Lakefront Utilities Inc.

2022 Cost of Service Application

EB-2021-0039

Rates Effective: January 1, 2022

Date Filed: April 30, 2021

Lakefront Utilities Inc.
207 Division St.
P.O. Box 577
Cobourg, ON
K9A 4L3

EXHIBIT 5 – COST OF CAPITAL AND CAPITAL STRUCTURE

EB-2021-0039

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2.5.1 CAPITAL STRUCTURE

In this Exhibit, Lakefront Utilities Inc. (LUI) presents evidence regarding its capital structure, its debt financing and the calculation of its cost of capital for the 2022 Test Year.

LUI acknowledges that the OEB will likely update its cost of capital parameters late in 2021 for rates changes effective in 2022, and therefore commits to updating its Application to reflect the revised cost of capital parameters as new information is issued, to the extent that updated information is applicable to the Application. Lakefront acknowledges that the return on equity for 2022 may be artificially deflated because of the COVID-19 pandemic, however Lakefront assumes that the OEB will apply a mechanism to protect the utility from embedding a potentially abnormally low return on equity in its rates for the next five years. Further, Lakefront reserves the right to seek approval of a mechanism to adjustment the embedded ROE in future years if the 2022 deemed return on equity is materially impacted by COVID-19.

LUI seeks to recover a weighted average cost of capital of 5.12% through rates in the 2022 Test Year. LUI has followed the Report of the Board on Cost of Capital for Ontario's Regulated Utilities, November 9, 2020 (the OEB Cost of Capital Report), in determining the applicable cost of capital.

In calculating the cost of capital, LUI has used the OEB's deemed capital structure of 56% long-term debt, 4% short-term debt, and 40% equity as the Cost of Capital Parameters in the OEB's letter of November 9, 2020 Cost of Capital Parameter Updates for 2021 Cost of Service filings.

Table 5.0: OEB Capital Structure

Particulars	Capitalization Ratio
Debt	
Long-term Debt	56%
Short-term Debt	4%
Total Debt	**60%**
Equity	
Common Equity	40%
Preferred Shares	0%
Total Equity	**40%**
Total	**100%**

LUI's actual capital structure, as of December 31, 2020, differs from the deemed capital structure in the following respect:

Table 5.1: Lakefront Utilities Inc. vs. OEB Capital Structure

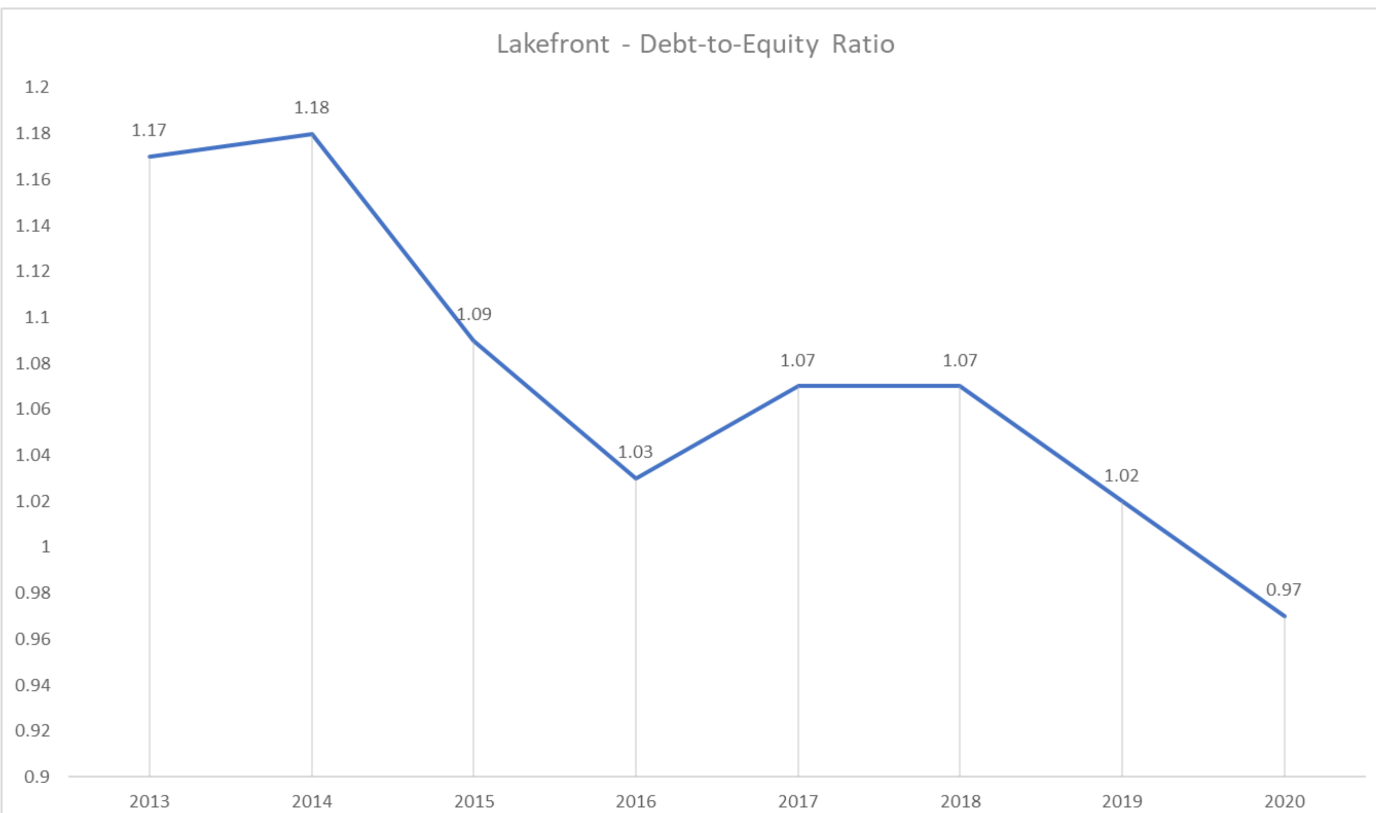
Capital Element	LUI Capital Ratio	OEB Capital Ratio	Variance
Long-term debt	44.58%	56.00%	(11.42%)
Short-term debt	8.84%	4.00%	4.84%
Common equity	46.58%	40.00%	6.58%
Preferred shares	0.00%	0.00%	0.00%
Total	100.00%	100.00%	0.00%

Lakefront has considerably more equity capital than the OEB's deemed capital structure.

LUI has maintained a policy of keeping its debt reasonable in order to maintain flexibility into the future. LUI operates with the philosophy that operating with a reasonable debt/equity ratio provides flexibility should an opportunity or a need arise in the future for a large investment.

The below chart compares LUI's debt to equity ratio from 2013 to 2020.

Chart 5.2: Debt to Equity Ratio



As a result, LUI's recent decision to obtain a loan from TD Bank for $4.5M, to be borrowed over the next 5 years, provides financial flexibility into the future. Similar to the above, LUI has a lower long-term debt than the OEB's deemed capital structure, as a result of keeping debt reasonable.

LUI acknowledges that the OEB deemed capital structure will be used for rate setting purposes rather than its actual structure and that the effect of this will be to lower its actual return on equity.

The tables below present the capital structure for the last Board Approved (2017) and the 2022 Test Year.

Table 5.3: Appendix 2-OA: Board Approved

Board Approved **2017**

Line No.	Particulars	Capitalization Ratio (%)	Capitalization Ratio ($)	Cost Rate (%)	Return ($)
	Debt				
1	Long-term Debt	56.00%	$10,942,542	3.72%	$407,063
2	Short-term Debt	4.00%	$781,610	1.76%	$13,756
3	**Total Debt**	60.0%	$11,724,152	3.59%	$420,819
	Equity				
4	Common Equity	40.00%	$7,816,101	8.78%	$686,254
5	Preferred Shares		$ -		$ -
6	**Total Equity**	40.0%	$7,816,101	8.78%	$686,254
7	**Total**	100.0%	$19,540,253	5.67%	$1,107,073

Table 5.4: Appendix 2-OA: Test Year

Year: **2022**

Line No.	Particulars	Capitalization Ratio (%)	Capitalization Ratio ($)	Cost Rate (%)	Return ($)
	Debt				
1	Long-term Debt	56.00%	$12,953,967	3.05%	$395,428
2	Short-term Debt	4.00%	$925,283	1.75%	$16,192
3	**Total Debt**	60.0%	$13,879,250	2.97%	$411,620
	Equity				
4	Common Equity	40.00%	$9,252,833	8.34%	$771,686
5	Preferred Shares		$ -		$ -
6	**Total Equity**	40.0%	$9,252,833	8.34%	$771,686
7	**Total**	100.0%	$23,132,083	5.12%	$1,183,306

Appendix 2-OB (Table 5.5) below presents the capital structure for all required historical years, the 2021 Bridge Year and the 2022 Test Year.

Table 5.5: Appendix 2-OB: Test Year

Year 2022

Row	Description	Lender	Affiliated or Third-Party Debt?	Fixed or Variable-Rate?	Start Date	Term (years)	Principal ($)	Rate (%) (Note 2)	Interest ($) (Note 1)	Additional Comments, if any
1	Promissory Note	Town of Cobourg	Affiliated	Fixed Rate	9/12/06	N/A	$ 7,000,000	2.85%	$ 199,500.00	
2	Loan - smart meters	Infrastructure Ontario	Third-Party	Fixed Rate	10/01/12	15	$ 663,825	3.38%	$ 22,437.30	
3	Loan - smart meters	Infrastructure Ontario	Third-Party	Fixed Rate	9/03/13	15	$ 873,438	4.03%	$ 35,199.54	
4	Loan - Victoria St. substation	Infrastructure Ontario	Third-Party	Fixed Rate	1/01/19	30	$ 1,081,322	3.90%	$ 42,171.55	
5	Loan - capital projects	TD Bank	Third-Party	Fixed Rate	2/28/21	30	$ 1,800,000	2.74%	$ 49,320.00	
6	Lakefront Utility Services Inc.	Lakefront Utilities Inc.	Affiliated	Fixed Rate	1/01/19	N/A	$ 1,804,085	2.85%	$ 51,416.42	
Total							$ 13,222,670	3.03%	$ 400,044.81	

Year 2021

Row	Description	Lender	Affiliated or Third-Party Debt?	Fixed or Variable-Rate?	Start Date	Term (years)	Principal ($)	Rate (%) (Note 2)	Interest ($) (Note 1)	Additional Comments, if any
1	Promissory Note	Town of Cobourg	Affiliated	Fixed Rate	9/12/06	N/A	$ 7,000,000	3.72%	$ 260,400.00	
2	Loan - smart meters	Infrastructure Ontario	Third-Party	Fixed Rate	10/01/12	15	$ 783,755	3.38%	$ 26,490.92	
3	Loan - smart meters	Infrastructure Ontario	Third-Party	Fixed Rate	9/03/13	15	$ 999,744	4.03%	$ 40,289.68	
4	Loan - Victoria St. substation	Infrastructure Ontario	Third-Party	Fixed Rate	1/01/19	30	$ 1,104,890	3.90%	$ 43,090.73	
5	Loan - capital projects	TD Bank	Third-Party	Fixed Rate	2/28/21	30	$ 900,000	2.74%	$ 24,660.00	
6	Lakefront Utility Services Inc.	Lakefront Utilities Inc.	Affiliated	Fixed Rate	1/01/19	N/A	$ 1,804,085	3.72%	$ 67,111.96	
Total							$ 12,592,474	3.67%	$ 462,043.29	

Year 2020

Row	Description	Lender	Affiliated or Third-Party Debt?	Fixed or Variable-Rate?	Start Date	Term (years)	Principal ($)	Rate (%) (Note 2)	Interest ($) (Note 1)	Additional Comments, if any
1	Promissory Note	Town of Cobourg	Affiliated	Fixed Rate	9/12/06	N/A	$ 7,000,000	3.72%	$ 260,400.00	
2	Loan - smart meters	Infrastructure Ontario	Third-Party	Fixed Rate	10/01/12	15	$ 899,731	3.38%	$ 30,410.92	
3	Loan - smart meters	Infrastructure Ontario	Third-Party	Fixed Rate	9/03/13	15	$ 1,121,110	4.03%	$ 45,180.73	
4	Loan - Victoria St. substation	Infrastructure Ontario	Third-Party	Fixed Rate	1/01/19	30	$ 1,127,559	3.90%	$ 43,974.80	
5	Lakefront Utility Services Inc.	Lakefront Utilities Inc.	Affiliated	Fixed Rate	1/01/19	N/A	$ 1,804,085	3.72%	$ 67,111.96	
Total							$ 11,952,486	3.74%	$ 447,078.42	

Year 2019

Row	Description	Lender	Affiliated or Third-Party Debt?	Fixed or Variable-Rate?	Start Date	Term (years)	Principal ($)	Rate (%) (Note 2)	Interest ($) (Note 1)	Additional Comments, if any
1	Promissory Note	Town of Cobourg	Affiliated	Fixed Rate	9/12/06	N/A	$ 7,000,000	7.25%	$ 507,500.00	
2	Loan - smart meters	Infrastructure Ontario	Third-Party	Fixed Rate	10/01/12	15	$ 1,011,885	3.38%	$ 34,201.72	
3	Loan - smart meters	Infrastructure Ontario	Third-Party	Fixed Rate	9/03/13	15	$ 1,237,729	4.03%	$ 49,880.47	
4	Loan - Victoria St. substation	Infrastructure Ontario	Third-Party	Fixed Rate	1/01/19	30	$ 1,149,362	3.90%	$ 44,825.12	
5	Lakefront Utility Services Inc.	Lakefront Utilities Inc.	Affiliated	Fixed Rate	1/01/19	N/A	$ 1,207,179	3.72%	$ 44,907.06	
Total							$ 11,606,155	5.87%	$ 681,314.36	

Year 2018

Row	Description	Lender	Affiliated or Third-Party Debt?	Fixed or Variable-Rate?	Start Date	Term (years)	Principal ($)	Rate (%) (Note 2)	Interest ($) (Note 1)	Additional Comments, if any
1	Promissory Note	Town of Cobourg	Affiliated	Fixed Rate	9/12/06	N/A	$ 7,000,000	7.25%	$ 507,500.00	
2	Loan - smart meters	Infrastructure Ontario	Third-Party	Fixed Rate	10/01/12	15	$ 1,120,342	3.38%	$ 37,867.56	
3	Loan - smart meters	Infrastructure Ontario	Third-Party	Fixed Rate	9/03/13	15	$ 1,349,786	4.03%	$ 54,396.38	
Total							$ 9,470,128	6.33%	$ 599,763.94	

Year 2017

Row	Description	Lender	Affiliated or Third-Party Debt?	Fixed or Variable-Rate?	Start Date	Term (years)	Principal ($)	Rate (%) (Note 2)	Interest ($) (Note 1)	Additional Comments, if any
1	Promissory Note	Town of Cobourg	Affiliated	Fixed Rate	9/12/06	N/A	$ 7,000,000	7.25%	$ 507,500.00	
2	Loan - smart meters	Infrastructure Ontario	Third-Party	Fixed Rate	10/01/12	15	$ 1,225,224	3.38%	$ 41,412.57	
3	Loan - smart meters	Infrastructure Ontario	Third-Party	Fixed Rate	9/03/13	15	$ 1,457,461	4.03%	$ 58,735.66	
Total							$ 9,682,685	6.28%	$ 607,648.23	

2.5.2 COST OF CAPITAL (RETURN ON EQUITY AND COST OF DEBT)

CALCULATION OF COST FOR EACH COMPONENT

Lakefront's cost of capital for 2022 has been calculated as 5.12%, as shown in the table below:

Table 5.6: LUI Capital Structure for Rate Setting

Particulars	Capitalization Ratio	Cost Rate (%)
Debt		
Long-term Debt	56%	3.05%
Short-term Debt	4%	1.75%
Total Debt	**60%**	**4.80%**
Equity		
Common Equity	40%	8.34%
Preferred Shares	0%	0.00%
Total Equity	**40%**	**8.34%**
Total	**100%**	**5.12%**

LUI understands that the OEB may update the ROE for 2022 at a later date, and therefore commits to updating its Application to reflect the OEB's updated Cost of Capital Parameters for 2022 Cost of Service Applications as new information is issued.

Lakefront has used a Return on Equity of 8.34% as established by the Board for Cost of Service applications with a 2021 implementation date as a placeholder for the application.

Lakefront proposes a long-term debt cost rate for 2022 of 3.05% which is slightly above the OEB's deemed long-term debt rate of 2.85% as prescribed in the Board's letter of November 29, 2020 Cost of Capital Parameter Updates for 2021 Cost of Service Applications.

