Loan.

**SCHEDULE "A" -
STANDARD TERMS
AND CONDITIONS**

Schedule "A" sets out the Standard Terms and Conditions ("Standard Terms and Conditions") which apply to these credit facilities. The Standard Terms and Conditions, including the defined terms set out therein, form part of this Agreement, unless this letter states specifically that one or more of the Standard Terms and Conditions do not apply or are modified.

**ACCURACY OF
INFORMATION**

The Borrower hereby represents and warrants that all information that it has provided to the Bank is accurate and complete respecting, where applicable:


- (i) the names of the Borrower's directors and the names and addresses of the Borrower's beneficial owners;
- (ii) the names and addresses of the Borrower's trustees, known beneficiaries and/or settlors; and
- (iii) the Borrower's ownership, control and structure.

The Borrower will provide, or cause to be provided, such updated information and/or additional supporting information as the Bank may require from time to time with respect to any or all the matters in the Borrower's foregoing representation and warranty.

Unless otherwise stated, the amendments outlined above are in addition to the Terms and Conditions of the existing Agreement. All other terms and conditions remain unchanged.

Yours truly,

THE TORONTO-DOMINION BANK



Tim Brown
Relationship Manager



Ian McGuire
Manager Commercial Services