

Exhibit 5:

COST OF CAPITAL AND RATE OF RETURN

Exhibit 5: Cost Of Capital And Rate Of Return

Tab 1 (of 2): Cost of Capital and Rate of Return

CAPITAL STRUCTURE

This application is submitted in compliance with the deemed capital structure as prescribed by the Ontario Energy Board ("OEB") for rate making purposes. It assumes the current Cost of Capital parameters set by the Board letter dated November 22, 2018. Greater Sudbury Hydro Inc ("GSHi") will update for the Board issued 2020 Cost of Capital parameters as part of the draft rate order in this proceeding. Table 1 below sets out the Board's current Cost of Capital parameters.

Table 1: Cost of Capital

Cost of Capital Parameter	Value for Applications for rate changes in 2019
ROE	8.98%
Deemed LT Debt Rate	4.13%
Deemed ST Debt Rate	2.82%

GSHi's current OEB approved capital structure for rate making purposes is 60% debt and 40% equity. This capital structure was determined in the OEB's Report of the Board on Cost of Capital for Ontario's Regulated Utilities dated December 11, 2009 ("Cost of Capital Report"). The Report states the debt structure of 60% is comprised of 56% long term and 4% short term debt.

Although GSHi continues to have an actual debt/equity structure that is different from the OEB deemed structure for rate making purposes, it is not proposing any departure from the deemed structure for the purposes of rate making in this Application. GSHi's deemed capital structure and return on capital set out in Table 2 below:

1

Table 2: Deemed Capital Structure and Return on Capital

	<i>Current Application</i>				<i>2013 Approved</i>		
	<i>Deemed Portion</i>	<i>Effective Rate</i>	<i>Return Amount</i>		<i>Deemed Portion</i>	<i>Effective Rate</i>	<i>Return Amount</i>
Short-Term Debt	4.00%	2.82%			4.00%	2.07%	
Long-Term Debt	56.00%	4.14%			56.00%	4.14%	
Total Equity	40.00%	8.98%			40.00%	8.98%	
Regulated Rate of Return	100.00%	6.02%			100.00%	5.99%	
Rate Base			107,619,406				88,984,399
Regulated Return on Capital			6,482,132				5,333,013
<i>Deemed Interest Expense</i>			2,616,443				2,136,693
<i>Deemed Return on Equity</i>			3,865,689				3,196,320

2

3

4 OEB Appendix 2-OA has been included as Exhibit 5, Tab 1, Schedule 1, Attachment 1.

5 OEB Appendix 2-OB has been included as Exhibit 5, Tab 1, Schedule 1, Attachment 2.

Attachment 1 (of 2):

OEB Appendix 2-OA

File Number: EB-2019-0037
Exhibit: 5
Tab: 1
Schedule: 1
Page: 1
Date: 2019-10-31

Appendix 2-OA Capital Structure and Cost of Capital

This table must be completed for the last OEB-approved year and the test year.

Test Year: 2020

Line No.	Particulars	Capitalization Ratio		Cost Rate	Return
		(%)	(\$)	(%)	(\$)
	Debt				
1	Long-term Debt	56.00%	\$60,266,867	4.14%	\$2,495,048
2	Short-term Debt	4.00% (1)	\$4,304,776	2.82%	\$121,395
3	Total Debt	60.0%	\$64,571,643	4.05%	\$2,616,443
	Equity				
4	Common Equity	40.00%	\$43,047,762	8.98%	\$3,865,689
5	Preferred Shares	0.00%	\$ -	0.00%	\$ -
6	Total Equity	40.0%	\$43,047,762	8.98%	\$3,865,689
7	Total	100.0%	\$107,619,405	6.02%	\$6,482,132

Notes
(1)

4.0% unless an applicant has proposed or been approved for a different amount.

Last OEB-approved year: 2013

Line No.	Particulars	Capitalization Ratio		Cost Rate	Return
		(%)	(\$)	(%)	(\$)
	Debt				
1	Long-term Debt	56.00%	\$49,831,263	4.14%	\$2,063,014
2	Short-term Debt	4.00% (1)	\$3,559,376	2.07%	\$73,679
3	Total Debt	60.0%	\$53,390,639	4.00%	\$2,136,693
	Equity				
4	Common Equity	40.00%	\$35,593,760	8.98%	\$3,196,320
5	Preferred Shares	0.00%	\$ -	0.00%	\$ -
6	Total Equity	40.0%	\$35,593,760	8.98%	\$3,196,320
7	Total	100.0%	\$88,984,399	5.99%	\$5,333,013

Notes
(1)

4.0% unless an applicant has proposed or been approved for a different amount.

Attachment 2 (of 2):

OEB Appendix 2-OB

Appendix 2-OB Debt Instruments

This table must be completed for all required historical years, the bridge year and the test year.

Year 2013 Board Approved

Row	Description	Lender	Affiliated or Third-Party Debt?	Fixed or Variable-Rate?	Start Date	Term (years)	Principal (\$)	Rate (%) ²	Days O/S	Interest (\$) ¹
1	Multiple draw term loan (SWAP)	Toronto-Dominion Bank	Third-Party	Fixed Rate	18-Jan-11	15	\$ 1,764,379	4.69%	365	\$ 82,753.48
2	Promissory Note	Greater Sudbury Utilities	Affiliated	Fixed Rate	1-Nov-00	demand	\$ 48,645,458	4.12%	365	\$ 2,004,192.87
3	Term Loan	Toronto-Dominion Bank	Third-Party	Fixed Rate	1-Oct-13	15	\$ 1,000,000	3.99%	365	\$ 39,900.00
4										\$ -
5										\$ -
6										\$ -
7										\$ -
Total							\$ 51,409,837	4.14%		\$ 2,126,846.35

Year 2013 Actual

Row	Description	Lender	Affiliated or Third-Party Debt?	Fixed or Variable-Rate?	Start Date	Term (years)	Principal (\$)	Rate (%) ²	Days O/S	Interest (\$) ¹
1	Multiple draw term loan (SWAP)	Toronto-Dominion Bank	Third-Party	Fixed Rate	18-Jan-11	15	\$ 1,760,251	4.69%	365	\$ 82,559.87
2	Promissory Note	Greater Sudbury Utilities	Affiliated	Fixed Rate	1-Nov-00	demand	\$ 48,645,458	4.12%	365	\$ 2,004,192.87
3										\$ -
4										\$ -
5										\$ -
6										\$ -
7										\$ -
Total							\$ 50,405,709	4.14%		\$ 2,086,752.74

Year 2014

Row	Description	Lender	Affiliated or Third-Party Debt?	Fixed or Variable-Rate?	Start Date	Term (years)	Principal (\$)	Rate (%) ²	Days O/S	Interest (\$) ¹
1	Multiple draw term loan (SWAP)	Toronto-Dominion Bank	Third-Party	Fixed Rate	18-Jan-11	15	\$ 1,659,002	4.69%	365	\$ 77,811.05
2	Promissory Note	Greater Sudbury Utilities	Affiliated	Fixed Rate	1-Nov-00	demand	\$ 48,645,458	4.12%	365	\$ 2,004,192.87
3										\$ -
4										\$ -
5										\$ -
Total							\$ 50,304,460	4.14%		\$ 2,082,003.92

Year 2015

Row	Description	Lender	Affiliated or Third-Party Debt?	Fixed or Variable-Rate?	Start Date	Term (years)	Principal (\$)	Rate (%) ²	Days O/S	Interest (\$) ¹
1	Multiple draw term loan (SWAP)	Toronto-Dominion Bank	Third-Party	Fixed Rate	18-Jan-11	15	\$ 1,548,566	4.69%	365	\$ 72,631.35
2	Promissory Note	Greater Sudbury Utilities	Affiliated	Fixed Rate	1-Nov-00	demand	\$ 48,645,458	4.12%	365	\$ 2,004,192.87
3	Financing Agreement	Toronto-Dominion Bank	Third-Party	Fixed Rate	12-Jan-15	10	\$ 935,328	4.33%	354	\$ 40,499.68
4										\$ -
5										\$ -
6										\$ -
Total							\$ 51,129,352	4.14%		\$ 2,117,323.90

Year 2016

Row	Description	Lender	Affiliated or Third-Party Debt?	Fixed or Variable-Rate?	Start Date	Term (years)	Principal (\$)	Rate (%) ²	Days O/S	Interest (\$) ¹
1	Multiple draw term loan (SWAP)	Toronto-Dominion Bank	Third-Party	Fixed Rate	18-Jan-11	15	\$ 1,433,007	4.69%	365	\$ 67,211.36
2	Promissory Note	Greater Sudbury Utilities	Affiliated	Fixed Rate	1-Nov-00	demand	\$ 48,645,458	4.12%	365	\$ 2,004,192.87
3	Financing Agreement	Toronto-Dominion Bank	Third-Party	Fixed Rate	12-Jan-15	10	\$ 857,801	4.33%	365	\$ 37,142.76
4										\$ -
5										\$ -
6										\$ -
Total							\$ 50,936,266	4.14%		\$ 2,108,546.99

Year 2017

Row	Description	Lender	Affiliated or Third-Party Debt?	Fixed or Variable-Rate?	Start Date	Term (years)	Principal (\$)	Rate (%) ²	Days O/S	Interest (\$) ¹
1	Multiple draw term loan (SWAP)	Toronto-Dominion Bank	Third-Party	Fixed Rate	18-Jan-11	15	\$ 1,311,807	4.69%	365	\$ 61,526.80
2	Promissory Note	Greater Sudbury Utilities	Affiliated	Fixed Rate	1-Nov-00	demand	\$ 48,645,458	4.12%	365	\$ 2,004,192.87
3	Financing Agreement	Toronto-Dominion Bank	Third-Party	Fixed Rate	12-Jan-15	10	\$ 773,475	4.33%	365	\$ 33,491.45
4										\$ -
5										\$ -
6										\$ -
7										\$ -
Total							\$ 50,730,740	4.14%		\$ 2,099,211.12

Year 2018

Row	Description	Lender	Affiliated or Third-Party Debt?	Fixed or Variable-Rate?	Start Date	Term (years)	Principal (\$)	Rate (%) ²	Days O/S	Interest (\$) ¹
1	Multiple draw term loan (SWAP)	Toronto-Dominion Bank	Third-Party	Fixed Rate	18-Jan-11	15	\$ 1,184,603	4.69%	365	\$ 55,560.61
2	Promissory Note	Greater Sudbury Utilities	Affiliated	Fixed Rate	1-Nov-00	demand	\$ 48,645,458	4.12%	365	\$ 2,004,192.87
3	Financing Agreement	Toronto-Dominion Bank	Third-Party	Fixed Rate	12-Jan-15	10	\$ 685,427	4.33%	365	\$ 29,678.97
4										\$ -
5										\$ -
6										\$ -
Total							\$ 50,515,487	4.14%		\$ 2,089,432.45