Table 5.7: Weighted Average Cost of Capital

Debt Holder	Principal Balance	Weighted Average	Interest Rate	Weighted Average Rate
Town of Cobourg Promissory Note	7,000,000	50.90%	2.85%	1.45%
Infrastructure Ontario	899,731	6.54%	3.38%	0.22%
Infrastructure Ontario	1,121,110	8.15%	4.03%	0.33%
Infrastructure Ontario	1,127,559	8.20%	3.90%	0.32%
TD Bank Loan	1,800,000	13.09%	2.74%	0.36%
Lakefront Utility Services Inc.	1,804,085	13.12%	2.85%	0.37%
Total	**13,752,485**	**100%**		**3.05%**

As noted in the section Explanation of the Applicable Debt Rate and Appendix B, Lakefront's $7,000,000 Promissory note with the Town of Cobourg, signed May 1, 2000, has no specific terms of repayment, is payable on demand, and has an annual interest rate of 3.72%, paid monthly. The interest rate of 3.72% was based on Lakefront's 2017 Cost of Service filing. The interest rate of 2.85% per annum was based on the OEB deemed rate as of November 2020, and will be updated in accordance with the OEB's deemed Long Term Debt Rate for 2022 filers.

The balance owing the Lakefront Utility Services Inc. is detailed in Appendix H.

PROFIT OR LOSS ON REDEMPTION OF DEBT AND/OR SHARES

LUI does not forecast that it will redeem any debt and has not issued any preference shares; hence LUI does not record either a profit or a loss on redemption of debt and/or preference shares.

PROMISSORY NOTE WITH AFFILIATE

Lakefront's $7,000,000 Promissory note with the Town of Cobourg is included in Appendix A.

The loan was signed May 1, 2000 with no specific terms of repayment, is payable on demand and is at an interest rate of 7.25%, paid monthly. The original interest rate of 7.25% per annum was based on debt rate per annum established by the Ontario Energy Board as set out in Chapter 3 of the Ontario Energy Board's electricity Distribution Rate Handbook issued March 9, 2000.

In October 2019, Lakefront's management and Board of Directors renegotiated the terms of the promissory note with the Town of Cobourg Council and revised the interest rate to 3.72% per annum to remain fixed until each approved Cost of Service rate application, at which time it will be adjusted to the OEB's approved deemed long-term interest rate for affiliate debt.

The amended and restated promissory note is included in Appendix B.

EXPLANATION OF THE APPLICABLE DEBT RATE

Lakefront's existing long-term debt instruments are summarized below:

- A $7,000,000 Promissory note with the Town of Cobourg, signed May 1, 2000, with no specific terms of repayment, payable on demand. The proposed interest rate of 2.85% per annum for this application is based on the OEB's current deemed long term debt rate as of November 2020.

- In 2012 and 2013, Lakefront Utilities entered into financing agreements with Ontario Infrastructure and Lands Corporation, formerly Ontario Infrastructure Projects Corporation (Infrastructure Ontario) for the purpose of funding the smart meter capital project. Infrastructure Ontario's lending rates are posted online and are updated frequently in line with Infrastructure Ontario's cost of borrowing in the capital markets. Rates on long-term debentures/promissory notes are fixed for the entire life of the loan with terms from 5 to 30 years. LUI's loans with Infrastructure Ontario are as follows:

    - Loan of $1,700,000 ($899,731 at December 31, 2020) signed October 1, 2012, interest at 3.38% with semi-annual principal payments (see Attachment C);

    - Loan of $1,847,658 ($1,121,110 at December 31, 2020) signed September 13, 2013, interest at 4.03% with semi-annual principal payments (see Attachment D).

- In 2018, LUI entered into a financing agreement with Infrastructure Ontario for the purpose of funding the replacement of the Victoria St. substation in Colborne. The loan of $1,170,332 ($1,127,559 at December 31, 2020), interest at 3.90% with monthly principal payments (see Attachment E).

- In 2019, LUI entered into an intercompany agreement with Lakefront Utility Services Inc. which details that the interest charged on intercompany debt is 3.72% and is based on the OEB's current deemed long-term debt rate from Lakefront's 2017 Cost of Services (see attachment H).

The interest rates above were established by Infrastructure Ontario based on their lending requirements. Lakefront had discussions with Infrastructure Ontario in 2020 to determine if it would be financially beneficial to restructure its debt to take advantage of lower interest rates. The analysis is presented in Appendix G.

- In 2020, Lakefront entered into a loan agreement with TD Bank for $4,500,000, interest at 2.74% with monthly principal payments. The loan is based on the equivalent of 60% of the estimated total assets to be replaced over the next five years.

Lakefront is borrowing required funds through a floating-rate loan known as a Bankers Acceptance (BA). BAs are short-term promissory notes issued by borrowers that are unconditionally guaranteed by TD Bank (TD). In return for assuming the credit risk of LUI issuing the BAs, the bank charges an upfront “stamping fee". LUI's borrowing cost is equal to the rate at which the BA was sold, plus the stamping fee. The floating BA Rate resets every month and BAs are issued at a discount and mature at face value; the interest rate is inherent in the discounted price.

The BA Loan is effectively converted into a fixed rate loan via the Interest Rate Swap (Swap). LUI fixes the rate on the BA loan by entering into a Swap with TD. TD pays LUI the BA Interest + Stamping Fee and in return LUI pays TD a Fixed Rate.

The net result of these exchanges is that LUI pays a fixed rate of interest. Changes in the BA rate become inconsequential as it is paid to LUI via the Swap. On a net cash flow basis, a BA Loan combined with an Interest Rate Swap is economically equivalent to a traditional Fixed Rate Loan.

Lakefront plans to utilize the loan throughout the five-year Cost of Service period (i.e. $900,000 per year), therefore $1,800,000 has been recorded in the 2022 Test Year.

Lakefront has used a short-term debt rate of 1.75% for 2022 as established by the Board for Cost of Service applications with a 2022 Test Year. LUI has a stand-by letter of guarantee from a Canadian bank in the amount of $1,500,000 that has been issued in favour of the IESO. This letter of guarantee financially secures the organization’s electricity purchases from the IESO, who has not drawn on this credit instrument. LUI is aware that the IESO may review its prudential requirements and LUI commits to updating this evidence at a later date (if needed) for any changes in these requirements authorized by the IESO. LUI also has a line of credit from a Canadian bank in the amount of $2,500,000. The operating line bears interest at prime rate plus 0.5% per year and is secured by a General Security Agreement covering substantially all of the Company’s assets.

FORECAST OF NEW DEBT

In 2021, Lakefront entered into a loan agreement with TD Bank for $4,500,000, interest at 2.74% with monthly principal payments. The loan is based on the equivalent of 60% of the estimated total assets to be replaced over the next five years.

The loan was finalized in 2021 and is included in Appendix F.

PROPOSED RATE

LUI’s proposed rate included in the Cost of Service does not differ from the OEB guidelines.

NOTIONAL DEBT

The Notional Debt was calculated using the methodology from the OEB report entitled "Review of the Cost of Capital for Ontario's Regulated Utilities - EB-2009-0084" and defined as the portion of deemed debt exceeding a utility's actual debt.

Notional debt is the portion of deemed debt that results from differences between LUI's actual debt and the deemed debt of 60% of the rate base.

LUI's actual debt level is substantially below the deemed 60% and this shortfall is expected to increase over the next four years. LUI accepts the weighted average cost of its long-term debt as the rate of notional debt. The table below quantifies the notional debt.

Table 5.8: Notional Debt

Prescribed Cost of Capital		
Particulars	Capitalization Ratio	
	(%)	($)
Debt		
Long-term Debt	44.58%	10,312,283
Short-term Debt	8.84%	2,044,876
Total Debt	53.4%	12,357,159
Equity		
Common Equity	46.58%	10,774,924
Preferred Shares		
Total Equity	46.6%	10,774,924
Total	**100.0%**	**23,132,083**

***based on actual debt ratios

Actual Cost of Capital		
Particulars	Capitalization Ratio	
	(%)	($)
Debt		
Long-term Debt	44.58%	9,888,389
Short-term Debt	8.84%	1,960,011
Total Debt	53.42%	11,848,400
Equity		
Common Equity	46.58%	10,332,239
Preferred Shares	0.00%	0
Total Equity		
Total	**100.00%**	**22,180,639**

Notional Debt		
Particulars	Capitalization Ratio	
	(%)	($)
Debt		
Long-term Debt	0.00%	(423,893)
Short-term Debt	(0.00%)	(84,865)
Total Debt	(0.00%)	(508,758)
Equity		
Common Equity	0.00%	(442,685)
Preferred Shares	0.00%	0
Total Equity		
Total	**100.00%**	**(951,444)**

2.5.3 NOT-FOR-PROFIT CORPORATIONS

Lakefront Utilities Inc. is not a cooperative or a not-for profit organization and, as such, all requirements related to a not-for-profit organization do not apply.

APPENDIX

Appendix A	Promissory Note: Town of Cobourg
Appendix B	Amended and Restated Promissory Note
Appendix C	Infrastructure Ontario – 3.38%
Appendix D	Infrastructure Ontario – 4.03%
Appendix E	Infrastructure Ontario – 3.90%
Appendix F	TD Bank - $4.5M
Appendix G	Debt Restructuring
Appendix H	Lakefront Utility Services Inc. – Intercompany Agreement

APPENDIX A – PROMISSORY NOTE: TOWN OF COBOURG

COPY

RECEIPT

TO: LAKEFRONT UTILITIES INC. (the "Corporation")

RE: Promissory Note for $7,000,000 (the "New Note") dated September 12th, 2006 and effective May 1, 2000 issued by the Corporation to the Corporation of the Town of Cobourg (the "Town"), pursuant to the Town's By-Law No. 31-00, as amended, and issued in replacement of a previously issued promissory note in the amount of $4,000,000 dated May 1, 2000;

The Town hereby acknowledges receipt from the Corporation of the New Note.

DATED the 30th day of Nov., 2006.

THE CORPORATION OF THE
TOWN OF COBOURG

by Peter Delanty
Peter Delanty
Mayor

by [signature]
Richard Stinson
Municipal Clerk

COPY

PROMISSORY NOTE

Effective: May 1, 2000 Principal Sum: $7,000,000.00

FOR VALUE RECEIVED, Lakefront Utilities Inc. (the "Borrower") promises to pay on demand to or to the order of The Corporation of the Town of Cobourg (the "Lender") its successors and assigns the principal sum of SEVEN MILLION DOLLARS ($7,000,000) in lawful money of Canada at the Lender's office at 207 Division Street, P.O. Box 577, Cobourg, Ontario K9A 4L3, or at such other place as the Lender may designate by notice in writing to the Borrower and to pay interest on the said principal sum from the date hereof at the below indicated rate in like money at the same place, calculated and payable monthly on the last day of each calendar month commencing with the month of May, 2000 and continuing until the said principal sum and all interest thereon is fully paid and satisfied; and, should the Borrower at any time make default in the payment of any principal or interest, to pay interest on the amount in default at the same rate in like money at the same place and monthly on the same date both before and after default as well as before and after judgment until payment in full.

> INTEREST RATE: 7.25% per annum, being the debt cost rate per annum established by the Ontario Energy Board as applicable to the Borrower as set out in Chapter 3 of the Ontario Energy Board's electricity Distribution Rate Handbook (the "PBR Handbook") issued March 9, 2000.

The Borrower hereby waives presentment, notice of dishonour, protest and notice of protest.

DATED at Cobourg, Ontario, the 12th day of September, 2006 effective the 1st day of May, 2000.

LAKEFRONT UTILITIES INC.

per:__________________
President

per:__________________
Treasurer

AGREEMENT

RE: **Values of the WiresCo Assets and the Promissory Note issued to The Corporation of the Town of Cobourg (the "Town") pursuant to the Town's Amended By-Law No. 31-00 dated November 7, 2000 (the "Transfer By-Law").**

RECITALS:

1. Pursuant to resolutions of the directors of Lakefront Utilities Inc. ("WiresCo") dated May 1, 2000 (the "Resolutions"), the directors approved and authorized, as at May 1, 2000, the issuance of 9,999,999 Common shares for a consideration of $8,380,000 and a promissory note in the principal amount of $4,000,000 (the "$4,000,000 Note") in payment of the consideration for the WiresCo Assets (defined in the Resolutions as the "Cobourg Assets") (the "WiresCo Assets") transferred and assigned by the Town to WiresCo pursuant to the Transfer By-Law;

2. Pursuant to the pre-incorporation agreement (the "Agreement") dated as at May 1, 2000 between the Town and The Corporation of the Village of Colborne, as amended, and pursuant to the Transfer By-Law, the purchase price for the WiresCo Assets is the fair market value of the WiresCo Assets on May 1, 2000 (the "Effective Date") and such fair market value is deemed to be the net book value of the WiresCo Assets on the Effective Date subject to adjustment as a result of any audit or valuation conducted after the Effective Date pursuant to the Agreement;

3. AND WHEREAS since the execution of the Resolutions the parties have determined that the aggregate consideration for the WiresCo Assets should have been $15,380,000 as reflected in the audited financial statements for the period ended April 30, 2000 of the Cobourg Public Utilities Commission and, further, that the amount of the promissory note issued in partial payment of the consideration for the WiresCo Assets should have been issued in the principal amount of $7,000,000;

NOW THEREFORE, pursuant to the Transfer By-Law and the Agreement, the Town and HoldCo and the President of HoldCo agree:

1. The consideration to be paid for the WiresCo Assets on the Effective Date is $15,380,000.

2. A promissory note in the amount of $7,000,000 (the "New Note") shall be issued, effective as of the Effective Date, by WiresCo to the Town in partial payment of the consideration for the WiresCo Assets, being the balance remaining after the assumption by the Corporation of the WiresCo Liabilities (as defined in the Transfer By-Law) and the issuance to the Town of 9,999,999 Common shares of the Corporation for the consideration of $8,380,000.

4. The delivery to WiresCo of a copy of this Agreement shall be full and sufficient authority and instructions for WiresCo to issue and deliver to the Town the New Note, subject to the return to WiresCo, for cancellation, of the $4,000,000 Note.

DATED as of the 30th day of NOV, 2006.

THE CORPORATION OF THE TOWN OF COBOURG

by Peter Delanty
MAYOR PETER DELANTY

by
MUNICIPAL CLERK
RICHARD STINSON

TOWN OF COBOURG HOLDINGS INC.

per: Joan E. Chalovich
Director JOAN E. CHALOVICH

per:
Director ADRIAN LANGHORNE

President of Town of Cobourg Holdings Inc.
BRUCE R. CRAIG

APPENDIX B – AMENDED AND RESTATED PROMISSORY NOTE

AMENDED AND RESTATED PROMISSORY NOTE

DATED: January 1st, 2020 **PRINCIPAL SUM:** $7,000,000.00

WHEREAS, this Note amends and restates a promissory note dated May 1st, 2000, as amended, restated or supplemented from time to time (collectively, the "**Original Note**").

FOR VALUE RECEIVED, Lakefront Utilities Inc. (the "**Borrower**") promises to pay on demand or to the order of The Corporation of the Town of Cobourg (the "**Lender**") its successors and assigns, the principal sum of **SEVEN MILLION ($7,000,000.00) DOLLARS** in lawful money of Canada and at the Lender's office at 207 Division Street, P.O. Box 577, Cobourg, Ontario K9A 4L3, or at such other place as the Lender may designate by notice in writing to the Borrower and to pay interest on the said principal sum from the date hereof at the below indicated INTEREST RATE in like money at the same place, calculated and payable monthly on the last day of each calendar month commencing January 2020 and continuing until the said principal sum and all interest thereon is fully paid and satisfied; and, should the Borrower at any time make default in the payment of any principal or interest, to pay interest and the amount in default at the same rate in like money at the same place and monthly on the same date both before and after default as well as before and after judgment until payment in full.

> **INTEREST RATE:** This note carries a variable interest rate that is based on the Ontario Energy Board's (the "OEB"), or its successor's, deemed long-term debt rate or equivalent rate. Interest shall be payable at an initial interest rate of 3.72% per annum; the interest rate will then be periodically adjusted to reflect the OEB's, or its successor's, deemed long-term debt rate or equivalent rate effective at the time of the filing of each of the Borrower's cost of service based applications for new distribution rates before the OEB or its successor.

In addition to the required interest payments, the Borrower shall have the right, at its sole discretion, to make principal payments to the Lender.

The Borrower hereby waives presentment, notice of dishonour, protest and notice of protest.

This Note shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

DATED at Cobourg, Ontario this 13th day of December, 2019, effective the 1st day of January 2020.

LAKEFRONT UTILITIES INC.

Per: ______________________
Name: Dereck C. Paul
Title: President & CEO

Per: ______________________
Name: Adam Giddings
Title: Manager Compliance & Finance

I/We have authority to bind the Corporation.

RECEIPT

TO: LAKEFRONT UTILITIES INC. (the "Corporation")

RE: Promissory Note for $7,000,000 (Amended and Restated Promissory Note) dated December 5th, 2019 and effective January 1st, 2020 issued by the Corporation to the Corporation of the Town of Cobourg (the "Town"), pursuant to the Town's Resolution No. 413-19 dated October 21, 2019, and issued in replacement of a previously issued promissory note in the amount of $7,000,000 dated September 12th, 2006;

The Town hereby acknowledges receipt from the Corporation of the Amended and Restated Promissory Note.

DATED the 13th day of January, 2020.

THE CORPORATION OF THE
TOWN OF COBOURG

by John Henderson
John Henderson
Mayor

by ______________________
Brent Larmer
Municipal Clerk

Town of Cobourg Holdings Inc.

COPY

Date: **December 12th, 2019**

Resolution # 2019-57

Subject: **LUI Amended Promissory Note**

Moved by: PETER CHILIBECK
Name

Signature

Seconded by: JOHN FARRELL
Name

J Farrell
Signature

BE IT RESOLVED THAT:

the Board accept the Amended and Restated Promissory Note from Legal Counsel, to be forwarded to the Town of Cobourg Senior Staff, as amended by the LUI Board.

Approved ✓ **Not Approved** ________ **Chairman** ________

COPY

The Corporation of the Town of Cobourg

Resolution

Moved By	S Séguin	**Resolution No.:**
Last Name Printed	SEGUIN.	413-19
Seconded By	B. J. Darling	**Council Date:**
Last Name Printed	DARLING	October 21, 2019

WHEREAS at the Committee of the Whole Special Meeting on October 15, 2019, Council considered a Memo from the Treasurer/Interim Chief Administrative Officer, regarding an Amendment to the 2006 Promissory Note LUI - Town of Cobourg;

NOW THEREFORE BE IT RESOLVED THAT effective January 1, 2020, the terms of the promissory note in the amount of $7,000,000 be amended as follows:

1. The interest rate be adjusted from 7.25% to 3.72% per annum and this rate remain fixed until each approved Cost of Service (COS) rate application, at which time it will be adjusted to the Ontario Energy Board's (OEB) approved long-term interest rate for affiliate debt.

2. In addition to the required interest payments, annual principal payments may be made at the discretion of the Lakefront Utilities Inc. Board of Directors after retaining sufficient funding to support their infrastructure requirements.

APPENDIX C – INFASTRUCTURE ONTARIO – 3.38%

DEBENTURE

UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS DEBENTURE MUST NOT TRADE THE DEBENTURE BEFORE THE DATE THAT IS 4 MONTHS AND A DAY AFTER THE LATER OF (I) OCTOBER 1, 2012 AND (II) THE DATE THE ISSUER BECAME A REPORTING ISSUER IN ANY PROVINCE OR TERRITORY.

LAKEFRONT UTILITIES INC.

SECURED DEBENTURE DUE OCTOBER 1, 2027

No. 001
Cdn.$1,700,000.00

Lakefront Utilities Inc. (hereinafter referred to in such capacity as the "Borrower"), for value received, hereby acknowledges itself liable and indebted and promises to pay to ONTARIO INFRASTRUCTURE AND LANDS CORPORATION or its registered assigns by October 1, 2027 the principal sum of ONE MILLION SEVEN HUNDRED THOUSAND DOLLARS in lawful money of Canada ($1,700,000.00) by semi-annual payments on the 1st day of April and the 1st day of October in each of the years 2013 to 2027, both inclusive, in the amounts set forth in the attached Schedule A which forms part of this Debenture (the "Payment Schedule") and to pay interest on the said principal sum from time to time outstanding from the date hereof, or from the last interest payment date to which interest shall have been paid or made available for payment on this Debenture, whichever is later, at a rate of interest set forth in the Payment Schedule in arrears on the 1st day of April and the 1st day of October in each of the years 2013 to 2027 (each a "Payment Date") with the first payment due on April 1, 2013. In case an Event of Default (as defined in the financing agreement defined below) shall occur and be continuing, OILC shall assess any losses that it may incur in accordance with the terms of the financing agreement and the attached Schedule B. The applicable rate of interest, the payment of principal and interest and the principal balance outstanding under this Debenture in each year are shown in the Payment Schedule.

This Debenture is one of the Borrower's Secured Debentures originally authorized in the aggregate principal amount of Cdn.$1,700,000.00 pursuant to the financing agreement (the "Financing Agreement") dated as of August 26, 2009 and made between the Borrower and Ontario Infrastructure Projects Corporation (now Ontario Infrastructure and Lands Corporation) (herein called "OILC"). Capitalized terms not defined herein shall have the meanings assigned to them in the Financing Agreement.

For the purposes of disclosure pursuant to the *Interest Act* (Canada), the yearly rate of interest which is equivalent to a rate of interest payable in respect of the principal for any period of less than a year may be determined by multiplying the rate of interest for such period by a fraction, the numerator of which is the actual number of days in a year commencing on and including the first day in such period and ending on but excluding the corresponding day in the next calendar year and the denominator of which is the actual number of days in such period

Reference is hereby expressly made to the Financing Agreement and all instruments supplemental thereto for a statement and description of, among other things, the liability of the Borrower for payment of the Debenture, the terms, conditions, covenants and warranties upon which the Debenture is issued and held, and the rights and remedies of the holder of the Debenture issued thereunder and of the Borrower in respect thereof, all to the same effect as if the provisions of the Financing Agreement were herein set out, to all of which provisions the holder hereof by acceptance hereof assents.

The undersigned authorizes the registered holder of this Debenture to record on the reverse of this Debenture or on any attachment to this Debenture all repayments of principal and interest and the unpaid balance of principal from time to time. The undersigned agrees that in the absence of manifest error the record kept by the registered holder on this Debenture or any attachment shall be conclusive evidence of the matters recorded, provided that the failure of the registered holder to record or correctly record any amount or date shall not affect the obligation of the undersigned to pay the outstanding principal amount and interest.

In case an Event of Default (as defined in the Financing Agreement) shall occur and be continuing, the full unpaid principal amount of this Debenture, together with interest accrued thereon, may become or be declared due before stated maturity by the registered holder of this Debenture in its sole discretion.

This Debenture is also subject to the conditions set forth in the attached Schedule B.

This Debenture shall be construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

The parties hereto have declared that they have required that these presents and all other documents related hereto be in the English language.

Les parties aux présentes ont déclaré qu'elles ont exigé que le présent certificat, de même que tous les documents s'y rapportant, soient rédigés en anglais.

IN WITNESS HEREOF the Borrower has caused this Debenture to be executed and delivered as of the 1st day of October, 2012.

LAKEFRONT UTILITIES INC.

by ______________________________

Name:
Title:

by ______________________________

Name:
Title:

We have the authority to bind the Corporation.

[Affix Corporate Seal]

SCHEDULE A

[PAYMENT SCHEDULE]

Amortizing Debenture Schedule

Organization Name	Lakefront Utilities Inc.
Principal Amount	$1,700,000.00
Annual Interest Rate	3.3800%
Loan Term (Year)	15
Debenture Date (m/d/yyyy)	10/1/2012
Maturity Date (m/d/yyyy)	10/1/2027
Payment Frequency	Semi Annual
Loan Type	Amortizing

Payment Date	Total Payment	Principal Amount	Interest Amount	Principal Balance
4/1/2013	$72,707.82	$43,977.82	$28,730.00	$1,656,022.18
10/1/2013	$72,707.82	$44,721.05	$27,986.77	$1,611,301.13
4/1/2014	$72,707.82	$45,476.83	$27,230.99	$1,565,824.30
10/1/2014	$72,707.82	$46,245.39	$26,462.43	$1,519,578.91
4/1/2015	$72,707.82	$47,026.94	$25,680.88	$1,472,551.97
10/1/2015	$72,707.82	$47,821.69	$24,886.13	$1,424,730.28
4/1/2016	$72,707.82	$48,629.88	$24,077.94	$1,376,100.40
10/3/2016	$72,707.82	$49,451.72	$23,256.10	$1,326,648.68
4/3/2017	$72,707.82	$50,287.46	$22,420.36	$1,276,361.22
10/2/2017	$72,707.82	$51,137.32	$21,570.50	$1,225,223.90
4/2/2018	$72,707.82	$52,001.54	$20,706.28	$1,173,222.36
10/1/2018	$72,707.82	$52,880.36	$19,827.46	$1,120,342.00
4/1/2019	$72,707.82	$53,774.04	$18,933.78	$1,066,567.96
10/1/2019	$72,707.82	$54,682.82	$18,025.00	$1,011,885.14
4/1/2020	$72,707.82	$55,606.96	$17,100.86	$956,278.18
10/1/2020	$72,707.82	$56,546.72	$16,161.10	$899,731.46
4/1/2021	$72,707.82	$57,502.36	$15,205.46	$842,229.10
10/1/2021	$72,707.82	$58,474.15	$14,233.67	$783,754.95
4/1/2022	$72,707.82	$59,462.36	$13,245.46	$724,292.59
10/3/2022	$72,707.82	$60,467.28	$12,240.54	$663,825.31
4/3/2023	$72,707.82	$61,489.17	$11,218.65	$602,336.14

Payment Date	Total Payment	Principal Amount	Interest Amount	Principal Balance
10/2/2023	$72,707.82	$62,528.34	$10,179.48	$539,807.80
4/1/2024	$72,707.82	$63,585.07	$9,122.75	$476,222.73
10/1/2024	$72,707.82	$64,659.66	$8,048.16	$411,563.07
4/1/2025	$72,707.82	$65,752.40	$6,955.42	$345,810.67
10/1/2025	$72,707.82	$66,863.62	$5,844.20	$278,947.05
4/1/2026	$72,707.82	$67,993.61	$4,714.21	$210,953.44
10/1/2026	$72,707.82	$69,142.71	$3,565.11	$141,810.73
4/1/2027	$72,707.82	$70,311.22	$2,396.60	$71,499.51
10/1/2027	$72,707.85	$71,499.51	$1,208.34	$0.00
Total	$2,181,234.63	$1,700,000.00	$481,234.63	

CONDITIONS AND DEFINITIONS

Schedule B to the Secured Debenture dated as of October 1, 2012 issued by the Borrower in favour of Ontario Infrastructure and Lands Corporation

1. Definitions

"**Prime Rate**" means, on any day, the annual rate of interest which is the arithmetic mean of the prime rates announced from time to time by the five major Canadian Schedule I banks, as of the issue date of this Debenture, Royal Bank of Canada, Canadian Imperial Bank of Commerce, The Bank of Nova Scotia, Bank of Montreal and The Toronto-Dominion Bank (the "Reference Banks") as their reference rates in effect on such day for Canadian dollar commercial loans made in Canada. If fewer than five of the Reference Banks quote a prime rate on such days, the "Prime Rate" shall be the arithmetic mean of the rates quoted by the remaining Reference Banks.

2. Form and Registration of the Debenture

(a) The Debenture is a direct and secured obligation of the Borrower and shall have priority over all unsecured senior debt obligations of the Borrower.

(b) The Borrower shall maintain at its designated office a register in respect of the Debenture in which shall be recorded the names and addresses of the registered holders and in which particulars of the cancellation, exchanges, substitutions and transfers of the Debenture, may be recorded and the Borrower is authorized to use electronic, magnetic or other media for records of or related to the Debenture or for copies of them.

3. Title

The Borrower shall not be bound to see to the execution of any trust affecting the ownership of this Debenture or be affected by notice of any equity that may be subsisting in respect thereof. The Borrower shall deem and treat the registered holder of this Debenture as the absolute owner thereof for all purposes whatsoever notwithstanding any notice to the contrary and all payments to or to the order of the registered holder shall be valid and effectual to discharge the liability of the Borrower on the Debenture to the extent of the sum or sums so paid. Where a Debenture is registered in more than one name, the principal of and interest from time to time payable on such Debenture shall be paid to or to the order of all the joint registered holders thereof, failing written instructions to the contrary from all such joint registered holders, and such payment shall constitute a valid discharge to the Borrower. In the case of the death of one or more joint registered holders, despite the foregoing provisions of this section, the principal of and interest on the Debenture registered in their names may be paid to the survivor or survivors of such holders and such payment shall constitute a valid discharge to the Borrower.

4. Payments of Principal and Interest

(a) The record date for purposes of payment of principal of and interest on the Debenture is as of 5:00 p.m. on the sixteenth calendar day preceding any Payment Date including a maturity date. Principal of and interest on the Debenture are payable by the Borrower to the persons registered as holders in the register on the relevant record date. The

Borrower shall not be required to register any transfer, exchange or substitution of the Debenture during the period from any record date to the corresponding Payment Date.

(b) The Borrower shall make all payments in respect of semi-annual combined principal and interest on the Debenture on each Payment Date commencing on April 1, 2013 (other than in respect of the final payment of principal and outstanding interest which the Borrower shall pay on the final maturity date upon presentation and surrender of this Debenture) in lawful money of Canada by pre-authorized debit in respect of such interest and principal to the credit of the registered holder on such terms as to which the registered holder and the Borrower may agree.

(c) The Borrower shall pay to the registered holder interest on any overdue amount of principal or interest in respect of any Debenture, both before and after default and judgment, at a rate per annum equal to the greater of the rate specified on the Payment Schedule for such amount plus 200 basis points or Prime Rate plus 200 basis points, calculated on a daily basis from the date such amount becomes overdue for so long as such amount remains overdue and the Borrower shall pay to the registered holder any and all costs incurred by the registered holder as a result of the overdue payment.

(d) Whenever it is necessary to compute any amount of interest in respect of the Debenture for a period of less than one full year, other than with respect to regular semi-annual interest payments, such interest shall be calculated on the basis of the actual number of days in the period and a year of 365 days.

(e) Delivery of payments in respect of principal of and interest on the Debenture as provided on the Payment Schedule shall be made only on a day on which banking institutions in Toronto, Ontario, are not authorized or obligated by law or executive order to be closed (a "Toronto Business Day"), and if any date for delivery of payment is not a Toronto Business Day, payment as specified on the Payment Schedule shall be made on the next following Toronto Business Day.

(f) The Debenture is transferable or exchangeable at the office of the **Treasurer** of the Borrower upon presentation for such purpose accompanied by an instrument of transfer or exchange in a form approved by the Borrower and which form is in accordance with the prevailing Canadian transfer legislation and practices, executed by the registered holder thereof or such holder's duly authorized attorney or legal personal representative, whereupon and upon registration of such transfer or exchange and cancellation of the Debentures presented, new Debentures of an equal aggregate principal amount in any authorized denomination or denominations will be delivered as directed by the transferee, in the case of a transfer or as directed by the registered holder in the case of an exchange.

(g) The Borrower shall issue and deliver a new Debenture in exchange or substitution for the Debenture outstanding on the register with the same maturity and of like form which has become lost, stolen, mutilated, defaced or destroyed, provided that the applicant therefor shall have: (i) paid such costs as may have been incurred in connection therewith; (ii) (in the case of a lost, stolen or destroyed Debenture) furnished the Borrower with such evidence (including evidence as to the certificate number of the Debenture in question) and indemnity in respect thereof satisfactory to the Borrower in its discretion; and (iii) surrendered to the Borrower any mutilated or defaced Debenture in respect of which the new Debenture is to be issued in substitution.

(h) The Debenture(s) issued upon any registration of transfer or exchange or in substitution for the Debenture(s) or part thereof shall carry all the rights to interest if any, accrued and unpaid which were carried by such Debenture(s) or part thereof and shall be so dated and shall bear the same maturity date and shall be subject to the same terms and conditions as the Debenture(s) in respect of which the transfer, exchange or substitution is effected.

(i) The cost of all transfers and exchanges, including the printing of authorized denominations of the new Debenture(s), shall be borne by the Borrower. When the Debenture is surrendered for transfer or exchange the **Treasurer** of the Borrower shall: (i) in the case of an exchange, cancel and destroy the Debenture surrendered for exchange; (ii) in the case of an exchange, certify the cancellation and destruction in the register; and (iii) enter in the register particulars of the new Debentures issued in exchange.