Year 2019

Row	Description	Lender	Affiliated or Third-Party Debt?	Fixed or Variable-Rate?	Start Date	Term (years)	Principal (\$)	Rate (%) ²	Days O/S	Interest (\$) ¹
1	Multiple draw term loan (SWAP)	Toronto-Dominion Bank	Third-Party	Fixed Rate	18-Jan-11	15	\$ 1,051,378	4.69%	365	\$ 49,312.07
2	Promissory Note	Greater Sudbury Utilities	Affiliated	Fixed Rate	1-Nov-00	demand	\$ 48,645,458	4.12%	365	\$ 2,004,192.87
3	Financing Agreement	Toronto-Dominion Bank	Third-Party	Fixed Rate	12-Jan-15	10	\$ 593,487	4.33%	365	\$ 25,698.01
4	Long-term debt	Greater Sudbury Utilities	Affiliated	Fixed Rate	1-Oct-19	demand	\$ 3,250,000	4.13%	92	\$ 33,832.05
5										\$ -
6										\$ -
Total							\$ 53,540,323	4.13%		\$ 2,113,035.01

Year 2020

Row	Description	Lender	Affiliated or Third-Party Debt?	Fixed or Variable-Rate?	Start Date	Term (years)	Principal (\$)	Rate (%) ²	Days O/S	Interest (\$) ¹
1	Multiple draw term loan (SWAP)	Toronto-Dominion Bank	Third-Party	Fixed Rate	18-Jan-11	15	\$ 911,821	4.69%	365	\$ 42,766.53
2	Promissory Note	Greater Sudbury Utilities	Affiliated	Fixed Rate	1-Nov-00	demand	\$ 48,645,458	4.13%	365	\$ 2,009,057.42
3	Financing Agreement	Toronto-Dominion Bank	Third-Party	Fixed Rate	12-Jan-15	10	\$ 497,462	4.33%	365	\$ 21,540.12
4	Long-term debt	Greater Sudbury Utilities	Affiliated	Fixed Rate	1-Oct-19	demand	\$ 3,250,000	4.13%	365	\$ 134,225.00
5	Long-term debt	Third party lender	Third-Party	Fixed Rate	1-Oct-20	20	\$ 3,000,000	4.13%	92	\$ 31,229.59
6										\$ -
7										\$ -
Total							\$ 56,304,741	4.14%		\$ 2,238,818.65

Notes

- 1 If financing is in place only part of the year, separately calculate the pro-rated interest in the year and input in the cell.
- 2 Input actual or deemed long-term debt rate in accordance with the guidelines in *The Report of the Board on the Cost of Capital for Ontario's Regulated Utilities*, issued December 11, 2009, or with any subsequent update issued by the OEB.
- 3 Add more lines above row 12 if necessary.

COST OF CAPITAL

Return on Equity

GSHi has applied a rate of Return on Equity of 8.98% for the 2020 test Year. GSHi recognizes that the Return on Equity will be updated at the time of approval based on the OEB rates effective for May 1, 2020.

Cost of Debt – Short-Term

The short-term debt rate has been set at 2.82% for the 2020 Test Year. GSHi recognizes that the rate will be updated at the time of approval based on the OEB rates effective for May 1, 2020. GSHi has access to an \$8,000,000 credit facility held in the name of its parent company Greater Sudbury Utilities Inc ("GSU") for operating purposes at the corporate bank prime rate of interest. As of December 31, 2018, the amount drawn by GSU under this line of credit was \$1,374,078 (2017 - \$nil).

GSHi also has access to cash from the affiliates under the GSU umbrella through a bank account concentration agreement. GSHi leverages this through spending required on its capital program by building up the balance until the balance is sufficient to replace it with the issuance of third part long-term debt, or formalized long-term affiliate debt.

Cost of Debt – Long-Term

The long-term debt rate has been set at 4.14% for the 2020 Test Year. See Exhibit 5, Tab 1, Schedule 1, Attachment 2 for the calculation of this percentage. This calculation assumes a deemed rate equal to 4.13%, which is equal to the OEB's current deemed long-term debt rate. GSHi recognizes that the rate will be updated at the time of approval based on the OEB rates effective for May 1, 2020.

The promissory note with a principal balance of \$48,645,458 that is held with the parent company, GSU, continues to draw actual interest payments at a rate that was established at the corporatization of the commission in 2000. The note bears a fixed interest rate of 7.26%, but due to the fact that it is affiliated debt, the lower of actual and

1 deemed debt rate at time of issuance will apply (as noted in the Cost of Capital report).
2 Therefore, the deemed interest rate of 4.13% will apply for this Cost of Service
3 Application period, pending update to the deemed long-term debt rate. A copy of the
4 promissory note is attached as Exhibit 5, Tab 1, Schedule 2, Attachment 1.

5
6 In addition to the affiliated long-term debt, in 2011 GSHi entered into a 15-year interest
7 rate swap agreement with the TD Bank for a \$2,000,000 loan to fund its Smart Meter
8 capital program. Principal repayments on this loan began in February 2011 and will end
9 January 2026. This interest swap is used for non-speculative purposes to convert a
10 floating rate debt into fixed rate debt bearing interest at a rate of 3.7% plus the stamping
11 fee of 1%. A copy of the interest rate swap agreement is included as Exhibit 5, Tab 1,
12 Schedule 2, Attachment 4.

13
14 GSHi also entered into a financing agreement with TD Equipment Finance Canada Inc.
15 in 2015 in the amount of \$971,604. The finance term was for 10 years at a fixed interest
16 rate of 4.33% and is secured by the underlying specified assets under financing. This
17 was a market rate of interest at the time (the OEB's deemed long-term debt rate was
18 4.77% in 2015). The lower of actual and deemed debt rate at time of issuance will apply
19 (as noted in the Cost of Capital report). A copy of the financing agreement is included as
20 Exhibit 5, Tab 1, Schedule 2, Attachment 3.

21
22 In October 2019, GSHi issued a promissory note to its parent company, GSU, in the
23 amount of \$3,250,000. This debt has a variable rate that matches the Board's deemed
24 long-term debt rate as amended from time to time. The OEB Cost of Capital Report
25 (page 53) provides that *"For debt that has a variable rate, the deemed long-term debt*
26 *rate will be a ceiling on the rate allowed for that debt. This applies whether the debt*
27 *holder is an affiliate or a third-party."* Accordingly, GSHi has used the deemed long-term
28 debt rate of 4.13% for 2020 Test Year, as established by the Board's Cost of Capital
29 parameters letter dated November 22, 2018. GSHi acknowledges that the OEB may
30 adjust the deemed debt rates applicable to rate changes effective in 2020, and therefore
31 commits to updating its Application to reflect the revised 2020 long-term debt rate for the
32 promissory note, if required.

GSHi has not forecasted a redemption of debt in either the 2019 Bridge Year or the 2020 Test Year, other than regularly scheduled repayments.

Future Debt

As noted in Appendix 2-OB (Exhibit 5, Tab 1, Schedule 1, Attachment 2), GSHi expects to borrow \$3,000,000 with the Toronto-Dominion Bank in the 2020 Test Year, in anticipation of cash requirements due to planned capital expenditures in the year.

The rate that the new debt will be acquired at is currently unknown. Therefore, GSHi has used the OEB's deemed long-term debt rate of 4.13%. GSHi acknowledges that the OEB may adjust the deemed debt rates applicable to rate changes effective in 2020, and therefore commits to updating its Application to reflect the revised 2020 long-term debt rate for the promissory note, if required.

Notional Debt

GSHi's deemed long-term debt for 2020 is \$60,266,867 as noted in OEB Appendix 2-OA, included as Exhibit 5, Tab 1, Schedule 1, Attachment 1. GSHi's actual debt is projected to be \$56,304,741, as noted in OEB Appendix 2-OB, included as Exhibit 5, Tab 1, Schedule 1, Attachment 2. Accordingly, GSHi has notional long-term debt of \$3,962,126.

Weighted Average Cost of Capital

The weighted average cost of capital for GSHi is 6.02%, as noted in OEB Appendix 2-OA, included as Exhibit 5, Tab 1, Schedule 1, Attachment 1. GSHi recognizes that the rate will be updated at the time of approval based on the OEB rates effective for May 1, 2020 which may cause a change to the weighted average cost of capital for this rate application.

Attachment 1 (of 4):

Promissory Note with Greater Sudbury Utilities

Adjustment of principal amount of
promissory note as per By-Law 2001-212A
& pursuant to Transfer By-Law #33,
Section 4.06 & Section 4.08.

COPY

PROMISSORY NOTE

#48,645,458

FOR VALUE RECEIVED, Greater Sudbury Hydro Inc./Hydro du Grand Sudbury Inc. ("WiresCo") hereby promises to pay to or to the order of Greater Sudbury Utilities Inc./Services Publics du Grand Sudbury Inc. ("HoldCo") the principal sum of ~~FIFTY ONE MILLION NINE HUNDRED THOUSAND DOLLARS (\$51,900,000)~~ (the "Principal") on a date which is no later than six (6) months from the date of demand in writing by HoldCo.

Repayment on Demand

HoldCo may demand repayment of all or part of the outstanding Principal with interest at the Established Rate (as defined in Schedule "A" hereto) upon six (6) months' written notice of demand to WiresCo.

Interest

The outstanding Principal, shall bear interest at the Established Rate, such interest to be paid quarterly not in advance. For greater certainty, HoldCo may, from time to time, by written notice to WiresCo designate a specific interest rate to be paid by WiresCo with respect to the outstanding Principal. Any change in the Established Rate shall be effective thirty (30) days after the date of written notice of such change by HoldCo to WiresCo.

Interest at the Established Rate shall accrue from the Interest Commencement Date until the Principal is paid in full, with interest on overdue interest at the Established Rate.

Adjustments

The terms of this Promissory Note are subject to and may be adjusted in accordance with Article IV of the Transfer By-law passed by the Transition Board on October 16, 2000 as By-law No.TB-33. Adjustments made to the terms of this Promissory Note pursuant to Article IV of the Transfer By-Law shall be effective upon such reasonable written notice as may be agreed to by WiresCo and HoldCo.

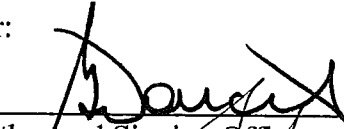
HoldCo, in consultation with WiresCo, may revise, change or restate any of the terms of this Promissory Note, other than in accordance with Article IV of the Transfer By-Law, upon thirty (30) days' prior written notice to WiresCo.

This Promissory Note is not assignable by HoldCo without the consent of WiresCo, such consent not to be unreasonably withheld.

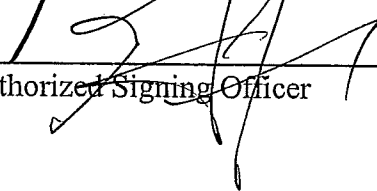
DATED as of the 1st day of November, 2000.

**GREATER SUDBURY HYDRO INC./
HYDRO DU GRAND SUDBURY INC.**

Per:



Authorized Signing Officer



Authorized Signing Officer

SCHEDULE "A"

DEFINITIONS

"Established Rate" means, the interest rate which the Ontario Energy Board or its successor may, from time to time, permit regulated distribution corporations to recover for rate making purposes or such other interest rate established by HoldCo from time to time, and communicated in writing to WiresCo.

"Interest Commencement Date" means, January 1, 2001.

PROMISSORY NOTE, ESTABLISHED RATE

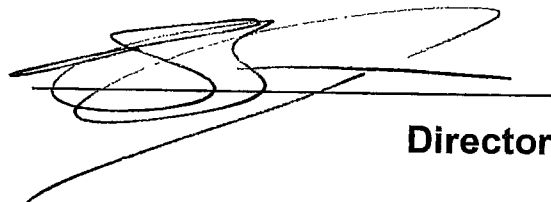
Pursuant to the promissory note, dated November 1, 2000, issued between **Greater Sudbury Utilities Inc./Services Publics du Grand Sudbury Inc.** and **Greater Sudbury Hydro Inc./Hydro du Grand Sudbury Inc.** wherein the rate of interest payable is to be set by the holder, this notification shall serve to set the rate at an annual interest rate of **7.26%** for the period commencing January 1, 2001 until changed in writing by the holder.

This interest rate is to be compounded annually not in advance.

DATED as of 26th day of **November, 2001.**

Per: Paul Marleau

Chair



Director

Attachment 2 (of 4):

Promissory Note with GSU - October 2019

Greater Sudbury Hydro Inc.

PROMISSORY NOTE

FOR VALUE RECEIVED Greater Sudbury Hydro Inc. ("WiresCo") hereby promises to pay on demand to or to the order of Greater Sudbury Utilities Inc. ("HoldCo") at 500 Regent Street, Sudbury, ON, the principal amount of \$3,250,000 in lawful money of Canada and to pay interest both before and after demand, default and judgement at the rate of 4.13% per annum, which interest rate will be automatically amended from time to time to be consistent with any interest rate approved by the Ontario Energy Board ("OEB") in connection with the then current decision and order issued by the OEB approving the electricity distribution rates that WiresCo is permitted to recover. The interest rate will be calculated monthly not in advance on the principal amount, said interest to be payable monthly in each year, commencing on the 1st day of November, 2019.

The principal amount outstanding under this promissory note from time to time and all accrued interest thereon shall become due and be paid in full upon demand being made by HoldCo therefore.

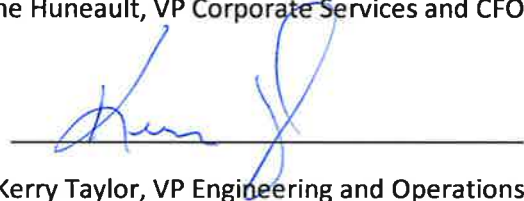
GSHi hereby waives demand and presentment for payment, notice of non-payment, protest, notice of protest, notice of dishonour, bringing of suit and diligence in taking any action.

DATED at Sudbury, Ontario, as of this 1st day of October, 2019.

Greater Sudbury Hydro Inc.



Catherine Huneault, VP Corporate Services and CFO



Kerry Taylor, VP Engineering and Operations

Attachment 3 (of 4):

TD Financing Agreement 2015



TD Equipment Finance Canada Inc.
2020 Winston Park Drive, Suite 301
Oakville, Ontario L6H 6X7
P: 905.403.4700 | F:905.403.4771

Date: January 12th 2015

LOAN AGREEMENT #25221-1

<u>Lender</u>	TD Equipment Finance Canada Inc. ("TD Equipment Finance")
<u>Borrower</u>	GREATER SUDBURY HYDRO INC./HYDRO DU GRAND SUDBURY INC. (the "Borrower")
<u>Borrower's Address</u>	500 REGENT STREET, SUDBURY, ON P3E 4P1
<u>Credit Limit</u>	The borrowings not to exceed: Nine Hundred Seventy One Thousand Six Hundred and Seven...00/100 (\$971,607.00) Dollars
<u>Type of Credit and Borrowing Options</u>	Equipment Financing Term Facility available by way of a Fixed Rate Term Loan in Canadian Dollars
<u>Term</u>	120 months from the date of drawdown.
<u>Amortization</u>	10 years
<u>Interest Rate</u>	Fixed Rate – 4.33% per annum
<u>Administration Fee</u>	The Borrower has paid or will pay prior to a drawdown hereunder a non-refundable administration fee of \$400.00
<u>Guarantor(s), if applicable</u>	N/A
<u>Drawdown</u>	One time drawdown prior to February 15 th , 2015. Amounts repaid may not be redrawn.
<u>Repayment</u>	Interest shall be computed from the day of the drawdown. The principal and interest shall be repaid in One Hundred Twenty (120) equal monthly installments of Nine Thousand Nine Hundred Ninety15/100 (\$9,990.15) Dollars commencing on the 15th day of February, 2015 and continuing on the 15th day of each successive one (1) month period thereafter. The balance, if any, of the principal and interest shall be paid on or before the last day of the Term period. Each installment shall be applied first in payment of interest and the balance, if any, shall be applied in reduction of principal.
<u>Security</u>	The following documentation ("Security") shall be provided and shall, unless otherwise indicated, support all present and future indebtedness and liability of the Borrower to TD Equipment Finance, shall be registered in first position, and shall be on TD Equipment Finance's standard form, supported

by resolutions and Solicitor's Letter of Opinion, if required, all acceptable to TD Equipment Finance:

- Security Agreement for Specified Assets ("Security Agreement")
- Fixtures Filing under Land Titles Registry

Such other security as may be reasonably required by TD Equipment Finance and its legal counsel.

Disbursement Conditions

The obligation of TD Equipment Finance to permit the drawdown hereunder is subject to the following Disbursement Conditions:

TD Equipment Finance shall have received the following documents which shall be in form and substance satisfactory to TD Equipment Finance:

- Duly executed resolution of the Board of Directors of the Borrower empowering the Borrower to enter into this Loan Agreement;
- Duly executed original copies of all required Security;
- Duly executed copy of this Loan Agreement;
- Executed Letter of Direction re disbursement of the drawdown;
- Pre-Authorized Debit (PAD) Agreement
- Confirmation of Insurance of PL/PD coverage with TD Equipment Finance noted as loss payee;
- Confirmation of PPSA/RDPRM registration
- Subordination/Priorities Agreements or Postponement on specific equipment (if applicable)
- Confirmation that all applicable taxes to be paid up front by Borrower
- A copy of the Borrower's most recent quarterly financial statements, TD Equipment Finance credit review of Collateral to confirm satisfactory including copy of invoice, full description of Collateral and amortization schedule based on proposed Collateral.
- Any additional security as required by TD Equipment Finance

The representations and warranties contained in the Security Agreement for Specified Assets are true and correct.

Events of Default

TD Equipment Finance may accelerate the payment of principal and interest under this Loan Agreement, at any time after the occurrence of any one of the following Events of Default:

- a) Non-payment of principal outstanding under this Loan Agreement when due or non-payment of interest or fees outstanding under this Loan Agreement within 3 Business Days of when due.
- b) If there is a breach or non-performance or non-observance of any term or condition of this Loan Agreement or the Security and, if such default is capable to being remedied, the default continues unremedied for 5 Business Days after the occurrence.
- c) If the Borrower 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 or if the Borrower is insolvent or declared bankrupt.

- d) 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 entered into by the Borrower.
- e) If the Security is not enforceable or if any party to the Security shall dispute or deny any liability or any of its obligations under the Security.

“Business Day” means any day (other than a Saturday or Sunday) that TD Equipment Finance is open for business.

Acceleration

If TD Equipment Finance accelerates the payment of principal and interest hereunder, the Borrower shall immediately pay to TD Equipment Finance all amounts outstanding hereunder.

Evidence of Indebtedness

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

Information Attestation

All information that the Borrower has provided to TD Equipment Finance 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,

is accurate and complete.

TD Equipment Finance reserves the right to request from the Borrower updated information and/or additional supporting information.

Assignment

TD Equipment Finance may assign or grant participation in all or part of this Loan 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 Loan Agreement.

Expenses

Borrower shall pay TD Equipment Finance all reasonable fees including but not limited to all reasonable legal and documentation fees and expenses incurred by TD Equipment Finance in establishing, completing its due diligence, documenting and monitoring the loan as well as the expenses of TD Equipment Finance in connection with the enforcement of its rights under this Loan Agreement whether or not the final loan and security documentation are executed or any amounts are advanced.

Consent to the Collection, Use and/or Disclosure of Information - Individuals

In this section, "you" means: (i) any individual, or that individual's authorized representative, who is the Borrower; (ii) any individual who is a partner of the Borrower; and (iii) the signing authorities, as identified to us, of the Borrower. In this section and in the section, “Consent to the Collection and/or Disclosure of Information – Business Customer (other than an Individual)” below, the words "we", "us" and "our" mean TD Bank Group ("TD"). TD includes The Toronto-Dominion Bank and its world-wide affiliates, including TD Equipment Finance, which provide deposit, investment, loan, securities, trust, insurance and other

products or services. The word "Information" means financial, personal and other details about you, that you provide to us and we obtain from others outside our organization, including through the products and services that are provided by us to the Borrower. You agree that, at the time you request to begin a relationship with us and during the course of your relationship with us, we may share your Information with our world-wide affiliates, and collect, use and disclose your Information as described in the Privacy Agreement separately provided to you and available online at td.com, including for, but not limited to, the purposes of identifying you, providing you with ongoing service, helping us serve you better, protecting us both from fraud and error, complying with legal and regulatory requirements, and marketing products and services to you. We may communicate with you for any of these purposes by telephone, fax, text messaging, or other electronic means, and automatic dialing-announcing device, at the numbers you have provided to us, or by ATM, internet, mail, email and other methods. To understand how you can withdraw your consent, refer to the "Marketing Purposes" section of the Privacy Agreement or contact us at 1-866-567-8888. If:

- a) there are changes to the signing authorities of the Borrower; or
- b) at the time of entering into this Loan Agreement, the Borrower, if a corporation, has any individual who owns or controls, directly or indirectly, 25 per cent or more of the shares of the corporation, or has any director, where such individual or director is not, at such time, either a signing authority of the corporation or a personal banking customer of TD; or
- c) at the time of entering into this Loan Agreement the Borrower, if other than a corporation, has any individual who owns or controls, directly or indirectly, 25 per cent or more of the Borrower, where such individual is not, at such time, either a signing authority of the Borrower or a personal banking customer of TD;

then the Borrower, agrees to make such signing authorities and any such individual or director aware of the Privacy Agreement, advise them that they are subject to such agreement and inform them that a copy of such agreement is available online at td.com. The definition of "you" in the Privacy Agreement shall be deemed to include any such individual or director. Notwithstanding the foregoing, b) and c) shall not apply where the Borrower is a public body, or a corporation that has minimum net assets of \$75 million on its last audited balance sheet and whose shares are traded on a Canadian stock exchange or a stock exchange that is prescribed by section 3201 of the Income Tax Regulations, as may be amended from time to time, and operates in a country that is a member of the Financial Action Task Force.

Consent to the Collection and/or Disclosure of Information – Business Customer (other than an Individual)

In this section, "you" means the business customer that is not an individual. In addition to any rights TD may have regarding the collection and disclosure of your information, you authorize TD to obtain information about you from, and disclose information about you to, our world-wide affiliates, other lenders, credit reporting or credit rating agencies, credit bureaus and any supplier, agent or other party that performs services for you or on TD's behalf.