(j) Reasonable fees for the substitution of a new Debentures for the Debenture that is lost, stolen, mutilated, defaced or destroyed may be imposed by the Borrower. Where new Debentures are issued in substitution in these circumstances the Borrower shall: (i) treat as cancelled and destroyed the Debentures in respect of which new Debentures will be issued in substitution; (ii) certify the deemed cancellation and destruction in the register; (iii) enter in the register particulars of the new Debentures issued in substitution; and (iv) make a notation of any indemnities provided.

5. Notices

Except as otherwise expressly provided herein, any notice required to be given to a registered holder of the Debenture will be sufficiently given if a copy of such notice is mailed or otherwise delivered to the registered address of such registered holder. If the Borrower or any registered holder is required to give any notice in connection with the Debenture on or before any day and that day is not a Toronto Business Day then such notice may be given on the next following Toronto Business Day.

6. Time

Unless otherwise expressly provided herein, any reference herein to a time shall be considered to be a reference to Toronto time.

7. Assignment and Benefit of Debenture

The Borrower may not assign its rights or transfer its obligations under this Debenture without the prior written consent of the registered holder of the Debenture. The registered holder of this Debenture may assign or transfer its rights under this Debenture without the prior written consent of the Borrower by giving thirty (30) days notice of such assignment or transfer to the Borrower. This Debenture enures to the benefit of and binds the Borrower and the registered holder of the Debenture and their respective successors and permitted assigns.

8. Amendment

Any amendment to this Debenture shall be in writing signed by each of the Borrower and the registered holder of the Debenture except that any waiver of any provision of this Debenture or consent to any departure by the Borrower herefrom, shall be effective if the same is in writing and signed by the registered holder of the Debenture.

9. No Waiver

No failure on the part of the registered holder to exercise, and no delay in exercising, any right under the Debenture shall operate as a waiver thereof; nor shall any single or partial exercise of any right under the Debenture preclude any other or further exercise thereof or the exercise of any other right. The remedies herein provided are cumulative and not exclusive of any remedies provided by law.

10. Waiver of Protest

The Borrower waives diligence, demand, presentment, protest and notice of any kind and agrees that it will not be necessary for the registered holder to first initiate suit in order to enforce payment of this Debenture pursuant to the terms and conditions of this Debenture.

11. Termination of Financing Agreement

If OILC elects to terminate its obligations under the financing agreement entered into between the parties, OILC, at its discretion, shall assess any losses that it may incur as a result of the termination as follows: if on the date of termination the outstanding principal balance on the Debenture is less than the net present value of the Debenture, the Borrower shall pay the difference between these two amounts to OILC.

APPENDIX D – INFASTRUCTURE ONTARIO – 4.03%

DEBENTURE

UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS DEBENTURE MUST NOT TRADE THE DEBENTURE BEFORE THE DATE THAT IS 4 MONTHS AND A DAY AFTER THE LATER OF (I) SEPTEMBER 3, 2013, AND (II) THE DATE THE ISSUER BECAME A REPORTING ISSUER IN ANY PROVINCE OR TERRITORY.

LAKEFRONT UTILITIES INC.

SECURED DEBENTURE DUE SEPTEMBER 5, 2028

No. 001

Cdn.$1,847,658.00

LAKEFRONT UTILITIES INC. (hereinafter referred to in such capacity as the "Borrower"), for value received, hereby acknowledges itself liable and indebted and promises to pay to ONTARIO INFRASTRUCTURE AND LANDS CORPORATION or its registered assigns by September 5, 2028 the principal sum of ONE MILLION EIGHT HUNDRED FORTY-SEVEN THOUSAND SIX HUNDRED FIFTY-EIGHT DOLLARS ($1,847,658.00) in lawful money of Canada by semi-annual payments on the 3rd day of March and the 3rd day of September in each of the years 2014 to 2028, both inclusive, in the amounts set forth in the attached Schedule A which forms part of this Debenture (the "Payment Schedule") and to pay interest on the said principal sum from time to time outstanding from the date hereof, or from the last interest payment date to which interest shall have been paid or made available for payment on this Debenture, whichever is later, at a rate of interest set forth in the Payment Schedule in arrears on the 3rd day of March and the 3rd day of September in each of the years 2014 to 2028 (each a "Payment Date") with the first payment due on March 3, 2014. Upon default interest shall be paid at the rate specified in the attached Schedule B which forms part of this Debenture. The applicable rate of interest, the payment of principal and interest and the principal balance outstanding under this Debenture in each year are shown in the Payment Schedule.

This Debenture is one of the Borrower's Secured Debentures originally authorized in the aggregate principal amount of Cdn $3,800,000.00 pursuant to the Financing Agreement dated as of August 26, 2009 and made between the Borrower and Ontario Infrastructure Projects Corporation (now Ontario Infrastructure and Lands Corporation) (herein called "OILC"). Capitalized terms not defined herein shall have the meanings assigned to them in the Financing Agreement.

For the purposes of disclosure pursuant to the *Interest Act* (Canada), the yearly rate of interest which is equivalent to a rate of interest payable in respect of the principal for any period of less than a year may be determined by multiplying the rate of interest for such period by a fraction, the numerator of which is the actual number of days in a year commencing on and including the first day in such period and ending on but excluding the corresponding day in the next calendar year and the denominator of which is the actual number of days in such period

Reference is hereby expressly made to the Financing Agreement and all instruments supplemental thereto for a statement and description of, among other things, the liability of the Borrower for payment of the Debenture, the terms, conditions, covenants and warranties upon which the Debenture is issued and held, and the rights and remedies of the holder of the Debenture issued thereunder and of the Borrower in respect thereof, all to the same effect as if the provisions of the Financing Agreement were herein set out, to all of which provisions the holder hereof by acceptance hereof assents.

The undersigned authorizes the registered holder of this Debenture to record on the reverse of this Debenture or on any attachment to this Debenture all repayments of principal and interest and the unpaid balance of principal from time to time. The undersigned agrees that in the absence of manifest error the record kept by the registered holder on this Debenture or any attachment shall be conclusive evidence of the matters recorded, provided that the failure of the registered holder to record or correctly record any amount or date shall not affect the obligation of the undersigned to pay the outstanding principal amount and interest.

In case an Event of Default (as defined in the Financing Agreement) shall occur and be continuing, the full unpaid principal amount of this Debenture, together with interest accrued thereon, may become or be declared due before stated maturity by the registered holder of this Debenture in its sole discretion.

This Debenture is also subject to the conditions set forth in the attached Schedule B.

This Debenture shall be construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

The parties hereto have declared that they have required that these presents and all other documents related hereto be in the English language.

Les parties aux présentes ont déclaré qu'elles ont exigé que le présent certificat, de même que tous les documents s'y rapportant, soient rédigés en anglais.

IN WITNESS HEREOF the Borrower has caused this Debenture to be executed and delivered as of the 3rd day of September, 2013.

LAKEFRONT UTILITIES INC.

By:

Name: Dereck Paul
Title: President & CEO

By:

Name: Gil Brocanier
Title: Director

ONTARIO INFRASTRUCTURE AND LANDS CORPORATION

By: Dale Lawr

Name: Dale Lawr
Title: Chief Administrative Officer

By: George Sh

Name: George Skariah
Title: Vice-President, Risk Management and Internal Audit

SCHEDULE A

Ontario
Infrastructure Ontario

Amortizing Debenture Schedule

Organization Name	Lakefront Utilities Inc.
Principal Amount	$1,847,658.00
Annual Interest Rate	4.0300%
Loan Term (Year)	15
Debenture Date (m/d/yyyy)	9/3/2013
Maturity Date (m/d/yyyy)	9/5/2028
Payment Frequency	Semi Annual
Loan Type	Amortizing

Payment Date	Total Payment	Principal Amount	Interest Amount	Principal Balance
3/3/2014	$82,668.04	$45,437.73	$37,230.31	$1,802,220.27
9/3/2014	$82,668.04	$46,353.30	$36,314.74	$1,755,866.97
3/3/2015	$82,668.04	$47,287.32	$35,380.72	$1,708,579.65
9/3/2015	$82,668.04	$48,240.16	$34,427.88	$1,660,339.49
3/3/2016	$82,668.04	$49,212.20	$33,455.84	$1,611,127.29
9/6/2016	$82,668.04	$50,203.83	$32,464.21	$1,560,923.46
3/3/2017	$82,668.04	$51,215.43	$31,452.61	$1,509,708.03
9/5/2017	$82,668.04	$52,247.42	$30,420.62	$1,457,460.61
3/5/2018	$82,668.04	$53,300.21	$29,367.83	$1,404,160.40
9/4/2018	$82,668.04	$54,374.21	$28,293.83	$1,349,786.19
3/4/2019	$82,668.04	$55,469.85	$27,198.19	$1,294,316.34
9/3/2019	$82,668.04	$56,587.57	$26,080.47	$1,237,728.77
3/3/2020	$82,668.04	$57,727.81	$24,940.23	$1,180,000.96
9/3/2020	$82,668.04	$58,891.02	$23,777.02	$1,121,109.94
3/3/2021	$82,668.04	$60,077.67	$22,590.37	$1,061,032.27
9/3/2021	$82,668.04	$61,288.24	$21,379.80	$999,744.03
3/3/2022	$82,668.04	$62,523.20	$20,144.84	$937,220.83
9/6/2022	$82,668.04	$63,783.04	$18,885.00	$873,437.79
3/3/2023	$82,668.04	$65,068.27	$17,599.77	$808,369.52
9/5/2023	$82,668.04	$66,379.39	$16,288.65	$741,990.13
3/4/2024	$82,668.04	$67,716.94	$14,951.10	$674,273.19

Payment Date	Total Payment	Principal Amount	Interest Amount	Principal Balance
9/3/2024	$82,668.04	$69,081.44	$13,586.60	$605,191.75
3/3/2025	$82,668.04	$70,473.43	$12,194.61	$534,718.32
9/3/2025	$82,668.04	$71,893.47	$10,774.57	$462,824.85
3/3/2026	$82,668.04	$73,342.12	$9,325.92	$389,482.73
9/3/2026	$82,668.04	$74,819.96	$7,848.08	$314,662.77
3/3/2027	$82,668.04	$76,327.59	$6,340.45	$238,335.18
9/3/2027	$82,668.04	$77,865.59	$4,802.45	$160,469.59
3/3/2028	$82,668.04	$79,434.58	$3,233.46	$81,035.01
9/5/2028	$82,667.87	$81,035.01	$1,632.86	$0.00
Total	**$2,480,041.03**	**$1,847,658.00**	**$632,383.03**	

CONDITIONS AND DEFINITIONS

Schedule B to the Secured Debenture dated as of September 3, 2013 issued by the Borrower in favour of Ontario Infrastructure and Lands Corporation

1. Definitions

"**Prime Rate**" means, on any day, the annual rate of interest which is the arithmetic mean of the prime rates announced from time to time by the five major Canadian Schedule I banks, as of the issue date of this Debenture, Royal Bank of Canada, Canadian Imperial Bank of Commerce, The Bank of Nova Scotia, Bank of Montreal and The Toronto-Dominion Bank (the "Reference Banks") as their reference rates in effect on such day for Canadian dollar commercial loans made in Canada. If fewer than five of the Reference Banks quote a prime rate on such days, the "Prime Rate" shall be the arithmetic mean of the rates quoted by the remaining Reference Banks.

2. Form and Registration of the Debenture

(a) The Debenture is a direct and secured obligation of the Borrower and shall have priority over all unsecured senior debt obligations of the Borrower.

(b) The Borrower shall maintain at its designated office a register in respect of the Debenture in which shall be recorded the names and addresses of the registered holders and in which particulars of the cancellation, exchanges, substitutions and transfers of the Debenture, may be recorded and the Borrower is authorized to use electronic, magnetic or other media for records of or related to the Debenture or for copies of them.

3. Title

The Borrower shall not be bound to see to the execution of any trust affecting the ownership of this Debenture or be affected by notice of any equity that may be subsisting in respect thereof. The Borrower shall deem and treat the registered holder of this Debenture as the absolute owner thereof for all purposes whatsoever notwithstanding any notice to the contrary and all payments to or to the order of the registered holder shall be valid and effectual to discharge the liability of the Borrower on the Debenture to the extent of the sum or sums so paid. Where a Debenture is registered in more than one name, the principal of and interest from time to time payable on such Debenture shall be paid to or to the order of all the joint registered holders thereof, failing written instructions to the contrary from all such joint registered holders, and such payment shall constitute a valid discharge to the Borrower. In the case of the death of one or more joint registered holders, despite the foregoing provisions of this section, the principal of and interest on the Debenture registered in their names may be paid to the survivor or survivors of such holders and such payment shall constitute a valid discharge to the Borrower.

4. Payments of Principal and Interest

(a) The record date for purposes of payment of principal of and interest on the Debenture is as of 5:00 p.m. on the sixteenth calendar day preceding any Payment Date including a maturity date. Principal of and interest on the Debenture are payable by the Borrower to the persons registered as holders in the register on the relevant record date. The Borrower shall not be required to register any transfer, exchange or substitution of the Debenture during the period from any record date to the corresponding Payment Date.

(b) The Borrower shall make all payments in respect of semi-annual combined principal and interest on the Debenture on each Payment Date commencing on March 3, 2014 (other than in respect of the final payment of principal and outstanding interest which the Borrower shall pay on the final maturity date upon presentation and surrender of this Debenture) in lawful money of Canada by pre-authorized debit in respect of such interest and principal to the credit of the registered holder on such terms as to which the registered holder and the Borrower may agree.

(c) Whenever it is necessary to compute any amount of interest in respect of the Debenture for a period of less than one full year, other than with respect to regular monthly interest payments, such interest shall be calculated on the basis of the actual number of days in the period and a year of 365 or 366 days, as applicable.

(d) Delivery of payments in respect of principal of and interest on the Debenture as provided on the Payment Schedule shall be made only on a day on which banking institutions in Toronto, Ontario, are not authorized or obligated by law or executive order to be closed (a "Toronto Business Day"), and if any date for delivery of payment is not a Toronto Business Day, payment as specified on the Payment Schedule shall be made on the next following Toronto Business Day.

(e) The Debenture is transferable or exchangeable at the office of the Treasurer of the Borrower upon presentation for such purpose accompanied by an instrument of transfer or exchange in a form approved by the Borrower and which form is in accordance with the prevailing Canadian transfer legislation and practices, executed by the registered holder thereof or such holder's duly authorized attorney or legal personal representative, whereupon and upon registration of such transfer or exchange and cancellation of the Debenture, a new Debenture will be delivered as directed by the transferee, in the case of a transfer or as directed by the registered holder in the case of an exchange.

(f) The Borrower shall issue and deliver a new Debenture in exchange or substitution for the Debenture outstanding on the register with the same maturity and of like form which has become lost, stolen, mutilated, defaced or destroyed, provided that the applicant therefor shall have: (i) paid such costs as may have been incurred in connection therewith; (ii) (in the case of a lost, stolen or destroyed Debenture) furnished the Borrower with such evidence (including evidence as to the certificate number of the Debenture in question) and indemnity in respect thereof satisfactory to the Borrower in its discretion; and (iii) surrendered to the Borrower any mutilated or defaced Debenture in respect of which the new Debenture is to be issued in substitution.

(g) The Debenture(s) issued upon any registration of transfer or exchange or in substitution for the Debenture(s) or part thereof shall carry all the rights to interest if any, accrued and unpaid which were carried by such Debenture(s) or part thereof and shall be so dated and shall bear the same maturity date and shall be subject to the same terms and conditions as the Debenture(s) in respect of which the transfer, exchange or substitution is effected.

(h) The cost of all transfers and exchanges, including the printing of authorized denominations of the new Debenture(s), shall be borne by the Borrower. When the Debenture is surrendered for transfer or exchange the Treasurer of the Borrower shall: (i) in the case of an exchange, cancel and destroy the Debenture surrendered for exchange; (ii) in the case of an exchange, certify the cancellation and destruction in the register; and (iii) enter in the register particulars of the new Debenture issued in exchange.

(i) Reasonable fees for the substitution of a new Debenture for the Debenture that is lost, stolen, mutilated, defaced or destroyed may be imposed by the Borrower. Where new Debentures are issued in substitution in these circumstances the Borrower shall: (i) treat as cancelled and destroyed the Debentures in respect of which new Debentures will be issued in substitution; (ii) certify the deemed cancellation and destruction in the register; (iii) enter in the register particulars of the new Debentures issued in substitution; and (iv) make a notation of any indemnities provided.