Customer Resolution Process

If the Borrower has a problem or concern the Borrower may contact TD Equipment Finance toll free at 1-800-223-6608, by email at customer.service@td.com or the Borrower may visit TD Equipment Finance at 2020 Winston Park Drive, Suite 301, Oakville, Ontario L6H 6X7. For a more detailed overview of TD Equipment Finance's complaint process visit

www.td.com. Financial Consumer Agency of Canada (FCAC) – If the Borrower has a complaint regarding a potential violation of a consumer protection law, a public commitment, or an industry code of conduct, the Borrower can contact the FCAC in writing at: 6th Floor, Enterprise Building, 427 Laurier Ave. West, Ottawa, Ontario K1R 1B9. The FCAC can also be contacted by telephone at 1-866-461-3222 (en français 1-866-461-2232) or through its website at www.fcac-acfc.gc.ca. Please note that the FCAC does not become involved in matters of redress or compensation.

English Language

The parties hereto confirm their express wish that this Loan Agreement as well as all other documents related hereto, including schedules and notices, be drawn up in the English language only; les parties aux présentes confirment leur volonté expresse de voir la présente entente de prêt de même que tous les documents, y compris tous les annexes et avis, s'y rattachant, rédigés en langue anglaise seulement.

We trust you will find this credit facility helpful in meeting your ongoing financing requirements. We ask that if you wish to accept this offer of financing, please do so by signing and returning this Loan Agreement to the undersigned. This offer will expire if not accepted in writing and received by TD Equipment Finance on or before 15th February 2015.

Yours truly,
TD Equipment Finance Canada Inc.

Per: _____

Name/Title: _____

TO: TD Equipment Finance Canada Inc.

The Borrower hereby accepts the foregoing offer this 12th day January, 2015. 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.

(Borrower): GREATER SUDBURY HYDRO INC./HYDRO DU GRAND SUDBURY INC.

Per: Frank

Name/Title: Frank Kallonen
PRESIDENT, CEO

Per: N Whissell

Name/Title: N Whissell / VP Corporate Services

Letter of Direction

*Attached to and forming an integral part of Loan Agreement
#25221-1 dated January 12th 2015*



TO: TD EQUIPMENT FINANCE CANADA INC. ("TD Equipment Finance")

FROM: GREATER SUDBURY HYDRO INC./HYDRO DU GRAND SUDBURY INC. ("Borrower")

RE: Direction to Pay \$ 971,607.00 (the "Advance")

GREATER SUDBURY HYDRO INC./HYDRO DU			
To:	GRAND SUDBURY INC.	(<i>"Vendor"</i>)	\$971,607.00 (<i>the "Advance"</i>)
To:		(<i>"Vendor"</i>)	
To:		(<i>"Vendor"</i>)	\$ (<i>the "Advance"</i>)
To:		(<i>"Vendor"</i>)	\$ (<i>the "Advance"</i>)
To:		(<i>"Vendor"</i>)	\$ (<i>the "Advance"</i>)

TD Equipment Finance is hereby irrevocably authorized and directed to pay the Advance to Vendor and this shall be TD Equipment Finance's good and sufficient authority for doing so.

GREATER SUDBURY HYDRO INC./HYDRO DU GRAND SUDBURY INC.		Date: January 12th 2015
Borrower's Name		
<i>The undersigned affirms that he/she/they is/are duly authorized to execute this Letter of Direction on behalf of Borrower. (Borrower must determine the required number of corporate signatories. Witnesses are mandatory if the Borrower is an individual.)</i>		
By:  Name/Title: Frank Kallonen PRESIDENT - CEO	By:  Name/Title: N Whissell - VP Corp Services	

Witness (if the Borrower is an individual):

Signature: _____

Name/Address of Witness



Schedule "B"
TD EQUIPMENT FINANCE CANADA
PRE-AUTHORIZED DEBIT (PAD) AGREEMENT

This PAD Agreement is attached to and forms part of Loan Agreement No. 25221-1 (the "**Agreement**") between GREATER SUDBURY HYDRO INC./HYDRO DU GRAND SUDBURY INC. (the "**Borrower**") and TD Equipment Finance Canada Inc. ("**TD Equipment**").

Borrower authorizes TD Equipment to debit the account indicated below or such other replacement account as indicated on a new void specimen cheque provided by Borrower (each a "**PAD Account**"), with the amount of each loan payment on the due date thereof (specified in the "**Repayment**" section of the Agreement) and all other amounts due by Borrower to TD Equipment from time to time pursuant to the terms and conditions of the Agreement. **Borrower waives any right to receive pre-notification of the amount or due dates of any PAD.**

Borrower acknowledges that this authorization is for business pre-authorized debits ("**PADs**") and is being provided for TD Equipment's benefit and the benefit of the financial institution where the PAD Account is held (the "**Processing Institution**"), and is being provided in consideration of such Processing Institution agreeing to process pre-authorized debit requests against the PAD Account in accordance with the rules of the Canadian Payments Association.

Name and Address of Borrower's Financial Institution (Processing Institution):

Processing Institution Number:

Transit Number:

Account Number:

(Attach sample void cheque)

Borrower acknowledges that delivery of this authorization to TD Equipment constitutes delivery by Borrower to the Processing Institution. Borrower agrees that the Processing Institution is not required to verify that each PAD submitted by TD Equipment has been issued in accordance with this authorization (including the amount) or that the purpose of the payment for which a PAD was made has been fulfilled as a condition of honouring a PAD.

Borrower may change or cancel this authorization at any time on fifteen (15) days prior written notice to TD Equipment. Borrower understands that this PAD Agreement only applies to the method of payment under the Agreement and neither this authorization nor the cancellation thereof affects Borrower's obligations to TD Equipment under the Agreement. To obtain a sample cancellation form, or for more information on Borrower's right to cancel a PAD Agreement, Borrower may contact its financial institution or visit www.cdnpay.ca.

Borrower has certain recourse rights if any debit does not comply with this PAD Agreement such as the right to receive reimbursement for any debit that is not authorized or is not consistent with this PAD Agreement. To obtain more information on recourse rights, Borrower may contact its financial institution or visit www.cdnpay.ca.

Borrower will notify TD Equipment promptly in writing of any change to the PAD Account at least two (2) weeks prior to the next due date of a PAD.

Borrower acknowledges that Borrower has received a signed copy of this PAD Agreement.

Contact Information:

TD Equipment Finance Canada Inc.
2020 Winston Park Drive, Suite 301, Oakville, Ontario L6H 6X7
Phone: 905 403-4770
Fax: 905 402-4771

Date: January 12th 2015

Borrower's Name: GREATER SUDBURY HYDRO INC./HYDRO DU GRAND SUDBURY INC.

Signature of Authorized Signatory

Frank Kallonen
Frank Kallonen
PRESIDENT - CEO

Name and Title of Signing Officer

(Complete only if Borrower is a Corporation)

SECURITY AGREEMENT FOR SPECIFIED ASSETS #25221-1

TO: **TD EQUIPMENT FINANCE CANADA INC. ("TD Equipment")**
2020 Winston Park Drive, Suite 301, Oakville, Ontario L6H 6X7

GRANTED BY: **GREATER SUDBURY HYDRO INC./HYDRO DU GRAND SUDBURY INC.** (the "**Grantor**")

For good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Grantor agrees with TD Equipment as follows:

1. SECURITY INTEREST

The Grantor hereby grants to TD Equipment a security interest in, and assigns, mortgages, charges and pledges (collectively the "Security Interest") to TD Equipment, the personal property of the Grantor described or referred to in Schedule "A" together with the Proceeds (collectively called the "Collateral").

2. OBLIGATIONS SECURED

The Security Interest secures the payment and performance of all present and future obligations of the Grantor to TD Equipment, including all debts and liabilities, direct or indirect, absolute or contingent, matured or not, wheresoever and howsoever incurred, whether incurred before, at the time of, or after the execution of this Agreement, whether the indebtedness and liability is from time to time reduced and thereafter increased or entirely extinguished and thereafter incurred again, whether arising from dealings between TD Equipment and the Grantor or from other dealings or proceedings by which TD Equipment may be or become in any manner whatsoever a creditor of the Grantor, and in any currency, whether incurred by the Grantor alone or with another or others and whether as a principal or surety, including all interest thereon and all amounts owed by the Grantor under this Agreement for fees, costs and expenses and in respect of indemnities granted under this Agreement (collectively called the "Obligations").

3. DEFINITIONS

(a) Any word or term that is not otherwise defined in this Agreement shall have the meaning given to it in the *Personal Property Security Act* of the province in which the Collateral is located, as amended from time to time, and being referred to in this Agreement as the "PPSA". Any reference herein to "Collateral" shall, unless the context requires otherwise, be deemed to be a reference to "Collateral or any part thereof".

(b) The following terms shall have the respective meanings set out below:

"Business Day" means any day other than a Saturday, Sunday or statutory holiday in the province in which TD Equipment is located.

"Person" means any individual, sole proprietorship, joint venture, partnership, corporation, company, firm, association, co-operative, estate, government, government agency, regulatory authority, trust, or any entity of any nature.

"Proceeds" means all proceeds of the property described above, including any property in any form derived directly or indirectly from any use or dealing with the Collateral or the proceeds therefrom or that indemnifies or compensates for damage or loss to the Collateral or the proceeds therefrom.

4. REPRESENTATIONS & WARRANTIES

The Grantor hereby represents and warrants with TD Equipment and so long as this Agreement remains in effect shall be deemed to continuously represent and warrant that:

- a. **Location of Head Office.** The address of the Grantor's chief executive office is set out below the name of the Grantor on the signature page of this Agreement;
- b. **Location of Collateral.** The Grantor will keep the Collateral at the address(es) specified in Schedule "A", or if left blank, at the address(es) specified on the signature page of this Agreement or such other locations as have been agreed to by TD Equipment in writing;
- c. **Collateral Free and Clear.** The Collateral is the sole property of the Grantor free and clear of all security interests, liens, charges, mortgages, hypothecs, leases, licenses, infringements by third parties, encumbrances, statutory liens or trusts, other adverse claims or interests, or any rights of others, except for those security interests which are expressly approved by TD Equipment in writing prior to their creation or assumption; and
- d. **Status and Binding Obligation.** The Grantor (i) if a corporation or company, has been duly incorporated, amalgamated or continued, as the case may be, and is validly existing as a corporation or company, as the case may be, under the laws of its jurisdiction of incorporation, amalgamation or continuance, as the case may be, (ii) if not a corporation or company, has been duly created or established as a partnership, limited partnership or other entity and validly exists under the laws of the jurisdiction in which it has been created or established, and (iii) is duly qualified to carry on business and own property in each jurisdiction where it carries on business or where any of its property is located. The Grantor has adequate power, capacity and authority to carry on its business, own property, borrow monies and enter into agreements therefor, execute and deliver this Agreement, and perform its obligations under this Agreement, which Agreement constitutes a legally valid and binding obligation of the Grantor enforceable in accordance with its terms. The making of this Agreement will not result in the breach of, constitute a default under, contravene any provision of, or result in the creation of, any lien, charge, security interest, encumbrance or any other rights of others upon any property of the Grantor pursuant to any agreement, indenture or other instrument to which the Grantor is a party or by which the Grantor or any of its property may be bound or affected.