5. Notices

Except as otherwise expressly provided herein, any notice required to be given to a registered holder of the Debenture will be sufficiently given if a copy of such notice is mailed or otherwise delivered to the registered address of such registered holder. If the Borrower or any registered holder is required to give any notice in connection with the Debenture on or before any day and that day is not a Toronto Business Day then such notice may be given on the next following Toronto Business Day.

6. Time

Unless otherwise expressly provided herein, any reference herein to a time shall be considered to be a reference to Toronto time.

7. Assignment and Benefit of Debenture

The Borrower may not assign its rights or transfer its obligations under this Debenture without the prior written consent of the registered holder of the Debenture. The registered holder of this Debenture may assign or transfer its rights under this Debenture without the prior written consent of the Borrower by giving thirty (30) days notice of such assignment or transfer to the Borrower. This Debenture enures to the benefit of and binds the Borrower and the registered holder of the Debenture and their respective successors and permitted assigns.

8. Amendment

Any amendment to this Debenture shall be in writing signed by each of the Borrower and the registered holder of the Debenture except that any waiver of any provision of this Debenture or consent to any departure by the Borrower herefrom, shall be effective if the same is in writing and signed by the registered holder of the Debenture.

9. No Waiver

No failure on the part of the registered holder to exercise, and no delay in exercising, any right under the Debenture shall operate as a waiver thereof; nor shall any single or partial exercise of any right under the Debenture preclude any other or further exercise thereof or the exercise of any other right. The remedies herein provided are cumulative and not exclusive of any remedies provided by law.

10. Waiver of Protest

The Borrower waives diligence, demand, presentment, protest and notice of any kind and agrees that it will not be necessary for the registered holder to first initiate suit in order to enforce payment of this Debenture pursuant to the terms and conditions of this Debenture.

11. Termination of Financing Agreement

If OILC elects to terminate its obligations under the Financing Agreement entered into between the parties, OILC, at its discretion, shall assess any losses that it may incur as a result of the termination as follows: if on the date of termination the outstanding principal balance on the Debenture is less than the net present value of the Debenture, the Borrower shall pay the difference between these two amounts to OILC.

APPENDIX E – INFASTRUCTURE ONTARIO – 3.90%

Infrastructure Ontario

777 Bay Street, 9th Floor
Toronto, Ontario M5G 2C8
Tel.: 416 212-7289
Fax: (416) 263-5900

Infrastructure Ontario

777, rue Bay, 9e étage
Toronto, Ontario M5G 2C8
Tél. : 416 212-7289
Téléc. : (416) 263-5900

Ontario
Infrastructure Ontario

November 26, 2018

VIA EMAIL

LAKEFRONT UTILITIES INC.

Dear Dereck Paul:

Re: Infrastructure Ontario Promissory Note Terms

Further to the Long Term Officer's Certificate and Schedule A received by our office, please find attached a Promissory Note outlining the term, interest rate and amount of the aforementioned Promissory Note as well as a Repayment Schedule as noted on Schedule A. As indicated in the attached documents, the Promissory Note will carry an interest rate of 3.90%, principal amount of $1,170,332.35, over a 30 year amortizing term, and a closing date of December 3, 2018.

Please sign and affix your corporate seal to the attached OILC Promissory Note, and email to Jennifer Tang, Manager of Loan Administration, at jennifer.tang@infrastructureontario.ca.

The original signed and sealed Promissory Note must be received by OILC on or before November 28, 2018.

The Borrower acknowledges and confirms that it will not change any of the final terms of the Term Loan, including a change of the date of the Term Loan Advance and that any such changes may result in costs incurred to the Borrower's account as a result of any losses incurred by the Lender, which costs may be withdrawn by the Lender from the Borrower's account in accordance with the Pre-Authorized Debit procedure established under the Financing Agreement.

OILC will review all original term loan documents and, provided that all documentation is in order, OILC will process the long term financing on December 3, 2018. OILC must also receive any final documentation outstanding prior to 10 a.m. on the closing day. Should any documentation fail to be delivered, OILC will rely on the remedies for default and termination in the Financing Agreement.

It is our pleasure to work with you on this infrastructure loan program. If you have any questions or concerns, please do not hesitate to contact Jennifer Tang at 416-314-5363.

Sincerely,

Ron Harmon
Director, Credit Risk
Ontario Infrastructure and Lands Corporation

PROMISSORY NOTE

$1,170,332.35 **December 3, 2018**

For value received, **LAKEFRONT UTILITIES INC.** (the "**Borrower**") hereby acknowledges itself indebted to **ONTARIO INFRASTRUCTURE AND LANDS CORPORATION** (the "**Holder**") and promises to pay to, or to the order of, the Holder in accordance with the terms set out in the Financing Agreement dated October 17, 2018 between the Borrower and the Holder, as the same may be amended, restated, modified, or replaced from time to time (the "**Financing Agreement**"), the principal amount of $1,170,332.35 on the dates and in the amounts set forth on the attached as Schedule A in lawful money of Canada together with interest thereon as hereinafter provided.

Interest shall be payable on the principal amount of this Promissory Note outstanding from time to time (including any overdue interest), both before and after maturity, default and judgment until paid, at a rate per annum equal to the rate set forth on Schedule A. Interest shall accrue daily and compound monthly in arrears. For the purposes of this Promissory Note, whenever any interest is calculated on the basis of a period of time other than a calendar year, the annual rate of interest to which each rate of interest determined pursuant to such calculation is equivalent for the purposes of the Interest Act (Canada) is such rate as so determined multiplied by the actual number of days in the calendar year in which the same is to be ascertained and divided by the number of days used in the basis of such determination. The rates of interest under this Promissory Note are nominal rates, and not effective rates or yields. The principle of deemed reinvestment of interest does not apply to any interest calculation under this Promissory Note.

The Borrower hereby appoints Holder as its duly authorized agent to record on the schedule attached hereto or in another manner as agreed to between the parties under the Financing Agreement all payments made by the Borrower on account of the amounts outstanding under this Promissory Note, and to adjust the balance of amounts owing under this Promissory Note by the Borrower to Holder from time to time to reflect amounts owing under the Financing Agreement.

The amounts outstanding from time to time under this Promissory Note as evidenced on the schedule attached hereto as Schedule A shall, in the absence of manifest error, be conclusive and binding on the Borrower; provided that notwithstanding the state of the schedule attached hereto, the failure of Holder to record any amounts owing hereunder on the schedule attached hereto shall not affect the obligation of the Borrower to pay to Holder the amounts due and payable by the Borrower.

Reference is hereby expressly made to the Financing Agreement and all instruments supplemental thereto for a statement and description of, among other things, the terms and conditions which govern the amounts outstanding under this Promissory Note, and the rights and remedies of the Holder and of the Borrower in respect thereof, all to the same effect as if all of the provisions of the Financing Agreement were herein set out.

All principal and interest payable on this Promissory Note shall be payable by pre-authorized debit in accordance with the terms of the Financing Agreement at the office of the

Holder located at 1 Dundas Street, 20th Floor, Suite 2000, Toronto, Ontario, M5G 2L5 or as may be otherwise directed in writing by the Holder.

The Borrower shall not have any right to pre-pay the whole or any part of the principal amount and interest payable on this Promissory Note without the Holder's written consent in its sole discretion.

The unpaid principal amount of this Promissory Note, together with all accrued and unpaid interest thereon, shall be payable in the amounts and on the dates set out in the attached Schedule A to this Promissory Note with the balance payable in full on **December 3, 2048**, subject to acceleration in accordance with the terms of the Financing Agreement.

This Promissory Note is issued pursuant to and is subject to the laws of the Province of Ontario and shall be construed, performed and enforced in accordance therewith.

The Borrower hereby waives presentment for payment, notice of non-payment, protest and notice of protest and waives any defences based upon any and all indulgences and forbearances which may be granted by the Holder to the Borrower at any time.

Notwithstanding Sections 4 and 15 of the *Limitations Act, 2002*, a claim may be brought on this Promissory Note at any time within five years from the date on which demand for payment of the principal amount hereof is made in accordance with the provisions hereof.

DATED: December 3, 2018

LAKEFRONT UTILITIES INC.

By

Name: Dereck Paul
Title: President and CEO

Name: Adam Giddings
Title: Manager of Regulator Compliance and Finance

Schedule A – Amortization Schedule

LOAN AMORTIZATION SCHEDULE

Name.....: Lakefront Utilities Inc.
Principal: $1,170,332.35
Rate.....: 3.900%
Term.....: 360 months
Paid.....: Monthly
Matures..: 12/03/2048

Pay #	Date	Amount Due	Principal Due	Interest Due	Rem. Principal
1	01/03/2019	5,520.09	1,716.51	3,803.58	1,168,615.84
2	02/03/2019	5,520.09	1,722.09	3,798.00	1,166,893.75
3	03/03/2019	5,520.09	1,727.69	3,792.40	1,165,166.06
4	04/03/2019	5,520.09	1,733.30	3,786.79	1,163,432.76
5	05/03/2019	5,520.09	1,738.93	3,781.16	1,161,693.83
6	06/03/2019	5,520.09	1,744.59	3,775.50	1,159,949.24
7	07/03/2019	5,520.09	1,750.25	3,769.84	1,158,198.99
8	08/03/2019	5,520.09	1,755.94	3,764.15	1,156,443.05
9	09/03/2019	5,520.09	1,761.65	3,758.44	1,154,681.40
10	10/03/2019	5,520.09	1,767.38	3,752.71	1,152,914.02
11	11/03/2019	5,520.09	1,773.12	3,746.97	1,151,140.90
12	12/03/2019	5,520.09	1,778.88	3,741.21	1,149,362.02
13	01/03/2020	5,520.09	1,784.66	3,735.43	1,147,577.36
14	02/03/2020	5,520.09	1,790.46	3,729.63	1,145,786.90
15	03/03/2020	5,520.09	1,796.28	3,723.81	1,143,990.62
16	04/03/2020	5,520.09	1,802.12	3,717.97	1,142,188.50
17	05/03/2020	5,520.09	1,807.98	3,712.11	1,140,380.52
18	06/03/2020	5,520.09	1,813.85	3,706.24	1,138,566.67
19	07/03/2020	5,520.09	1,819.75	3,700.34	1,136,746.92
20	08/03/2020	5,520.09	1,825.66	3,694.43	1,134,921.26
21	09/03/2020	5,520.09	1,831.60	3,688.49	1,133,089.66
22	10/03/2020	5,520.09	1,837.55	3,682.54	1,131,252.11
23	11/03/2020	5,520.09	1,843.52	3,676.57	1,129,408.59
24	12/03/2020	5,520.09	1,849.51	3,670.58	1,127,559.08
25	01/03/2021	5,520.09	1,855.52	3,664.57	1,125,703.56
26	02/03/2021	5,520.09	1,861.55	3,658.54	1,123,842.01
27	03/03/2021	5,520.09	1,867.60	3,652.49	1,121,974.41
28	04/03/2021	5,520.09	1,873.67	3,646.42	1,120,100.74
29	05/03/2021	5,520.09	1,879.76	3,640.33	1,118,220.98
30	06/03/2021	5,520.09	1,885.87	3,634.22	1,116,335.11
31	07/03/2021	5,520.09	1,892.00	3,628.09	1,114,443.11
32	08/03/2021	5,520.09	1,898.15	3,621.94	1,112,544.96
33	09/03/2021	5,520.09	1,904.32	3,615.77	1,110,640.64

34 10/03/2021	5,520.09	1,910.51	3,609.58	1,108,730.13
35 11/03/2021	5,520.09	1,916.72	3,603.37	1,106,813.41
36 12/03/2021	5,520.09	1,922.95	3,597.14	1,104,890.46
37 01/03/2022	5,520.09	1,929.20	3,590.89	1,102,961.26
38 02/03/2022	5,520.09	1,935.47	3,584.62	1,101,025.79
39 03/03/2022	5,520.09	1,941.76	3,578.33	1,099,084.03
40 04/03/2022	5,520.09	1,948.07	3,572.02	1,097,135.96
41 05/03/2022	5,520.09	1,954.40	3,565.69	1,095,181.56
42 06/03/2022	5,520.09	1,960.75	3,559.34	1,093,220.81
43 07/03/2022	5,520.09	1,967.12	3,552.97	1,091,253.69
44 08/03/2022	5,520.09	1,973.52	3,546.57	1,089,280.17
45 09/03/2022	5,520.09	1,979.93	3,540.16	1,087,300.24
46 10/03/2022	5,520.09	1,986.36	3,533.73	1,085,313.88
47 11/03/2022	5,520.09	1,992.82	3,527.27	1,083,321.06
48 12/03/2022	5,520.09	1,999.30	3,520.79	1,081,321.76
49 01/03/2023	5,520.09	2,005.79	3,514.30	1,079,315.97
50 02/03/2023	5,520.09	2,012.31	3,507.78	1,077,303.66
51 03/03/2023	5,520.09	2,018.85	3,501.24	1,075,284.81
52 04/03/2023	5,520.09	2,025.41	3,494.68	1,073,259.40
53 05/03/2023	5,520.09	2,032.00	3,488.09	1,071,227.40
54 06/03/2023	5,520.09	2,038.60	3,481.49	1,069,188.80
55 07/03/2023	5,520.09	2,045.23	3,474.86	1,067,143.57
56 08/03/2023	5,520.09	2,051.87	3,468.22	1,065,091.70
57 09/03/2023	5,520.09	2,058.54	3,461.55	1,063,033.16
58 10/03/2023	5,520.09	2,065.23	3,454.86	1,060,967.93
59 11/03/2023	5,520.09	2,071.94	3,448.15	1,058,895.99
60 12/03/2023	5,520.09	2,078.68	3,441.41	1,056,817.31
61 01/03/2024	5,520.09	2,085.43	3,434.66	1,054,731.88
62 02/03/2024	5,520.09	2,092.21	3,427.88	1,052,639.67
63 03/03/2024	5,520.09	2,099.01	3,421.08	1,050,540.66
64 04/03/2024	5,520.09	2,105.83	3,414.26	1,048,434.83
65 05/03/2024	5,520.09	2,112.68	3,407.41	1,046,322.15
66 06/03/2024	5,520.09	2,119.54	3,400.55	1,044,202.61
67 07/03/2024	5,520.09	2,126.43	3,393.66	1,042,076.18
68 08/03/2024	5,520.09	2,133.34	3,386.75	1,039,942.84
69 09/03/2024	5,520.09	2,140.28	3,379.81	1,037,802.56
70 10/03/2024	5,520.09	2,147.23	3,372.86	1,035,655.33
71 11/03/2024	5,520.09	2,154.21	3,365.88	1,033,501.12
72 12/03/2024	5,520.09	2,161.21	3,358.88	1,031,339.91
73 01/03/2025	5,520.09	2,168.24	3,351.85	1,029,171.67
74 02/03/2025	5,520.09	2,175.28	3,344.81	1,026,996.39
75 03/03/2025	5,520.09	2,182.35	3,337.74	1,024,814.04
76 04/03/2025	5,520.09	2,189.44	3,330.65	1,022,624.60
77 05/03/2025	5,520.09	2,196.56	3,323.53	1,020,428.04
78 06/03/2025	5,520.09	2,203.70	3,316.39	1,018,224.34
79 07/03/2025	5,520.09	2,210.86	3,309.23	1,016,013.48
80 08/03/2025	5,520.09	2,218.05	3,302.04	1,013,795.43
81 09/03/2025	5,520.09	2,225.25	3,294.84	1,011,570.18