5. COVENANTS

The Grantor covenants and agrees with TD Equipment that:

- a. **Place of Business and Location of Collateral.** The Grantor shall not change its name, amalgamate with any other Person, or move any of the Collateral from the address(es) set out on the signature page of this Agreement or the locations specified in Schedule "A" hereto without the prior written consent of TD Equipment;
- b. **Notification.** The Grantor shall notify TD Equipment promptly of: (i) any change in the information contained herein or in Schedule "A" hereto relating to the Grantor, the Grantor's business or the Collateral; (ii) the details of any claims or litigation affecting the Grantor or the Collateral

and will furnish TD Equipment with copies of the details of such claims or litigation; and (iii) any loss or damage to the Collateral or any material adverse change in the value of the Collateral;

- c. **Performance of Obligations.** The Grantor shall observe and perform all its obligations under all material leases, licenses, undertakings and agreements to which it is a party, obtain and preserve its rights, powers, licences, privileges, franchises and goodwill thereunder, and comply with all applicable laws, by-laws, rules, regulations and ordinances in a proper and efficient manner so as to preserve and protect the Collateral and the business and undertaking of the Grantor in all material respects. The Grantor shall also pay all rents, taxes, rates, levies, assessments and government fees or dues levied, assessed or imposed in respect of the Collateral and other charges or any part thereof as and when the same become due and payable, and shall provide to TD Equipment, when requested, the receipts and vouchers evidencing payment;
- d. **Payment of Fees and Expenses.** The Grantor will pay TD Equipment on demand all costs, fees and expenses (including legal fees on a solicitor and his own client basis) incurred by TD Equipment in the preparation, execution, registration and perfection of this Agreement and the carrying out of any of the provisions of this Agreement, including, protecting and preserving the Security Interest and enforcing by legal process or otherwise the remedies provided herein. All such costs and expenses payable by the Grantor to TD Equipment shall bear interest from time to time at the highest interest rate then applicable to any of the Obligations, calculated and compounded monthly, and shall be added to and form part of the Obligations secured hereunder;
- e. **Maintenance and Protection of Collateral/No Fixtures.** The Grantor shall care for, protect and preserve the Collateral and not permit its value to be impaired and will not permit the Collateral to be affixed to real or personal property so as to become a fixture or accession without the prior written consent of TD Equipment. The Grantor shall keep the Collateral in good order, condition and repair and shall not use the Collateral in violation of the provisions of this Agreement or any other agreement relating to the Collateral or any policy insuring the Collateral or any applicable statute, law, by-law, rule, regulation or ordinance. The Grantor shall defend title to the Collateral against all claims and demands of all other Persons claiming the same or an interest therein;
- f. **Dealing with Collateral.** (i) The Grantor will not sell, lease, transfer, assign, deliver or otherwise dispose of the Collateral or any interest therein without the prior written consent of TD Equipment; (ii) All Proceeds shall continue to be subject to the Security Interest, granted hereby and all money received by the Grantor as Proceeds shall be received as trustee for TD Equipment and shall be held separate and apart from other money of the Grantor, and shall be paid over to TD Equipment upon request; (iii) All money collected or received by the Bank in respect of the Collateral may be applied on account of such parts of the Obligations as TD Equipment in its sole discretion determines, or may be held unappropriated in a collateral account, or in the discretion of TD Equipment may be released to the Grantor, all without prejudice to TD Equipment's rights against the Grantor. TD Equipment shall have the right at any time and from time to time to verify the existence and state of the Collateral in any manner TD Equipment may consider appropriate and the Grantor agrees to furnish all assistance and information and to perform all such acts as TD Equipment may reasonably request in connection therewith and for such purpose to grant to TD Equipment or its agents access to all places where Collateral may be located and to all premises occupied by the Grantor;
- g. **Maintenance of Records.** The Grantor will keep proper books of account in accordance with sound accounting practice and mark any and all such records and the Collateral at TD Equipment's request so as to indicate the Security Interest. The Grantor shall furnish to TD Equipment such financial information and statements and such information and statements relating to the Collateral as TD Equipment may from time to time require and shall permit TD Equipment or its agents at any time at the expense of the Grantor to examine the books of account and other financial records and reports relating to the Collateral and to make copies thereof and take extracts therefrom and to make inquiries of third parties for the purpose of verification of such information. The Grantor authorizes any Person holding any books and records to make them available, in a readable form, upon the request of TD Equipment;
- h. **Negative Pledge.** The Grantor will not create, incur, assume or suffer to exist, any mortgage, deed of trust, pledge, lien, security interest, assignment, charge, hypothec, encumbrance or statutory lien or trust (including any conditional sale, or other title retention agreement or finance lease) of any nature, on any of the Collateral without the express prior written consent of TD Equipment;
- i. **Insurance.** The Grantor will keep the Collateral insured under policies with such coverage, for such amounts and with such insurers as are satisfactory to TD Equipment from time to time, with loss thereunder, payable to TD Equipment and shall furnish TD Equipment with a copy of any policy of insurance, certificate of insurance or other evidence satisfactory to TD Equipment that such insurance coverage is in effect;
- j. **Further Assurances.** The Grantor will from time to time forthwith, at the expense of the Grantor, duly authorize, execute and deliver such further instruments and documents, and take such further action, as TD Equipment may request for the purpose of obtaining or preserving the benefits of, and the rights and powers granted by, this Agreement (including the filing of any financing statements or financing change statements under any applicable legislation with respect to the Collateral) and for the purpose of correcting any deficiencies or clerical errors in this Agreement; and
- k. **Landlord Agreement.** The Grantor will, at the request of TD Equipment, obtain a written agreement from each landlord of premises where any of the Collateral is located, in favour of TD Equipment and in form and substance satisfactory to TD Equipment, whereby such landlord agrees to give notice to TD Equipment of any default by the Grantor under the lease and a reasonable opportunity to cure such default prior to the exercise of any remedies by the landlord and acknowledges the Security Interest created by this Agreement and the right of TD Equipment to enforce the Security Interest created by this Agreement in priority to any claim of such landlord, including the right of the landlord to distrain on the Collateral for arrears of rent.

6. SURVIVAL OF REPRESENTATIONS AND WARRANTIES AND COVENANTS

All agreements, representations, warranties and covenants made by the Grantor in this Agreement are material, will be considered to have been relied on by TD Equipment and will survive the execution and delivery of this Agreement or any investigation made at any time by or on behalf of TD Equipment and any disposition or payment of the Obligations until the indefeasible repayment and performance in full of the Obligations.

7. PERFORMANCE OF COVENANTS BY TD EQUIPMENT

- a. TD Equipment may, in its sole discretion and upon notice to the Grantor, perform any covenant of the Grantor under this Agreement that the Grantor fails to perform including any covenant the performance of which requires the payment of money, provided that TD Equipment will not be obligated to perform such covenant on behalf of the Grantor. The performance by TD Equipment of any such covenant shall not oblige TD Equipment to continue to perform any such covenant or other covenants nor relieve the Grantor from any default or derogate from the rights and remedies of TD Equipment under this Agreement. The Grantor agrees to indemnify and to reimburse TD Equipment for all costs and expenses incurred by TD Equipment in connection with the performance by it of any such covenant, and all such costs and expenses shall be payable by the Grantor to TD Equipment on demand, shall bear interest at the highest rate per annum applicable to any of the Obligations, calculated and compounded monthly, and shall be added to and form part of the Obligations.

- b. In holding any Collateral, TD Equipment and any agent or nominee on its behalf is only bound to exercise the same degree of care as it would exercise with respect to similar property of its own or of similar value held in the same or similar location. TD Equipment and any agent or nominee on its behalf will be deemed to have exercised reasonable care with respect to the custody and preservation of the Collateral if it takes such action for that purpose as the Grantor reasonably requests in writing, but failure of TD Equipment or its nominees to comply with any such request will not of itself be deemed a failure to exercise reasonable care.

8. DEALING WITH SECURITY INTEREST

TD Equipment may grant extensions of time and other indulgences, give up any of the Security Interest, abstain from perfecting any of the Security Interest, accept compositions, grant releases and discharges and waive rights against and otherwise deal with the Grantor, debtors of the Grantor, sureties and others and with any of the Collateral and any other security as TD Equipment may see fit without prejudice to the liability of the Grantor or TD Equipment's right to hold and realize any of the Security Interest. TD Equipment shall not be accountable to the Grantor for the value of any of the Security Interest released except for any moneys actually received by TD Equipment.

9. EVENTS OF DEFAULT

Obligations not payable on demand shall, at the option of TD Equipment, become immediately due and payable upon the occurrence of one or more of the following events (each, an "event of default"):

- a. the Grantor fails to pay when due, whether by acceleration or otherwise, any of the Obligations;
- b. the Grantor fails to perform any provision of this Agreement or of any other agreement to which the Grantor and TD Equipment are parties;
- c. if any certificate, statement, representation, warranty, audit report or financial statement heretofore or hereafter furnished by or on behalf of the Grantor pursuant to or in connection with this Agreement, or as an inducement to TD Equipment to extend any credit to or to enter into this or any other agreement with the Grantor, is shown to have been false in any material respect or to have omitted any material fact; or if upon the date of execution of this Agreement, there shall have been any material adverse change in any of the facts disclosed by any such certificate, representation, statement, warranty, audit report or financial statement, which change shall not have been disclosed to TD Equipment at or prior to the time of such execution;
- d. the Grantor ceases or threatens to cease to carry on business, commits an act of bankruptcy, becomes insolvent, proceedings or other actions are taken by or against the Grantor under the *Bankruptcy and Insolvency Act* (Canada), the *Companies' Creditors Arrangement Act* (Canada) or similar legislation whether in Canada or elsewhere, or the Grantor transfers all or substantially all of its assets to another Person;
- e. a receiver, trustee, custodian or other similar official is appointed in respect of the Grantor or any of the Grantor's property;
- f. the institution by or against the Grantor of any formal or informal proceeding for the dissolution or liquidation or settlement of claims against or winding up of affairs of the Grantor;
- g. an encumbrancer takes possession of any of the Collateral or any process of execution or distress is levied or enforced upon or against any of the Collateral;
- h. any indebtedness or liability of the Grantor, other than to TD Equipment, becomes due and payable, or capable of being declared due and payable, before the stated maturity thereof or any such indebtedness or liability shall not be paid at the maturity thereof or upon the expiration of any stated applicable grace period thereof, or the Grantor fails to make payment when due under any guarantee given by the Grantor;
- i. if the Grantor is an individual, the Grantor dies or is found by a court to be incapable of managing his or her affairs;
- j. an execution or any other process of any court shall become enforceable against the Grantor;
- k. if the Grantor is a partnership, the death of a partner; or
- l. any other event which causes TD Equipment, in good faith, to deem itself insecure;

and TD Equipment shall not be required to make any further advances or other extension of credit that constitutes an Obligation.