82	10/03/2025	5,520.09	2,232.49	3,287.60	1,009,337.69
83	11/03/2025	5,520.09	2,239.74	3,280.35	1,007,097.95
84	12/03/2025	5,520.09	2,247.02	3,273.07	1,004,850.93
85	01/03/2026	5,520.09	2,254.32	3,265.77	1,002,596.61
86	02/03/2026	5,520.09	2,261.65	3,258.44	1,000,334.96
87	03/03/2026	5,520.09	2,269.00	3,251.09	998,065.96
88	04/03/2026	5,520.09	2,276.38	3,243.71	995,789.58
89	05/03/2026	5,520.09	2,283.77	3,236.32	993,505.81
90	06/03/2026	5,520.09	2,291.20	3,228.89	991,214.61
91	07/03/2026	5,520.09	2,298.64	3,221.45	988,915.97
92	08/03/2026	5,520.09	2,306.11	3,213.98	986,609.86
93	09/03/2026	5,520.09	2,313.61	3,206.48	984,296.25
94	10/03/2026	5,520.09	2,321.13	3,198.96	981,975.12
95	11/03/2026	5,520.09	2,328.67	3,191.42	979,646.45
96	12/03/2026	5,520.09	2,336.24	3,183.85	977,310.21
97	01/03/2027	5,520.09	2,343.83	3,176.26	974,966.38
98	02/03/2027	5,520.09	2,351.45	3,168.64	972,614.93
99	03/03/2027	5,520.09	2,359.09	3,161.00	970,255.84
100	04/03/2027	5,520.09	2,366.76	3,153.33	967,889.08
101	05/03/2027	5,520.09	2,374.45	3,145.64	965,514.63
102	06/03/2027	5,520.09	2,382.17	3,137.92	963,132.46
103	07/03/2027	5,520.09	2,389.91	3,130.18	960,742.55
104	08/03/2027	5,520.09	2,397.68	3,122.41	958,344.87
105	09/03/2027	5,520.09	2,405.47	3,114.62	955,939.40
106	10/03/2027	5,520.09	2,413.29	3,106.80	953,526.11
107	11/03/2027	5,520.09	2,421.13	3,098.96	951,104.98
108	12/03/2027	5,520.09	2,429.00	3,091.09	948,675.98
109	01/03/2028	5,520.09	2,436.89	3,083.20	946,239.09
110	02/03/2028	5,520.09	2,444.81	3,075.28	943,794.28
111	03/03/2028	5,520.09	2,452.76	3,067.33	941,341.52
112	04/03/2028	5,520.09	2,460.73	3,059.36	938,880.79
113	05/03/2028	5,520.09	2,468.73	3,051.36	936,412.06
114	06/03/2028	5,520.09	2,476.75	3,043.34	933,935.31
115	07/03/2028	5,520.09	2,484.80	3,035.29	931,450.51
116	08/03/2028	5,520.09	2,492.88	3,027.21	928,957.63
117	09/03/2028	5,520.09	2,500.98	3,019.11	926,456.65
118	10/03/2028	5,520.09	2,509.11	3,010.98	923,947.54
119	11/03/2028	5,520.09	2,517.26	3,002.83	921,430.28
120	12/03/2028	5,520.09	2,525.44	2,994.65	918,904.84
121	01/03/2029	5,520.09	2,533.65	2,986.44	916,371.19
122	02/03/2029	5,520.09	2,541.88	2,978.21	913,829.31
123	03/03/2029	5,520.09	2,550.14	2,969.95	911,279.17
124	04/03/2029	5,520.09	2,558.43	2,961.66	908,720.74
125	05/03/2029	5,520.09	2,566.75	2,953.34	906,153.99
126	06/03/2029	5,520.09	2,575.09	2,945.00	903,578.90
127	07/03/2029	5,520.09	2,583.46	2,936.63	900,995.44
128	08/03/2029	5,520.09	2,591.85	2,928.24	898,403.59
129	09/03/2029	5,520.09	2,600.28	2,919.81	895,803.31

130	10/03/2029	5,520.09	2,608.73	2,911.36	893,194.58
131	11/03/2029	5,520.09	2,617.21	2,902.88	890,577.37
132	12/03/2029	5,520.09	2,625.71	2,894.38	887,951.66
133	01/03/2030	5,520.09	2,634.25	2,885.84	885,317.41
134	02/03/2030	5,520.09	2,642.81	2,877.28	882,674.60
135	03/03/2030	5,520.09	2,651.40	2,868.69	880,023.20
136	04/03/2030	5,520.09	2,660.01	2,860.08	877,363.19
137	05/03/2030	5,520.09	2,668.66	2,851.43	874,694.53
138	06/03/2030	5,520.09	2,677.33	2,842.76	872,017.20
139	07/03/2030	5,520.09	2,686.03	2,834.06	869,331.17
140	08/03/2030	5,520.09	2,694.76	2,825.33	866,636.41
141	09/03/2030	5,520.09	2,703.52	2,816.57	863,932.89
142	10/03/2030	5,520.09	2,712.31	2,807.78	861,220.58
143	11/03/2030	5,520.09	2,721.12	2,798.97	858,499.46
144	12/03/2030	5,520.09	2,729.97	2,790.12	855,769.49
145	01/03/2031	5,520.09	2,738.84	2,781.25	853,030.65
146	02/03/2031	5,520.09	2,747.74	2,772.35	850,282.91
147	03/03/2031	5,520.09	2,756.67	2,763.42	847,526.24
148	04/03/2031	5,520.09	2,765.63	2,754.46	844,760.61
149	05/03/2031	5,520.09	2,774.62	2,745.47	841,985.99
150	06/03/2031	5,520.09	2,783.64	2,736.45	839,202.35
151	07/03/2031	5,520.09	2,792.68	2,727.41	836,409.67
152	08/03/2031	5,520.09	2,801.76	2,718.33	833,607.91
153	09/03/2031	5,520.09	2,810.86	2,709.23	830,797.05
154	10/03/2031	5,520.09	2,820.00	2,700.09	827,977.05
155	11/03/2031	5,520.09	2,829.16	2,690.93	825,147.89
156	12/03/2031	5,520.09	2,838.36	2,681.73	822,309.53
157	01/03/2032	5,520.09	2,847.58	2,672.51	819,461.95
158	02/03/2032	5,520.09	2,856.84	2,663.25	816,605.11
159	03/03/2032	5,520.09	2,866.12	2,653.97	813,738.99
160	04/03/2032	5,520.09	2,875.44	2,644.65	810,863.55
161	05/03/2032	5,520.09	2,884.78	2,635.31	807,978.77
162	06/03/2032	5,520.09	2,894.16	2,625.93	805,084.61
163	07/03/2032	5,520.09	2,903.57	2,616.52	802,181.04
164	08/03/2032	5,520.09	2,913.00	2,607.09	799,268.04
165	09/03/2032	5,520.09	2,922.47	2,597.62	796,345.57
166	10/03/2032	5,520.09	2,931.97	2,588.12	793,413.60
167	11/03/2032	5,520.09	2,941.50	2,578.59	790,472.10
168	12/03/2032	5,520.09	2,951.06	2,569.03	787,521.04
169	01/03/2033	5,520.09	2,960.65	2,559.44	784,560.39
170	02/03/2033	5,520.09	2,970.27	2,549.82	781,590.12
171	03/03/2033	5,520.09	2,979.92	2,540.17	778,610.20
172	04/03/2033	5,520.09	2,989.61	2,530.48	775,620.59
173	05/03/2033	5,520.09	2,999.32	2,520.77	772,621.27
174	06/03/2033	5,520.09	3,009.07	2,511.02	769,612.20
175	07/03/2033	5,520.09	3,018.85	2,501.24	766,593.35
176	08/03/2033	5,520.09	3,028.66	2,491.43	763,564.69
177	09/03/2033	5,520.09	3,038.50	2,481.59	760,526.19

178	10/03/2033	5,520.09	3,048.38	2,471.71	757,477.81
179	11/03/2033	5,520.09	3,058.29	2,461.80	754,419.52
180	12/03/2033	5,520.09	3,068.23	2,451.86	751,351.29
181	01/03/2034	5,520.09	3,078.20	2,441.89	748,273.09
182	02/03/2034	5,520.09	3,088.20	2,431.89	745,184.89
183	03/03/2034	5,520.09	3,098.24	2,421.85	742,086.65
184	04/03/2034	5,520.09	3,108.31	2,411.78	738,978.34
185	05/03/2034	5,520.09	3,118.41	2,401.68	735,859.93
186	06/03/2034	5,520.09	3,128.55	2,391.54	732,731.38
187	07/03/2034	5,520.09	3,138.71	2,381.38	729,592.67
188	08/03/2034	5,520.09	3,148.91	2,371.18	726,443.76
189	09/03/2034	5,520.09	3,159.15	2,360.94	723,284.61
190	10/03/2034	5,520.09	3,169.42	2,350.67	720,115.19
191	11/03/2034	5,520.09	3,179.72	2,340.37	716,935.47
192	12/03/2034	5,520.09	3,190.05	2,330.04	713,745.42
193	01/03/2035	5,520.09	3,200.42	2,319.67	710,545.00
194	02/03/2035	5,520.09	3,210.82	2,309.27	707,334.18
195	03/03/2035	5,520.09	3,221.25	2,298.84	704,112.93
196	04/03/2035	5,520.09	3,231.72	2,288.37	700,881.21
197	05/03/2035	5,520.09	3,242.23	2,277.86	697,638.98
198	06/03/2035	5,520.09	3,252.76	2,267.33	694,386.22
199	07/03/2035	5,520.09	3,263.33	2,256.76	691,122.89
200	08/03/2035	5,520.09	3,273.94	2,246.15	687,848.95
201	09/03/2035	5,520.09	3,284.58	2,235.51	684,564.37
202	10/03/2035	5,520.09	3,295.26	2,224.83	681,269.11
203	11/03/2035	5,520.09	3,305.97	2,214.12	677,963.14
204	12/03/2035	5,520.09	3,316.71	2,203.38	674,646.43
205	01/03/2036	5,520.09	3,327.49	2,192.60	671,318.94
206	02/03/2036	5,520.09	3,338.30	2,181.79	667,980.64
207	03/03/2036	5,520.09	3,349.15	2,170.94	664,631.49
208	04/03/2036	5,520.09	3,360.04	2,160.05	661,271.45
209	05/03/2036	5,520.09	3,370.96	2,149.13	657,900.49
210	06/03/2036	5,520.09	3,381.91	2,138.18	654,518.58
211	07/03/2036	5,520.09	3,392.90	2,127.19	651,125.68
212	08/03/2036	5,520.09	3,403.93	2,116.16	647,721.75
213	09/03/2036	5,520.09	3,414.99	2,105.10	644,306.76
214	10/03/2036	5,520.09	3,426.09	2,094.00	640,880.67
215	11/03/2036	5,520.09	3,437.23	2,082.86	637,443.44
216	12/03/2036	5,520.09	3,448.40	2,071.69	633,995.04
217	01/03/2037	5,520.09	3,459.61	2,060.48	630,535.43
218	02/03/2037	5,520.09	3,470.85	2,049.24	627,064.58
219	03/03/2037	5,520.09	3,482.13	2,037.96	623,582.45
220	04/03/2037	5,520.09	3,493.45	2,026.64	620,089.00
221	05/03/2037	5,520.09	3,504.80	2,015.29	616,584.20
222	06/03/2037	5,520.09	3,516.19	2,003.90	613,068.01
223	07/03/2037	5,520.09	3,527.62	1,992.47	609,540.39
224	08/03/2037	5,520.09	3,539.08	1,981.01	606,001.31
225	09/03/2037	5,520.09	3,550.59	1,969.50	602,450.72

226	10/03/2037	5,520.09	3,562.13	1,957.96	598,888.59
227	11/03/2037	5,520.09	3,573.70	1,946.39	595,314.89
228	12/03/2037	5,520.09	3,585.32	1,934.77	591,729.57
229	01/03/2038	5,520.09	3,596.97	1,923.12	588,132.60
230	02/03/2038	5,520.09	3,608.66	1,911.43	584,523.94
231	03/03/2038	5,520.09	3,620.39	1,899.70	580,903.55
232	04/03/2038	5,520.09	3,632.15	1,887.94	577,271.40
233	05/03/2038	5,520.09	3,643.96	1,876.13	573,627.44
234	06/03/2038	5,520.09	3,655.80	1,864.29	569,971.64
235	07/03/2038	5,520.09	3,667.68	1,852.41	566,303.96
236	08/03/2038	5,520.09	3,679.60	1,840.49	562,624.36
237	09/03/2038	5,520.09	3,691.56	1,828.53	558,932.80
238	10/03/2038	5,520.09	3,703.56	1,816.53	555,229.24
239	11/03/2038	5,520.09	3,715.59	1,804.50	551,513.65
240	12/03/2038	5,520.09	3,727.67	1,792.42	547,785.98
241	01/03/2039	5,520.09	3,739.79	1,780.30	544,046.19
242	02/03/2039	5,520.09	3,751.94	1,768.15	540,294.25
243	03/03/2039	5,520.09	3,764.13	1,755.96	536,530.12
244	04/03/2039	5,520.09	3,776.37	1,743.72	532,753.75
245	05/03/2039	5,520.09	3,788.64	1,731.45	528,965.11
246	06/03/2039	5,520.09	3,800.95	1,719.14	525,164.16
247	07/03/2039	5,520.09	3,813.31	1,706.78	521,350.85
248	08/03/2039	5,520.09	3,825.70	1,694.39	517,525.15
249	09/03/2039	5,520.09	3,838.13	1,681.96	513,687.02
250	10/03/2039	5,520.09	3,850.61	1,669.48	509,836.41
251	11/03/2039	5,520.09	3,863.12	1,656.97	505,973.29
252	12/03/2039	5,520.09	3,875.68	1,644.41	502,097.61
253	01/03/2040	5,520.09	3,888.27	1,631.82	498,209.34
254	02/03/2040	5,520.09	3,900.91	1,619.18	494,308.43
255	03/03/2040	5,520.09	3,913.59	1,606.50	490,394.84
256	04/03/2040	5,520.09	3,926.31	1,593.78	486,468.53
257	05/03/2040	5,520.09	3,939.07	1,581.02	482,529.46
258	06/03/2040	5,520.09	3,951.87	1,568.22	478,577.59
259	07/03/2040	5,520.09	3,964.71	1,555.38	474,612.88
260	08/03/2040	5,520.09	3,977.60	1,542.49	470,635.28
261	09/03/2040	5,520.09	3,990.53	1,529.56	466,644.75
262	10/03/2040	5,520.09	4,003.49	1,516.60	462,641.26
263	11/03/2040	5,520.09	4,016.51	1,503.58	458,624.75
264	12/03/2040	5,520.09	4,029.56	1,490.53	454,595.19
265	01/03/2041	5,520.09	4,042.66	1,477.43	450,552.53
266	02/03/2041	5,520.09	4,055.79	1,464.30	446,496.74
267	03/03/2041	5,520.09	4,068.98	1,451.11	442,427.76
268	04/03/2041	5,520.09	4,082.20	1,437.89	438,345.56
269	05/03/2041	5,520.09	4,095.47	1,424.62	434,250.09
270	06/03/2041	5,520.09	4,108.78	1,411.31	430,141.31
271	07/03/2041	5,520.09	4,122.13	1,397.96	426,019.18
272	08/03/2041	5,520.09	4,135.53	1,384.56	421,883.65
273	09/03/2041	5,520.09	4,148.97	1,371.12	417,734.68

274	10/03/2041	5,520.09	4,162.45	1,357.64	413,572.23
275	11/03/2041	5,520.09	4,175.98	1,344.11	409,396.25
276	12/03/2041	5,520.09	4,189.55	1,330.54	405,206.70
277	01/03/2042	5,520.09	4,203.17	1,316.92	401,003.53
278	02/03/2042	5,520.09	4,216.83	1,303.26	396,786.70
279	03/03/2042	5,520.09	4,230.53	1,289.56	392,556.17
280	04/03/2042	5,520.09	4,244.28	1,275.81	388,311.89
281	05/03/2042	5,520.09	4,258.08	1,262.01	384,053.81
282	06/03/2042	5,520.09	4,271.92	1,248.17	379,781.89
283	07/03/2042	5,520.09	4,285.80	1,234.29	375,496.09
284	08/03/2042	5,520.09	4,299.73	1,220.36	371,196.36
285	09/03/2042	5,520.09	4,313.70	1,206.39	366,882.66
286	10/03/2042	5,520.09	4,327.72	1,192.37	362,554.94
287	11/03/2042	5,520.09	4,341.79	1,178.30	358,213.15
288	12/03/2042	5,520.09	4,355.90	1,164.19	353,857.25
289	01/03/2043	5,520.09	4,370.05	1,150.04	349,487.20
290	02/03/2043	5,520.09	4,384.26	1,135.83	345,102.94
291	03/03/2043	5,520.09	4,398.51	1,121.58	340,704.43
292	04/03/2043	5,520.09	4,412.80	1,107.29	336,291.63
293	05/03/2043	5,520.09	4,427.14	1,092.95	331,864.49
294	06/03/2043	5,520.09	4,441.53	1,078.56	327,422.96
295	07/03/2043	5,520.09	4,455.97	1,064.12	322,966.99
296	08/03/2043	5,520.09	4,470.45	1,049.64	318,496.54
297	09/03/2043	5,520.09	4,484.98	1,035.11	314,011.56
298	10/03/2043	5,520.09	4,499.55	1,020.54	309,512.01
299	11/03/2043	5,520.09	4,514.18	1,005.91	304,997.83
300	12/03/2043	5,520.09	4,528.85	991.24	300,468.98
301	01/03/2044	5,520.09	4,543.57	976.52	295,925.41
302	02/03/2044	5,520.09	4,558.33	961.76	291,367.08
303	03/03/2044	5,520.09	4,573.15	946.94	286,793.93
304	04/03/2044	5,520.09	4,588.01	932.08	282,205.92
305	05/03/2044	5,520.09	4,602.92	917.17	277,603.00
306	06/03/2044	5,520.09	4,617.88	902.21	272,985.12
307	07/03/2044	5,520.09	4,632.89	887.20	268,352.23
308	08/03/2044	5,520.09	4,647.95	872.14	263,704.28
309	09/03/2044	5,520.09	4,663.05	857.04	259,041.23
310	10/03/2044	5,520.09	4,678.21	841.88	254,363.02
311	11/03/2044	5,520.09	4,693.41	826.68	249,669.61
312	12/03/2044	5,520.09	4,708.66	811.43	244,960.95
313	01/03/2045	5,520.09	4,723.97	796.12	240,236.98
314	02/03/2045	5,520.09	4,739.32	780.77	235,497.66
315	03/03/2045	5,520.09	4,754.72	765.37	230,742.94
316	04/03/2045	5,520.09	4,770.18	749.91	225,972.76
317	05/03/2045	5,520.09	4,785.68	734.41	221,187.08
318	06/03/2045	5,520.09	4,801.23	718.86	216,385.85
319	07/03/2045	5,520.09	4,816.84	703.25	211,569.01
320	08/03/2045	5,520.09	4,832.49	687.60	206,736.52
321	09/03/2045	5,520.09	4,848.20	671.89	201,888.32