10. REMEDIES

- (a) Upon the occurrence of an event of default that has not been cured or waived, TD Equipment, in addition to any right or remedy otherwise provided herein or by law, will have the rights and remedies set out below, which may be enforced successively or concurrently:
 - i. to take such steps as TD Equipment considers desirable to maintain, preserve or protect the Collateral or its value;
 - ii. to take possession of the Collateral and require the Grantor to assemble the Collateral and deliver or make the Collateral available to TD Equipment at such place as may be specified by TD Equipment and TD Equipment will not be or be deemed to be a mortgagee in possession by virtue of any such actions;
 - iii. to exercise and enforce all rights and remedies of the Grantor with respect to the Collateral;
 - iv. to carry on or concur in carrying on all or any part of the business of the Grantor;
 - v. for the maintenance, preservation or protection of the Collateral or for carrying on any of the business of the Grantor, to borrow money on the security of the Collateral, which security will rank in priority to the Security Interest, or on an unsecured basis;
 - vi. to the exclusion of all others, including the Grantor, to enter upon, occupy and use all or any of the premises, buildings and plants owned or occupied by the Grantor and use all or any of the Collateral of the Grantor for such time as TD Equipment requires to facilitate the preservation and realization of the Collateral, free of charge, and TD Equipment will not be liable to the Grantor for any neglect in so doing or in respect of any rent, charges, depreciation or damages in connection with such actions;
 - vii. to sell, lease, license or otherwise dispose of or concur in selling, leasing, licensing or otherwise disposing of the Collateral upon such terms and conditions as TD Equipment may determine;
 - viii. to dispose of any of the Collateral in the condition in which it was at the date possession of it was taken, or after any commercially reasonable repair, processing or preparation thereof for disposition;

- ix. if any part of the Collateral is perishable or will decline speedily in value, to sell or otherwise dispose of same without giving any notice of such disposition;
 - x. to make any arrangement or compromise which TD Equipment shall think expedient in the interests of TD Equipment;
 - xi. to appoint a consultant or monitor, at the Grantor's expense, to evaluate the value of the Collateral, and to review the options available to TD Equipment; and
 - xii. to appoint or reappoint by instrument in writing any person or persons, whether an officer or officers or employee or employees of TD Equipment or not, to be a receiver or receivers or a receiver and manager of the Collateral and remove or replace any person or persons so appointed or apply to any court for the appointment of a receiver or receiver and manager (each hereinafter called a "Receiver").
- (b) Any Receiver so appointed shall be deemed to be the agent of the Grantor and not TD Equipment, and the Grantor and not TD Equipment, shall be solely responsible for the Receiver's acts or defaults and for the Receiver's remuneration and expenses. TD Equipment shall not be in any way responsible for any misconduct, negligence or failure to act on the part of any such Receiver, its servants, agents or employees.
 - (c) The Grantor agrees to pay all costs, charges and expenses incurred by TD Equipment or any Receiver appointed by TD Equipment, whether directly or for services rendered (including reasonable legal and auditors' costs and expenses and Receiver remuneration), in operating the Grantor's accounts, in preparing or enforcing this Agreement, taking and maintaining custody of, preserving, repairing, processing, preparing for disposition and disposing of the Collateral and in enforcing or collecting the Obligations, and all such costs, charges and expenses, together with any amounts owing as a result of any borrowing by TD Equipment or any Receiver appointed by TD Equipment, as permitted hereby, shall be a first charge on the Collateral and shall be secured hereby.
 - (d) TD Equipment will give the Grantor such notice, if any, of the date, time and place of any public sale or of the date after which any private disposition of the Collateral is to be made as may be required by the PPSA.
 - (e) The Grantor appoints any officer or employee of TD Equipment to be its attorney in accordance with applicable legislation with full power of substitutio, to do on the Grantor's behalf anything that is required to assign, license or transfer, and to record any assignment, license or transfer of the Collateral. This power of attorney, which is coupled with an interest, is irrevocable until the release or discharge of the Security Interest.
 - (f) The Grantor authorizes TD Equipment to file such financing statements, financing change statements and other documents and do such acts, matters and things (including completing and adding schedules hereto identifying any Collateral or identifying the locations at which the Collateral is located and correcting any clerical errors or deficiencies in this Agreement) as TD Equipment may deem appropriate to perfect on an ongoing basis and continue the Security Interest, to protect and preserve the Collateral and to realize upon the Security Interest. The Grantor hereby irrevocably constitutes and appoints TD Equipment and any of its officers or employees from time to time as the true and lawful attorney of the Grantor, with full power of substitution, to do any of the foregoing in the name of the Grantor whenever and wherever it may be deemed necessary or expedient. This power of attorney, which is coupled with an interest, is irrevocable until the release or discharge of the Security Interest.

If the disposition of the Collateral fails to satisfy the Obligations secured by this Agreement including the expenses incurred by TD Equipment in connection with the preservation and realization of the Collateral as described above, the Grantor shall be liable to pay any deficiency to TD Equipment forthwith on demand.

11. MISCELLANEOUS

- a. **Interpretation.** The division of this Agreement into Sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement. The terms "this Agreement", "hereof", "hereunder" and similar expressions refer to this Agreement (including any schedule now or hereafter annexed hereto) and not to any particular Section or other portion hereof. Unless otherwise specified, any reference herein to a Section or Schedule refers to the specified Section of or Schedule to this Agreement. In this Agreement: (i) words importing the singular number only shall include the plural and vice versa and words importing the masculine gender shall include the feminine and neuter genders and vice versa; (ii) the words "include", "includes" and "including" mean "include", "includes" or "including", in each case, "without limitation"; (iii) reference to any agreement or other instrument in writing means such agreement or other instrument in writing as amended, modified, replaced or supplemented from time to time; (iv) unless otherwise indicated, time periods within which a payment is to be made or any other action is to be taken hereunder shall be calculated excluding the day on which the period commences and including the day on which the period ends; and (v) whenever any payment to be made or action to be taken hereunder is required to be made or taken on a day other than a Business Day, such payment shall be made or action taken on the next following Business Day.
- b. **Successors and Assigns.** This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, administrators, successors and permitted assigns. In any action brought by an assignee of this Agreement and the Security Interest or any part thereof to enforce any rights hereunder, the Grantor shall not assert against the assignee any claim or defence which the Grantor now has or hereafter may have against TD Equipment.
- c. **Amalgamation.** The Grantor acknowledges and agrees that in the event it amalgamates with any other company or companies it is the intention of the parties hereto that the term "Grantor" when used herein shall apply to each of the amalgamating companies and to the amalgamated company, such that the Security Interest granted hereby shall (i) extend to any "Collateral" in which the amalgamated company thereafter has any rights, and (ii) shall secure the "Obligations" (as that term is herein defined) of each of the amalgamating companies and the amalgamated company to TD Equipment at the time of amalgamation and any "Obligations" of the amalgamated company to TD Equipment thereafter arising.
- d. **Joint and Several.** If there is more than one Grantor named herein, the term "Grantor" shall mean all and each of them, their obligations under this Agreement shall be joint and several, the Obligations shall include those of all or any one of them and no Grantor shall have the right of subrogation, exoneration, reimbursement or indemnity whatsoever and no right of recourse to the Collateral for the Obligations hereunder unless and until all of the Obligations have been paid or performed in full, notwithstanding any change for any cause or in any manner whatsoever in the composition of or membership of any firm or company which is a party hereto.
- e. **Attachment of Security Interest.** The Grantor acknowledges that value has been given and that the Security Interest granted hereby will attach when the Grantor signs this Agreement and will attach to Collateral in which the Grantor subsequently acquires any rights, immediately upon the Grantor acquiring such rights. The parties do not intend to postpone the attachment of any Security Interest created by this Agreement.

- f. **No Obligation to Advance.** Neither the execution of this Agreement nor any advance of funds shall oblige TD Equipment to advance any funds or any additional funds or enter into any transaction or renew any note or extend any time for payment of any of the Obligations of the Grantor to TD Equipment.
- g. **Information.** TD Equipment may provide any financial and other information it has about the Grantor, the Security Interest and the Collateral to any one acquiring or who may acquire an interest in the Security Interest or the Collateral from TD Equipment or anyone acting on behalf of TD Equipment.
- h. **Assignment.** TD Equipment may assign or transfer any of its rights under this Agreement without the consent of the Grantor. The Grantor may not assign its obligations under this Agreement without the prior written consent of TD Equipment.
- i. **Amendment.** Subject to Section 10(f) of this Agreement, no amendment to this Agreement will be valid or binding unless set forth in writing and duly executed by all of the parties hereto. No course of conduct by TD Equipment will be deemed to result in an amendment of this Agreement.
- j. **Term.** This Agreement shall be a continuing agreement in every respect for the payment of the Obligations and it shall remain in full force and effect until all of the Obligations shall be indefeasibly paid in full or discharged by TD Equipment and until TD Equipment shall no longer have any commitment to the Grantor or any other Person, the fulfillment of which, might result in the creation of Obligations of the Grantor.
- k. **Severability.** If any provision of this Agreement is determined by a court of competent jurisdiction to be invalid or unenforceable in any respect, such invalidity or unenforceability will not affect the validity or enforceability of the remaining provisions of this Agreement.
- l. **Governing Law.** This Agreement will be governed by and construed in accordance with the laws of the jurisdiction where the Collateral is located.
- m. **Waiver by TD Equipment.** No delay or omission by TD Equipment in exercising any right or remedy hereunder or with respect to any Obligations shall operate as a waiver thereof or of any other right or remedy, and no single or partial exercise thereof shall preclude any other or further exercise thereof or of any other right or remedy. Furthermore, TD Equipment may remedy any default by the Grantor hereunder or with respect to any Obligations in any reasonable manner without waiving the default remedied and without waiving any other prior or subsequent default by the Grantor. No course of conduct of TD Equipment will give rise to any reasonable expectation which is in any way inconsistent with the terms and conditions of this Agreement or TD Equipment's rights hereunder. All rights and remedies of TD Equipment granted or recognized herein are cumulative and may be exercised at any time and from time to time independently or in combination.
- n. **Non-Substitution.** The Security Interest is in addition to and not in substitution for any other security now or hereafter held by TD Equipment.
- o. **Entire Agreement.** This Agreement including any schedule now or hereafter annexed hereto, constitutes the entire agreement between the Grantor and TD Equipment with respect to the subject matter hereof. There are no representations, warranties, terms and conditions, undertakings or collateral agreements, express, implied or statutory, between the parties except as expressly set forth in this Agreement.
- p. **Acknowledgment.** The Grantor acknowledges receipt of a fully executed copy of this Agreement and, to the extent permitted by applicable law, waives the right to receive a copy of any financing statement, financing change statement or verification statement in respect of any registered financing statement or financing change statement prepared, registered or issued in connection with this Agreement.
- q. **Execution.** The Grantor agrees that this Agreement may be executed electronically and in counterparts.

IN WITNESS WHEREOF the Grantor has executed this Agreement this 12th day of January, 2015

GREATER SUDBURY HYDRO INC./HYDRO DU GRAND
SUDBURY INC.