322	10/03/2045	5,520.09	4,863.95	656.14	197,024.37
323	11/03/2045	5,520.09	4,879.76	640.33	192,144.61
324	12/03/2045	5,520.09	4,895.62	624.47	187,248.99
325	01/03/2046	5,520.09	4,911.53	608.56	182,337.46
326	02/03/2046	5,520.09	4,927.49	592.60	177,409.97
327	03/03/2046	5,520.09	4,943.51	576.58	172,466.46
328	04/03/2046	5,520.09	4,959.57	560.52	167,506.89
329	05/03/2046	5,520.09	4,975.69	544.40	162,531.20
330	06/03/2046	5,520.09	4,991.86	528.23	157,539.34
331	07/03/2046	5,520.09	5,008.09	512.00	152,531.25
332	08/03/2046	5,520.09	5,024.36	495.73	147,506.89
333	09/03/2046	5,520.09	5,040.69	479.40	142,466.20
334	10/03/2046	5,520.09	5,057.07	463.02	137,409.13
335	11/03/2046	5,520.09	5,073.51	446.58	132,335.62
336	12/03/2046	5,520.09	5,090.00	430.09	127,245.62
337	01/03/2047	5,520.09	5,106.54	413.55	122,139.08
338	02/03/2047	5,520.09	5,123.14	396.95	117,015.94
339	03/03/2047	5,520.09	5,139.79	380.30	111,876.15
340	04/03/2047	5,520.09	5,156.49	363.60	106,719.66
341	05/03/2047	5,520.09	5,173.25	346.84	101,546.41
342	06/03/2047	5,520.09	5,190.06	330.03	96,356.35
343	07/03/2047	5,520.09	5,206.93	313.16	91,149.42
344	08/03/2047	5,520.09	5,223.85	296.24	85,925.57
345	09/03/2047	5,520.09	5,240.83	279.26	80,684.74
346	10/03/2047	5,520.09	5,257.86	262.23	75,426.88
347	11/03/2047	5,520.09	5,274.95	245.14	70,151.93
348	12/03/2047	5,520.09	5,292.10	227.99	64,859.83
349	01/03/2048	5,520.09	5,309.30	210.79	59,550.53
350	02/03/2048	5,520.09	5,326.55	193.54	54,223.98
351	03/03/2048	5,520.09	5,343.86	176.23	48,880.12
352	04/03/2048	5,520.09	5,361.23	158.86	43,518.89
353	05/03/2048	5,520.09	5,378.65	141.44	38,140.24
354	06/03/2048	5,520.09	5,396.13	123.96	32,744.11
355	07/03/2048	5,520.09	5,413.67	106.42	27,330.44
356	08/03/2048	5,520.09	5,431.27	88.82	21,899.17
357	09/03/2048	5,520.09	5,448.92	71.17	16,450.25
358	10/03/2048	5,520.09	5,466.63	53.46	10,983.62
359	11/03/2048	5,520.09	5,484.39	35.70	5,499.23
360	12/03/2048	5,517.10	5,499.23	17.87	0.00
		1,987,229.41	1,170,332.35	816,897.06	

APPENDIX F – TD BANK – 2.74%

Commercial Banking

South East Ontario Commercial Banking Centre
360 George Street North, Suite 63
Peterborough, ON
K9H 7E7
Telephone No.: (905) 576 6264
Fax No.: (705) 745 5339

July 31, 2020

LAKEFRONT UTILITIES INC.
PO BOX 577 STN MAIN
207 Division St.
Cobourg, ON
K9A 4L3

Attention: Mr. Adam Giddings

Dear Mr. Giddings,

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

BORROWER

LAKEFRONT UTILITIES INC. (the "Borrower")

LENDER

The Toronto-Dominion Bank (the "Bank"), through its South East Ontario branch, in Peterborough, ON.

CREDIT LIMIT

1) CAD$2,500,000
2) CAD$1,500,000 Letter of Credit
3) CAD$4,500,000

TYPE OF CREDIT AND BORROWING OPTIONS

1) **Operating Loan** available at the Borrower's option by way of:
   - Prime Rate Based Loans in CAD$ ("Prime Based Loans")

2) **Letter of Credit/Letter of Guarantee**

3) **Committed Reducing Term Facility (Single Draw)** available at the Borrower's option by way of:
   - Floating Rate Term Loan available by way of:
     - Bankers Acceptances in CAD$ ("B/As")

PURPOSE

1) To assist with normal working capital requirements.
2) Other: Prudential L/C re: Independent Electricity System Operator
3) To support Capital Expenditure program - to be used for funding 60% of debt in next Cost of Service (2021)

TENOR

1) Uncommitted
2) Uncommitted
3) Committed

CONTRACTUAL TERM

1) No term
2) No term
3) 60 month(s) from the date of drawdown

RATE TERM (FIXED RATE TERM LOAN)

3) Floating rate: No term

AMORTIZATION

3) 300 month(s)

INTEREST RATES AND FEES

Advances shall bear interest and fees as follows:

1) **Operating Loan:**
   - Prime Based Loans: Prime Rate + 0.500% per annum

2) **Letter of Credit:**
   - L/C: 0.750% per annum

3) **Committed Revolving Facility:**
   - Floating Rate Term Loans available by way of:
     - B/As: Stamping Fee at 1.350% per annum

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

Interest on Fixed Rate Term Loans under Facility 3 is compounded Monthly and payable Monthly in arrears.

ARRANGEMENT FEE

The Borrower has paid or will pay prior to any drawdown hereunder a non-refundable arrangement fee of CAD$2,000.

RENEWAL FEE

CAD$2,500 per annum.

EXCESS MONITORING FEE

The Borrower may, at the Bank's discretion, be charged an Excess Monitoring Fee of $350.00, payable in the currency of the Facility, each time that the Credit Limit of a Facility is exceeded. Any extension of credit above the Credit Limit will be at the Bank's sole and absolute discretion.

DRAWDOWN

Assigned Facilities	Description
1)	As required, in multiples of $10,000.
2)	Upon presentation by the beneficiary of full set of documents as conditioned in the L/C's.
3)	Multiple draws permitted up to the Credit Limit, as reduced pursuant to the Repayment and Reduction of Amount of Credit Facility Section. Uncommitted until first drawdown, then committed for a maximum term of 5 years. First drawdown must occur prior to June, 2024.

Each drawdown under 3 will be a "tranche" and each tranche will bear its own interest rate and repayment terms as set out in the Rate and Payment Terms Notice delivered by the Bank to the Borrower in respect of that drawdown.

Notice periods, minimum amounts of draws, interest periods and contract maturity for LIBOR Loans, terms for Banker's Acceptances and other similar details are set out in the Schedule "A" attached hereto.

REPAYMENT AND REDUCTION OF AMOUNT OF CREDIT FACILITY

Assigned Facilities	Description
1)	On demand. If the Bank demands repayment, the Borrower will pay to the Bank all amounts outstanding under the Operating Loan, including without limitation, the amount of all unmatured B/As and LIBOR Loans and the amount of all drawn and undrawn L/Gs and L/Cs. All costs to the Bank and all loss suffered by the Bank in re-employing the amounts so repaid will be paid by the Borrower
2)	On demand, in event of cancellation or draw of L/G's.
3)	Interest and principal repayment over contractual term of 5 years and amortization term of 25 years. Swap agreement to be referenced. Contractual Term: maximum 5 years.

PREPAYMENT

Assigned Facilities	Description
1)	Floating rate: No prepayment penalty.
3)	Permitted at any time subject to standard interest rate swap unwinding costs.

SECURITY

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

a)	General Security Agreement ("GSA") representing a First charge on all LAKEFRONT UTILITIES INC present and after acquired personal property (On Hand)
b)	Business Insurance CAD (On Hand)
c)	Assignment of Fire Insurance in the amount of CAD $2,500,000 (On Hand)
d)	The Corporation of The Town of Cobourg Postponement Agreement - To Be Obtained

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

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

DISBURSEMENT CONDITIONS

The obligation of the Bank to permit any drawdown hereunder is subject to the Standard Disbursement Conditions contained in Schedule "A" and the following additional drawdown conditions:

Delivery to the Bank of the following, all of which must be satisfactory to the Bank:

Assigned Facilities	Description
3)	All security and documentation to be on hand and in good order.
3)	For any SWAP, bank to be provided with all required documentation including but not limited to: ISDA Master Agreement, Schedule and Supplementary Documentation, Regulatory Documents and Legal Entity Identifier (LEI).

REPRESENTATIONS AND WARRANTIES

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

POSITIVE COVENANTS

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

Assigned Facilities	Description
All)	All existing debt is unsecured and held directly or indirectly by the municipal shareholder.
All)	Borrower remains in the regulated business of electricity distribution and maintains all requisite licenses to do so
All)	Compliance with all applicable environmental regulations
All)	Compliance with all contractual obligations and laws, including payment of taxes
All)	Compliance with the 'Affiliate Relationship Code'
All)	Comply with all licenses and immediately advise the Bank if OEB shall notify the Borrower of a default under a license or if the license is amended, cancelled, suspended, or revoked (any of such circumstances will be an event of default)
All)	File all OEB rate submission as outlined in the three-year business plan
All)	Maintain adequate insurance

REPORTING COVENANTS

1) Provide Annual Audited Financial Statements for Lakefront Utilities Inc. within 120 days of fiscal year end.

2) Provide Annual Notice to Reader Financial Statements for Lakefront Utility Services Inc. within 120 days of fiscal year end.

3) Provide OEB Rate Submission upon request.

NEGATIVE COVENANTS

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

Assigned Facilities	Description
All)	Distributions are limited [EBITDA – Interest – Cash Taxes – Unfinanced Capex (net of contributed capital) – Principal payments on Long Term Debt (if any)], subject to no event of default
All)	Negative pledge.
All)	No additional debt, including guarantees without the Bank's prior consent.
All)	No change in the indirect or direct municipal ownership of the Borrower
All)	No investments, mergers, amalgamations, or consolidations without the Lender's prior consent.
All)	Proceeds of Facility #3 are not to be used to repay City of Cobourg Holdings debt
All)	The Borrower may not provide security nor guarantee to any party without prior consent to the Bank.
All)	no change in the status of the Borrower as a Limited Distribution Company

PERMITTED LIENS

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

Assigned Facilities	Description
All)	Purchase Money Security Interests in equipment which Purchase Money Security Interests exist on the date of this Agreement ("Existing PMSIs") which are known to the Bank and all future Purchase Money Security Interests on equipment acquired to replace the equipment under Existing PMSIs, provided that the cost of such replacement equipment may not exceed the cost of the equipment subject to the Existing PMSI by more than 10%

FINANCIAL COVENANTS

The Borrower agrees at all times to:

Assigned Facilities	Description
All)	To maintain a Maximum Total Funded Debt to Capitalization of 0.60:1. To be tested annually,

Total Funded Debt is defined as all debts and liabilities for borrowed money including hedging obligations (only net negative mark-to-market exposure shall be included), liabilities in respect of BAs and Letters of Credit/Guarantee, and contingent guarantees. For clarity, promissory notes postponed in favour of the Bank are to be excluded.

Capitalization is defined as Total Funded Debt + Shareholder's Equity + Contributed Capital + Preference Share Capital + Promissory notes postponed in favour of the Bank – Goodwill – Intangibles

Maintain a minimum Debt Service Coverage Ratio (DSC) of 1.20x; tested at loan inception and annually thereafter.

All) The Debt Service Coverage Ratio is defined as EBITDA* - cash taxes (PIL's) - 40% of capex (net of contributed capital) divided by principal** plus total cash interest expense of the Borrower (i.e. net of accrual of any s/h debt interest).

*EBITDA stands for Earnings Before Interest, Income Tax, Depreciation, and Amortization (EBITDA to include Net Movement in Regulatory Accounts)
**P&I to be annualized in year 1 of drawdown

EVENTS OF DEFAULT

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

Assigned Facilities	Description
All)	Any default under the conditions listed above.
All)	Including without limitation any material adverse change in the legislation or regulation of the electrical distribution business.
All)	Judgements.
All)	Loss of OEB license.

ANCILLARY FACILITIES

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

Certain treasury products, such as forward foreign exchange transactions, and/or interest rate and currency and/or commodity swaps.

1) The Borrower agrees that treasury products will be used to hedge its risk and will not be used for speculative purposes.

The paragraph headed "FX CLOSE OUT" as set out in Schedule "A" shall apply to FX Transactions.

AVAILABILITY OF

OPERATING LOAN

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

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

SCHEDULE "A" -
STANDARD TERMS
AND CONDITIONS

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

We trust you will find these facilities helpful in meeting your ongoing financing requirements. We ask that if you wish to accept this offer of financing (which includes the Standard Terms and Conditions), please do so by signing and returning the attached duplicate copy of this letter to the undersigned. This offer will expire if not accepted in writing and received by the Bank on or before August 15, 2020.

Yours truly,

THE TORONTO-DOMINION BANK

Malek Lodin	Daniel Stober
Associate	District Vice President

TO THE TORONTO-DOMINION BANK:

LAKEFRONT UTILITIES INC. hereby accepts the foregoing offer this 18 day of August, 2020. The Borrower confirms that, except as may be set out above, the credit facility(ies) detailed herein shall not be used by or on behalf of any third party.

Signature

Derek Dand President & CEO
Print Name & Position

cc. Guarantor(s)

The Bank is providing the guarantor(s) with a copy of this letter as a courtesy only. The delivery of a copy of this letter does not create any obligation of the Bank to provide the guarantor(s) with notice of any changes to the credit facilities, including without limitation, changes to the terms and conditions, increases or decreases in the amount of the credit facilities, the establishment of new credit facilities or otherwise. The Bank may, or may not, at its option, provide the guarantor(s) with such information, provided that the Bank will provide such information upon the written request of the guarantor.

SCHEDULE A
STANDARD TERMS AND CONDITIONS

1. INTEREST RATE DEFINITIONS

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

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

CDOR means, for any day, the annual rate for B/As denominated in Canadian Dollars for a specified term that appears on the Reuters Screen CDOR Page as of 10:00 a.m. (Toronto time) on such day (or, if such day is not a Business Day, then on the immediately preceding Business Day).

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

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

If Prime Rate, CDOR, LIBOR, USBR or any other applicable base rate is less than zero, such base rate shall be deemed to be zero for purposes of this Agreement.

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

2. INTEREST CALCULATION AND PAYMENT

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

The Stamping Fee is calculated based on the amount and the term of the B/A and is payable upon acceptance by the Bank of the B/A. The net proceeds received by the Borrower on a B/A advance will be equal to the Face Amount of the B/A discounted at the Bank's then prevailing B/A discount rate for CAD B/As or USD B/As as the case may be, for the specified term of the B/A less the B/A Stamping Fee. If the B/A discount rate (or the rate used to determine the B/A discount rate) is less than zero, it shall instead be deemed to be zero for purposes of this Agreement.

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

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

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

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

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

For loans not secured by real property, all overdue amounts of principal and interest and all amounts outstanding in excess of the Credit Limit shall bear interest from the date on which the same became due or from when the excess was incurred, as the case may be, until the date of payment or until the date the excess is repaid at the Bank's standard rate charged from time to time for overdrafts, or such lower interest rate if the Bank agrees to a lower interest rate in writing. Nothing in this clause shall be deemed to authorize the Borrower to incur loans in excess of the Credit Limit.