Per:

(authorized signature)

Per:

(authorized signature)

N/A

Witness as to execution

Name/Address of Witness:

If individual is a Grantor

Signature:

Print Legal Name: N/A

Address of Grantor: 500 Regent Street, Sudbury, ON P3E 4P1

SCHEDULE "A"
DESCRIPTION OF COLLATERAL

Supplier: Ameresco Canada Inc.
90 Sheppard Avenue, 7th Floor, North York, ON M2N 6X3

Materials and installation of energy retrofit to building located at 500 Regent Street, Sudbury, Ontario, further described as follows:

Invoice # 18948, 19002, 19098, 19144, 19236

Lighting:

Linear Fluorescent: Retrofit fixtures with 32W lamps, ballasts with 28W, ES-HE ballasts
CF Downlights: Replace with LED modules, 1 kW reduction
Garage and Shops: Replace existing HID fixtures with LED lamp fixtures
Exterior floor lights and perimeter lights: Replace with LED fixtures

Ventilation Energy Recovery:

Install energy heat recovery unit to capture exhaust air and use waste heat to make-up air.
Remove electric coils.

Heating/Cooling:

Replace existing heat pumps with new units, replace cooling tower with air cooled condensers.
Install natural gas-fired heating system for garage/shops. New controls

IT Room Cooling:

Install heat pump cooling for IT server and computer rooms.
Reclaim waste heat for building system

Solar Domestic Hot Water:

Install roof-mounted solar hot water collectors to provide DHW

Four (4) PT399 Presige Solo Boilers with Trimax Control 30PSI
S/N PT0043292/PT0043293/PT0043283/PT0043267 c/w accessories
Four (4) PSNEU01 Neutralizing kits, Four (4) 1070-125F Aurora 1 1/4" flanges,
four (4) 1070-AP Aurora Pumps

LOCATION OF COLLATERAL

THE COLLATERAL IS NOW AND WILL HEREAFTER BE LOCATED AT THE FOLLOWING ADDRESS(ES) (include Street/Town/City/Province): *{If the Collateral is customarily used in more than one location, list each location}*

500 Regent Street, Sudbury, On.P3E 4P1

RESOLUTION AUTHORIZING EXECUTION OF SECURITY AGREEMENT FOR SPECIFIED ASSETS

“RESOLVED THAT:

- a. The President & CEO and the Vice-President Corporate Services are hereby authorized for and on behalf of **GREATER SUDBURY HYDRO INC./HYDRO DU GRAND SUDBURY INC.** (the “**Corporation**”) to execute and deliver to TD Equipment Financing Canada Inc. a Security Agreement For Specified Assets substantially in the form of the Security Agreement For Specified Assets (attached hereto and initialled by the Secretary for identification) presented to the directors, with such alterations, amendments, deletions or additions as may be approved by the persons executing the same and their execution shall be conclusive evidence of such approval and that the Security Agreement For Specified Assets so executed is the Security Agreement For Specified Assets authorized by this Resolution.
- b. Any officer or director be and is hereby authorized to execute and deliver on behalf of the Corporation all such other documents and writings and to do such other acts and things as may be necessary or desirable for fulfilling the Corporation’s obligations under the Security Agreement For Specified Assets.”

CERTIFICATE

I hereby certify that the foregoing is a true and correct copy of a Resolution duly passed by the Directors of the Corporation on the 29th day of April, 2013 and that the said Resolution is now in full force and effect.



Secretary

Attachment 4 (of 4):

TD SWAP Loan 2011



Securities

TD Bank Financial Group
Royal Trust Tower
77 King Street West 16th Floor
Toronto, Ontario M5K 1A2

January 19, 2011

The Toronto-Dominion Bank

Contact: IRD Confirmation Group
Facsimile No: 416-983-1553
Telephone No: 416-590-4232
Email: IRD_Confirmations@tdsecurities.com

GREATER SUDBURY HYDRO INC./ HYDRO DU GRAND SUDBURY INC.

Attention: Nancy Whissell
Facsimile No: 000-000-0000
Telephone No: 1-705-675-7536 ext 2235

Reference: Swap Transaction Confirmation (Reference # : 844925T)

The purpose of this letter agreement (this "Confirmation") is to confirm the terms and conditions of the transaction entered into between The Toronto-Dominion Bank ("**Party A**") and GREATER SUDBURY HYDRO INC./ HYDRO DU GRAND SUDBURY INC. ("**Party B**") on the Trade Date specified below (the "Transaction" or "Swap Transaction"). This letter agreement constitutes a "Confirmation" as referred to in the Agreement specified below. This Confirmation supersedes any previous Confirmation or other communication with respect to the Transaction and evidences a complete and binding agreement between us as to the terms of the Transaction.

The definitions and provisions contained in the 2006 ISDA Definitions (the "Definitions") as published by the International Swaps and Derivatives Association, Inc., are incorporated into this Confirmation. In the event of any inconsistency between the Definitions and this Confirmation, this Confirmation will govern.

This Confirmation supplements, forms part of, and is subject to, the ISDA Master Agreement dated as of November 30, 2010, as amended and supplemented from time to time (the "Agreement"), between you and us. All provisions contained in the Agreement govern this Confirmation except as expressly modified below.

Each party represents to the other party that it is entering into this Transaction as principal (and not as agent or in any other capacity) with the full understanding of the terms, conditions and the risks thereof and that it is capable of and willing to assume those risks.

The terms of the particular Transaction to which this Confirmation relates are as follows:

Notional Amount:	CAD 2,000,000.00 (Amortized as per the attached schedule)
Trade Date:	January 14, 2011
Trade Time:	Available on request
Effective Date:	January 18, 2011
Termination Date:	The earlier of (a) January 19, 2026, subject to adjustment in accordance with the Modified Following

Business Day Convention and (b) any Cash Settlement
Payment Date

FLOATING AMOUNTS

Floating Rate Payer:	Party A
Floating Rate Payer Payment Date(s):	Monthly on the 18th of each month commencing on February 18, 2011 up to and including the Termination Date, subject to adjustment in accordance with the Modified Following Business Day Convention
Floating Rate for Initial Calculation Period:	To be determined
Floating Rate Option:	CAD-BA-CDOR
Designated Maturity:	1 Month
Spread:	Not Applicable
Floating Rate Day Count Fraction:	Actual/365 Fixed
Reset Dates:	The first day of each Calculation Period or Compounding Period if Compounding is applicable
Compounding:	Not Applicable

FIXED AMOUNTS

Fixed Rate Payer:	Party B
Fixed Rate Payer Payment Date(s):	Monthly on the 18th of each month commencing on February 18, 2011 up to and including the Termination Date, subject to adjustment in accordance with the Modified Following Business Day Convention
Fixed Rate:	3.70000 %
Fixed Rate Day Count Fraction:	Actual/365 Fixed
Calculation Agent:	The Toronto-Dominion Bank
Business Days:	Toronto
Fee(s):	Not Applicable

EARLY TERMINATION

Optional Early Termination:	Applicable
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Option Style: Bermuda

Exercise Business Days: Toronto

Calculation Agent: Party A

Procedure for Exercise

Bermuda Option Exercise Dates: The date that is 5 Exercise Business Days preceding the selected Cash Settlement Payment Date

Expiration Date: The date that is 5 Exercise Business Days preceding the Cash Settlement Payment Date

Expiration Time: 4:00 p.m. Toronto time

Partial Exercise: Not Applicable

Multiple Exercise: Not Applicable

Written Confirmation of Exercise: Applicable

Party A Contact Details for Purpose of Giving Notice: Swap Trading Desk

Party B Contact Details for Purpose of Giving Notice: Please advise

Settlement Terms

Cash Settlement: Applicable

Cash Settlement Valuation Time: 4:00 p.m. Toronto time

Cash Settlement Valuation Date: Cash Settlement Payment Date

Valuation Business Day(s): Toronto

Cash Settlement Payment Date(s): January 18, 2016
January 18, 2021
subject to adjustment in accordance with the Following Business Day Convention

Cash Settlement Method: Cash Price

Cash Settlement Currency: CAD

Cash Settlement Reference Banks: To be mutually agreed on the Expiration Date

Quotation Rate: Bid

SETTLEMENT INSTRUCTIONS

Payments to Party A in CAD

To: The Toronto-Dominion Bank, Toronto
Swift: TDOMCATTOR
Favor of: The Toronto-Dominion Bank, Toronto
Swift: TDOMCATT
Account Number: 0360-01-4235836

Payments to Party B in CAD

Please advise

OFFICES

The Office of Party A for this Transaction is its Toronto Office.

The Office of Party B for this Transaction is its SUDBURY Office.

This Confirmation may be executed in one or more counterparts, either in original or facsimile form, each of which shall constitute one and the same agreement. When executed by the parties through facsimile transmission, this Confirmation shall constitute the original agreement between the parties and the parties hereby adopt the signatures printed by the receiving facsimile machine as the original signatures of the parties.

Please confirm that the foregoing correctly sets forth the terms of our agreement by executing a copy of this Confirmation and returning it to us.

Yours truly,

The Toronto-Dominion Bank



By: _____
Name : Ruth Parsons
Title : VP Confirmation Services
Global Business Services

Accepted and confirmed as of the date first written:

GREATER SUDBURY HYDRO INC./ HYDRO DU GRAND SUDBURY INC.



By: _____
Name : FRANK KALLONEN
Title : PRESIDENT & CEO.

This Fax is intended only for the addressee and may contain information that is legally privileged, confidential and/or exempt from disclosure under applicable law. Any review, retransmission, dissemination or other use of, or taking of any action in reliance upon, this information by persons or entities other than the intended recipient is prohibited. If you have received this communication in error, or are not the named recipient(s), please immediately notify the sender.

AMORTIZING SCHEDULE

(Reference #: 844925T)

Calculation Period Start Date	Calculation Period End Date	Currency	Notional Amount
January 18, 2011	February 18, 2011	CAD	2,000,000.00
February 18, 2011	March 18, 2011	CAD	1,992,478.00
March 18, 2011	April 18, 2011	CAD	1,984,157.00
April 18, 2011	May 18, 2011	CAD	1,976,572.00
May 18, 2011	June 20, 2011	CAD	1,968,703.00
June 20, 2011	July 18, 2011	CAD	1,961,563.00
July 18, 2011	August 18, 2011	CAD	1,953,131.00
August 18, 2011	September 19, 2011	CAD	1,945,422.00
September 19, 2011	October 18, 2011	CAD	1,937,933.00
October 18, 2011	November 18, 2011	CAD	1,929,665.00
November 18, 2011	December 19, 2011	CAD	1,921,863.00
December 19, 2011	January 18, 2012	CAD	1,914,029.00
January 18, 2012	February 21, 2012	CAD	1,905,918.00
February 21, 2012	March 19, 2012	CAD	1,898,757.00
March 19, 2012	April 18, 2012	CAD	1,889,854.00
April 18, 2012	May 18, 2012	CAD	1,881,649.00
May 18, 2012	June 18, 2012	CAD	1,873,413.00
June 18, 2012	July 18, 2012	CAD	1,865,386.00
July 18, 2012	August 20, 2012	CAD	1,857,087.00
August 20, 2012	September 18, 2012	CAD	1,849,473.00
September 18, 2012	October 18, 2012	CAD	1,840,874.00
October 18, 2012	November 19, 2012	CAD	1,832,481.00
November 19, 2012	December 18, 2012	CAD	1,824,526.00
December 18, 2012	January 18, 2013	CAD	1,815,834.00
January 18, 2013	February 19, 2013	CAD	1,807,578.00
February 19, 2013	March 18, 2013	CAD	1,799,521.00
March 18, 2013	April 18, 2013	CAD	1,790,272.00
April 18, 2013	May 21, 2013	CAD	1,781,914.00
May 21, 2013	June 18, 2013	CAD	1,773,980.00
June 18, 2013	July 18, 2013	CAD	1,764,871.00
July 18, 2013	August 19, 2013	CAD	1,756,184.00
August 19, 2013	September 18, 2013	CAD	1,747,915.00
September 18, 2013	October 18, 2013	CAD	1,739,162.00
October 18, 2013	November 18, 2013	CAD	1,730,376.00
November 18, 2013	December 18, 2013	CAD	1,721,778.00
December 18, 2013	January 20, 2014	CAD	1,712,924.00
January 20, 2014	February 18, 2014	CAD	1,704,698.00
February 18, 2014	March 18, 2014	CAD	1,695,558.00
March 18, 2014	April 21, 2014	CAD	1,686,167.00
April 21, 2014	May 20, 2014	CAD	1,678,044.00
May 20, 2014	June 18, 2014	CAD	1,668,805.00
June 18, 2014	July 18, 2014	CAD	1,659,532.00
July 18, 2014	August 18, 2014	CAD	1,650,437.00
August 18, 2014	September 18, 2014	CAD	1,641,520.00
September 18, 2014	October 20, 2014	CAD	1,632,568.00
October 20, 2014	November 18, 2014	CAD	1,623,790.00
November 18, 2014	December 18, 2014	CAD	1,614,348.00

December 18, 2014	January 19, 2015	CAD	1,605,080.00
January 19, 2015	February 18, 2015	CAD	1,596,188.00
February 18, 2015	March 18, 2015	CAD	1,586,849.00
March 18, 2015	April 20, 2015	CAD	1,577,066.00
April 20, 2015	May 19, 2015	CAD	1,568,262.00
May 19, 2015	June 18, 2015	CAD	1,558,613.00
June 18, 2015	July 20, 2015	CAD	1,549,129.00
July 20, 2015	August 18, 2015	CAD	1,540,007.00
August 18, 2015	September 18, 2015	CAD	1,530,253.00
September 18, 2015	October 19, 2015	CAD	1,520,856.00
October 19, 2015	November 18, 2015	CAD	1,511,422.00
November 18, 2015	December 18, 2015	CAD	1,501,756.00
December 18, 2015	January 18, 2016	CAD	1,492,052.00
January 18, 2016	February 18, 2016	CAD	1,482,503.00
February 18, 2016	March 18, 2016	CAD	1,472,915.00
March 18, 2016	April 18, 2016	CAD	1,462,911.00
April 18, 2016	May 18, 2016	CAD	1,453,245.00
May 18, 2016	June 20, 2016	CAD	1,443,354.00
June 20, 2016	July 18, 2016	CAD	1,433,982.00
July 18, 2016	August 18, 2016	CAD	1,423,647.00
August 18, 2016	September 19, 2016	CAD	1,413,825.00
September 19, 2016	October 18, 2016	CAD	1,404,146.00
October 18, 2016	November 18, 2016	CAD	1,393,884.00
November 18, 2016	December 19, 2016	CAD	1,383,943.00
December 19, 2016	January 18, 2017	CAD	1,373,962.00
January 18, 2017	February 21, 2017	CAD	1,363,765.00
February 21, 2017	March 20, 2017	CAD	1,354,230.00
March 20, 2017	April 18, 2017	CAD	1,343,434.00
April 18, 2017	May 18, 2017	CAD	1,332,945.00
May 18, 2017	June 19, 2017	CAD	1,322,589.00
June 19, 2017	July 18, 2017	CAD	1,312,534.00
July 18, 2017	August 18, 2017	CAD	1,301,930.00
August 18, 2017	September 18, 2017	CAD	1,291,622.00
September 18, 2017	October 18, 2017	CAD	1,281,273.00
October 18, 2017	November 20, 2017	CAD	1,270,717.00
November 20, 2017	December 18, 2017	CAD	1,260,612.00
December 18, 2017	January 18, 2018	CAD	1,249,652.00
January 18, 2018	February 20, 2018	CAD	1,239,135.00
February 20, 2018	March 19, 2018	CAD	1,228,896.00
March 19, 2018	April 18, 2018	CAD	1,217,663.00
April 18, 2018	May 18, 2018	CAD	1,206,862.00
May 18, 2018	June 18, 2018	CAD	1,196,019.00
June 18, 2018	July 18, 2018	CAD	1,185,288.00
July 18, 2018	August 20, 2018	CAD	1,174,362.00
August 20, 2018	September 18, 2018	CAD	1,163,847.00
September 18, 2018	October 18, 2018	CAD	1,152,688.00
October 18, 2018	November 19, 2018	CAD	1,141,636.00
November 19, 2018	December 18, 2018	CAD	1,130,835.00
December 18, 2018	January 18, 2019	CAD	1,119,553.00
January 18, 2019	February 19, 2019	CAD	1,108,516.00
February 19, 2019	March 18, 2019	CAD	1,097,579.00
March 18, 2019	April 18, 2019	CAD	1,085,890.00
April 18, 2019	May 21, 2019	CAD	1,074,720.00

May 21, 2019	June 18, 2019	CAD	1,063,781.00
June 18, 2019	July 18, 2019	CAD	1,052,112.00
July 18, 2019	August 19, 2019	CAD	1,040,671.00
August 19, 2019	September 18, 2019	CAD	1,029,454.00
September 18, 2019	October 18, 2019	CAD	1,017,926.00
October 18, 2019	November 18, 2019	CAD	1,006,353.00
November 18, 2019	December 18, 2019	CAD	994,865.00
December 18, 2019	January 20, 2020	CAD	983,203.00
January 20, 2020	February 18, 2020	CAD	971,876.00
February 18, 2020	March 18, 2020	CAD	960,000.00
March 18, 2020	April 20, 2020	CAD	948,080.00
April 20, 2020	May 19, 2020	CAD	936,603.00
May 19, 2020	June 18, 2020	CAD	924,596.00
June 18, 2020	July 20, 2020	CAD	912,662.00
July 20, 2020	August 18, 2020	CAD	900,918.00
August 18, 2020	September 18, 2020	CAD	888,777.00
September 18, 2020	October 19, 2020	CAD	876,820.00
October 19, 2020	November 18, 2020	CAD	864,815.00
November 18, 2020	December 18, 2020	CAD	852,650.00
December 18, 2020	January 18, 2021	CAD	840,439.00
January 18, 2021	February 18, 2021	CAD	828,289.00
February 18, 2021	March 18, 2021	CAD	816,090.00
March 18, 2021	April 19, 2021	CAD	803,528.00
April 19, 2021	May 18, 2021	CAD	791,333.00
May 18, 2021	June 18, 2021	CAD	778,783.00
June 18, 2021	July 19, 2021	CAD	766,387.00
July 19, 2021	August 18, 2021	CAD	753,941.00
August 18, 2021	September 20, 2021	CAD	741,349.00
September 20, 2021	October 18, 2021	CAD	728,994.00
October 18, 2021	November 18, 2021	CAD	716,117.00
November 18, 2021	December 20, 2021	CAD	703,471.00
December 20, 2021	January 18, 2022	CAD	690,864.00
January 18, 2022	February 18, 2022	CAD	677,939.00
February 18, 2022	March 18, 2022	CAD	665,140.00
March 18, 2022	April 18, 2022	CAD	652,033.00
April 18, 2022	May 18, 2022	CAD	639,131.00
May 18, 2022	June 20, 2022	CAD	626,095.00
June 20, 2022	July 18, 2022	CAD	613,250.00
July 18, 2022	August 18, 2022	CAD	599,956.00
August 18, 2022	September 19, 2022	CAD	586,846.00
September 19, 2022	October 18, 2022	CAD	573,759.00
October 18, 2022	November 18, 2022	CAD	560,396.00
November 18, 2022	December 19, 2022	CAD	547,128.00
December 19, 2022	January 18, 2023	CAD	533,807.00
January 18, 2023	February 21, 2023	CAD	520,364.00
February 21, 2023	March 20, 2023	CAD	507,137.00
March 20, 2023	April 18, 2023	CAD	493,395.00
April 18, 2023	May 18, 2023	CAD	479,733.00
May 18, 2023	June 19, 2023	CAD	466,081.00
June 19, 2023	July 18, 2023	CAD	452,496.00
July 18, 2023	August 18, 2023	CAD	438,681.00
August 18, 2023	September 18, 2023	CAD	424,927.00
September 18, 2023	October 18, 2023	CAD	411,118.00

October 18, 2023	November 20, 2023	CAD	397,201.00
November 20, 2023	December 18, 2023	CAD	383,384.00
December 18, 2023	January 18, 2024	CAD	369,261.00
January 18, 2024	February 20, 2024	CAD	355,230.00
February 20, 2024	March 18, 2024	CAD	341,234.00
March 18, 2024	April 18, 2024	CAD	326,916.00
April 18, 2024	May 21, 2024	CAD	312,716.00
May 21, 2024	June 18, 2024	CAD	298,539.00
June 18, 2024	July 18, 2024	CAD	284,111.00
July 18, 2024	August 19, 2024	CAD	269,703.00
August 19, 2024	September 18, 2024	CAD	255,309.00
September 18, 2024	October 18, 2024	CAD	240,790.00
October 18, 2024	November 18, 2024	CAD	226,216.00
November 18, 2024	December 18, 2024	CAD	211,613.00
December 18, 2024	January 20, 2025	CAD	196,926.00
January 20, 2025	February 18, 2025	CAD	182,258.00
February 18, 2025	March 18, 2025	CAD	167,433.00
March 18, 2025	April 21, 2025	CAD	152,532.00
April 21, 2025	May 20, 2025	CAD	137,694.00
May 20, 2025	June 18, 2025	CAD	122,703.00
June 18, 2025	July 18, 2025	CAD	107,657.00
July 18, 2025	August 18, 2025	CAD	92,567.00
August 18, 2025	September 18, 2025	CAD	77,432.00
September 18, 2025	October 20, 2025	CAD	62,236.00
October 20, 2025	November 18, 2025	CAD	46,987.00
November 18, 2025	December 18, 2025	CAD	31,658.00
December 18, 2025	January 19, 2026	CAD	16,275.00

Exhibit 5: Cost Of Capital And Rate Of Return

Tab 2 (of 2): Not-for-Profit Corporations

1

DECLARATION OF FOR-PROFIT STATUS

2

3 GSHi is a for profit corporation, therefore the filing requirements for not-for-profit
4 corporations is not applicable.