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

3. DRAWDOWN PROVISIONS

Prime Based and USBR Loans

There is no minimum amount of drawdown by way of Prime Based Loans and USBR Loans, except as stated in this Agreement. The Borrower shall provide the Bank with 3 Business Days' notice of a requested Prime Based Loan or USBR Loan over $1,000,000.

B/As

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

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

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

LIBOR and CDOR

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

L/C and/or L/G

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

B/A, LIBOR and CDOR - Conversion
Any portion of any B/A, LIBOR or CDOR Loan that is not repaid, rolled over or converted in accordance with the applicable notice requirements hereunder shall be converted by the Bank to a Prime Based Loan effective as of the maturity date of the B/A or the last day in the interest period of the LIBOR or CDOR contract, as applicable. The Bank may charge interest on the amount of the Prime Based Loan at the rate of 115% of the rate applicable to Prime Based Loans for the 3 Business Day period immediately following such maturity. Thereafter, the rate shall revert to the rate applicable to Prime Based Loans.

B/A, LIBOR and CDOR – Market Disruption
If the Bank determines, in its sole discretion, that a normal market in Canada for the purchase and sale of B/As or the making of CDOR or LIBOR Loans does not exist, any right of the Borrower to request a drawdown under the applicable borrowing option shall be suspended until the Bank advises otherwise. Any drawdown request for B/As, LIBOR or CDOR Loans, as applicable, during the suspension period shall be deemed to be a drawdown notice requesting a Prime Based Loan in an equivalent amount.

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

Notice
Prior to each drawdown under a Fixed Rate Term Loan, other than a Long Term Farm Loan, an Agriculture Term Loan, a Canadian Agricultural Loans Act Loan, a Dairy Term Loan or a Poultry Term Loan and at least 10 days prior to the maturity of each Rate Term, the Borrower will advise the Bank of its selection of drawdown options from those made available by the Bank. The Bank will, after each drawdown, other than drawdowns by way of BA, CDOR, or LIBOR Loan or under the operating loan, send a Rate and Payment Terms Notice to the Borrower.

4. PREPAYMENT

Fixed Rate Term Loans

10% Prepayment Option Chosen.

(a) Once, each calendar year, ("Year"), the Borrower may, provided that an Event of Default has not occurred, prepay in one lump sum, an amount of principal outstanding under a Fixed Rate Term Loan not exceeding 10% of the original amount of the Fixed Rate Term Loan, upon payment of all interest accrued to the date of prepayment without paying any prepayment charge. If the prepayment privilege is not used in one Year, it cannot be carried forward and used in a later Year.

(b) Provided that an Event of Default has not occurred, the Borrower may prepay more than 10% of the original amount of a Fixed Rate Term Loan in any Year, upon payment of all interest accrued to the date of prepayment and an amount equal to the greater of:

i) three months' interest on the amount of the prepayment (the amount of prepayment is the amount of prepayment exceeding the 10% limit described in Section 4(a)) using the interest rate applicable to the Fixed Rate Term Loan being prepaid; and

ii) the Yield Maintenance, being the difference between:

a. the current outstanding principal balance of the Fixed Rate Term Loan; and
b. the sum of the present values as of the date of the prepayment of the future payments to be made on the Fixed Rate Term Loan until the last day of the Rate Term, plus the present value of the principal amount of the Fixed Rate Term Loan that would have been due on the maturity

of the Rate Term, when discounted at the Government of Canada bond yield rate with a term which has the closest maturity to the unexpired term of the Fixed Rate Term Loan.

10% Prepayment Option Not Chosen.

(c) The Borrower may, provided that an Event of Default has not occurred, prepay all or any part of the principal then outstanding under a Fixed Rate Term Loan upon payment of all interest accrued to the date of prepayment and an amount equal to the greater of:

i) three months' interest on the amount of the prepayment using the interest rate applicable to the Fixed Rate Term Loan being prepaid; and

ii) the Yield Maintenance, being the difference between:

a. the current outstanding principal balance of the Fixed Rate Term Loan; and
b. the sum of the present values as of the date of the prepayment of the future payments to be made on the Fixed Rate Term Loan until the last day of the Rate Term, plus the present value of the principal amount of the Fixed Rate Term Loan that would have been due on the maturity of the Rate Term, when discounted at the Government of Canada bond yield rate with a term which has the closest maturity to the unexpired term of the Fixed Rate Term Loan.

Floating Rate Term Loans

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

5. STANDARD DISBURSEMENT CONDITIONS

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

a) The Bank shall have received the following documents which shall be in form and substance satisfactory to the Bank:

i) A copy of a duly executed resolution of the Board of Directors of the Borrower empowering the Borrower to enter into this Agreement;
ii) A copy of any necessary government approvals authorizing the Borrower to enter into this Agreement;
iii) All of the Bank Security and supporting resolutions and solicitors' letter of opinion required hereunder;
iv) The Borrower's compliance certificate certifying compliance with all terms and conditions hereunder;
v) All operation of account documentation; and
vi) For drawdowns under the Facility by way of L/C or L/G, the Bank's standard form Letter of Credit Indemnity Agreement

b) The representations and warranties contained in this Agreement are correct.

c) No event has occurred and is continuing which constitutes an Event of Default or would constitute an Event of Default, but for the requirement that notice be given or time elapse or both.

d) The Bank has received the arrangement fee payable hereunder (if any) and the Borrower has paid all legal and other expenses incurred by the Bank in connection with the Agreement or the Bank Security.

6. STANDARD REPRESENTATIONS AND WARRANTIES

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

a) The Borrower is a duly incorporated corporation, a limited partnership, partnership, or sole proprietorship, duly organized, validly existing and in good standing under the laws of the jurisdiction where the Branch/Centre is located and each other jurisdiction where the Borrower has property or assets or carries on business and the Borrower has adequate corporate power and authority to carry on its business, own property, borrow monies and enter into agreements therefore, execute and deliver the Agreement, the Bank Security, and documents required hereunder, and observe and perform the terms and provisions of this Agreement.

b) There are no laws, statutes or regulations applicable to or binding upon the Borrower and no provisions in its charter documents or in any by-laws, resolutions, contracts, agreements, or arrangements which would be contravened, breached, violated as a result of the execution, delivery, performance, observance, of any terms of this Agreement.

c) No Event of Default has occurred nor has any event occurred which, with the passage of time or the giving of notice, would constitute an Event of Default under this Agreement or which would constitute a default under any other agreement.

d) There are no actions, suits or proceedings, including appeals or applications for review, or any knowledge of pending actions, suits, or proceedings against the Borrower and its subsidiaries, before any court or administrative agency which would result in any material adverse change in the property, assets, financial condition, business or operations of the Borrower.

e) All material authorizations, approvals, consents, licenses, exemptions, filings, registrations and other requirements of governmental, judicial and public bodies and authorities required to carry on its business have been or will be obtained or effected and are or will be in full force and effect.

f) The financial statements and forecasts delivered to the Bank fairly present the present financial position of the Borrower, and have been prepared by the Borrower and its auditors in accordance with the International Financial Reporting Standards or GAAP for Private Enterprises.

g) All of the remittances required to be made by the Borrower to the federal government and all provincial and municipal governments have been made, are currently up to date and there are no outstanding arrears. Without limiting the foregoing, all employee source deductions (including income taxes, Employment Insurance and Canada Pension Plan), sales taxes (both provincial and federal), corporate income taxes, corporate capital taxes, payroll taxes and workers' compensation dues are currently paid and up to date.

h) If the Bank Security includes a charge on real property, the Borrower or Guarantor, as applicable, is the legal and beneficial owner of the real property with good and marketable title in fee simple thereto, free from all easements, rights-of-way, agreements, restrictions, mortgages, liens, executions and other encumbrances, save and except for those approved by the Bank in writing.

i) All information that the Borrower has provided to the Bank is accurate and complete respecting, where applicable:
   i) the names of the Borrower's directors and the names and addresses of the Borrower's beneficial owners;
   ii) the names and addresses of the Borrower's trustees, known beneficiaries and/or settlors; and
   iii) the Borrower's ownership, control and structure.

7. STANDARD POSITIVE COVENANTS

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

a) Pay all amounts of principal, interest and fees on the dates, times and place specified herein, under the Rate and Payment Terms Notice, and under any other agreement between the Bank and the Borrower.

b) Advise the Bank of any change in the amount and the terms of any credit arrangement made with other lenders or any action taken by another lender to recover amounts outstanding with such other lender.

c) Advise promptly after the happening of any event which will result in a material adverse change in the financial condition, business, operations, or prospects of the Borrower or the occurrence of any Event of Default or default under this Agreement or under any other agreement for borrowed money.

d) Do all things necessary to maintain in good standing its corporate existence and preserve and keep all material agreements, rights, franchises, licenses, operations, contracts or other arrangements in full force and effect.

e) Take all necessary actions to ensure that the Bank Security and its obligations hereunder will rank ahead of all other indebtedness of and all other security granted by the Borrower.

f) Pay all taxes, assessments and government charges unless such taxes, assessments, or charges are being contested in good faith and appropriate reserves shall be made with funds set aside in a separate trust fund.

g) Provide the Bank with information and financial data as it may request from time to time, including, without limitation, such updated information and/or additional supporting information as the Bank may require with respect to any or all the matters in the Borrower's representation and warranty in Section 6(i).

h) Maintain property, plant and equipment in good repair and working condition.

i) Inform the Bank of any actual or probable litigation and furnish the Bank with copies of details of any litigation or other proceedings, which might affect the financial condition, business, operations, or prospects of the Borrower.

j) Provide such additional security and documentation as may be required from time to time by the Bank or its solicitors.

k) Continue to carry on the business currently being carried on by the Borrower its subsidiaries and each of the Guarantors at the date hereof.

l) Maintain adequate insurance on all of its assets, undertakings, and business risks.

m) Permit the Bank or its authorized representatives full and reasonable access to its premises, business, financial and computer records and allow the duplication or extraction of pertinent information therefrom.

n) Comply with all applicable laws.

8. STANDARD NEGATIVE COVENANTS

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

a) Create, incur, assume, or suffer to exist, any mortgage, deed of trust, pledge, lien, security interest, assignment, charge, or encumbrance (including without limitation, any conditional sale, or other title retention agreement, or finance lease) of any nature, upon or with respect to any of its assets or undertakings, now owned or hereafter acquired, except for those Permitted Liens, if any, set out in the Letter.

b) Create, incur, assume or suffer to exist any other indebtedness for borrowed money (except for indebtedness resulting from Permitted Liens, if any) or guarantee or act as surety or agree to indemnify the debts of any other Person.

c) Merge or consolidate with any other Person, or acquire all or substantially all of the shares, assets or business of any other Person.

d) Sell, lease, assign, transfer, convey or otherwise dispose of any of its now owned or hereafter acquired assets (including, without limitation, shares of stock and indebtedness of subsidiaries, receivables and leasehold interests), except for inventory disposed of in the ordinary course of business.

e) Terminate or enter into a surrender of any lease of any property mortgaged under the Bank Security.

f) Cease to carry on the business currently being carried on by each of the Borrower, its subsidiaries, and the Guarantors at the date hereof.

g) Permit any change of ownership or change in the capital structure of the Borrower.

9. ENVIRONMENTAL

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

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

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

10. STANDARD EVENTS OF DEFAULT

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

a) Non-payment of principal outstanding under this Agreement when due or non-payment of interest or fees outstanding under this Agreement within 3 Business Days of when due.

b) If any representation, warranty or statement made hereunder or made in connection with the execution and delivery of this Agreement or the Bank Security is false or misleading at any time.

c) If any representation or warranty made or information provided by the Guarantor to the Bank from time to time, including without limitation, under or in connection with the Personal Financial Statement and Privacy Agreement provided by the Guarantor, is false or misleading at any time.

d) If there is a breach or non-performance or non-observance of any term or condition of this Agreement or the Bank Security and, if such default is capable to being remedied, the default continues unremedied for 5 Business Days after the occurrence.

e) If the Borrower, any one of its subsidiaries, or, if any of the Guarantors makes a general assignment for the benefit of creditors, files or presents a petition, makes a proposal or commits any act of bankruptcy, or if any action is taken for the winding up, liquidation or the appointment of a liquidator, trustee in bankruptcy, custodian, curator, sequestrator, receiver or any other officer with similar powers or if a judgment or order shall be entered by any court approving a petition for reorganization, arrangement or composition of or in respect of the Borrower, any of its subsidiaries, or any of the Guarantors or if the Borrower, any of its subsidiaries, or any of the Guarantors is insolvent or declared bankrupt.

f) If there exists a voluntary or involuntary suspension of business of the Borrower, any of its subsidiaries, or any of the Guarantors.

g) If action is taken by an encumbrancer against the Borrower, any of its subsidiaries, or any of the Guarantors to take possession of property or enforce proceedings against any assets.

h) If any final judgment for the payment of monies is made against the Borrower, any of its subsidiaries, or any of the Guarantors and it is not discharged within 30 days from the imposition of such judgment.

i) If there exists an event, the effect of which with lapse of time or the giving of notice, will constitute an event of default or a default under any other agreement for borrowed money in excess of the Cross Default Threshold entered into by the Borrower, any of its subsidiaries, or any of the Guarantors.

j) If the Borrower, any one of its subsidiaries, or any of the Guarantors default under any other present or future agreement with the Bank or any of the Bank's subsidiaries, including without limitation, any other loan agreement, forward foreign exchange transactions, interest rate and currency and/or commodity swaps.

k) If the Bank Security is not enforceable or if any party to the Bank Security shall dispute or deny any liability or any of its obligations under the Bank Security, or if any Guarantor terminates a guarantee in respect of future advances.

l) If, in the Bank's determination, a material adverse change occurs in the financial condition, business operations or prospects of the Borrower, any of the Borrower's subsidiaries, or any of the Guarantors.

m) If the Borrower or a Guarantor is an individual, the Borrower or such Guarantor dies or is found by a court to be incapable of managing his or her affairs.

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

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

12. INDEMNITY
The Borrower agrees to indemnify the Bank from and against any and all claims, losses and liabilities arising or resulting from this Agreement. USD loans must be repaid with USD and CAD loans must be repaid with CAD and the Borrower shall indemnify the Bank for any loss suffered by the Bank if USD loans are repaid with CAD or vice versa, whether such payment is made pursuant to an order of a court or otherwise. In no event will the Bank be liable to the Borrower for any direct, indirect or consequential damages arising in connection with this Agreement.

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

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

15. CHANGING THE AGREEMENT
a) The Bank may, from time to time, unilaterally change the provisions of this Agreement where (i) the provisions of the Agreement relate to the Operating Loan, Agriculture Operating Line or Farm Property Line of Credit (and any other uncommitted facility) or (ii) such change is for the benefit of the Borrower, or made at the Borrower's request, including without limitation, decreases to fees or interest payable hereunder or (iii) where such change makes compliance with this Agreement less onerous to the Borrower, including without limitation, release of security. These changes can be made by the Bank providing written notice to the Borrower of such changes in the form of a specific waiver or a document constituting an amending agreement. The Borrower is not required to execute such waiver or amending agreement, unless the Bank requests the Borrower to sign such waiver or amending agreement. A change in the Prime Rate and USBR is not an amendment to the terms of this Agreement that requires notification to be provided to the Borrower.

b) Changes to the Agreement, other than as described in a) above, including changes to covenants and fees payable by the Borrower, are required to be agreed to by the Bank and the Borrower in writing, by the Bank and the Borrower each signing an amending agreement.

c) The Bank is not required to notify a Guarantor of any change in the Agreement, including any increase in the Credit Limit.

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

i) the imposition or exemption of taxation of payments due to the Bank or on reserves or deemed reserves in respect of the undrawn portion of any Facility or loan made available hereunder; or,

ii) any reserve, special deposit, regulatory or similar requirement against assets, deposits, or loans or other acquisition of funds for loans by the Bank; or,

iii) the amount of capital required or expected to be maintained by the Bank as a result of the existence of the advances or the commitment made hereunder;

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

17. EXPENSES

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

Without limiting the generality of Section 25, the Bank or the Bank's agent, is authorized to debit any of the Borrower's accounts with the amount of the fees and expenses owed by the Borrower hereunder, including the registration fee in connection with the Bank Security, even if that debiting creates an overdraft in any such account. If there are insufficient funds in the Borrower's accounts to reimburse the Bank or it's agent for payment of the fees and expenses owed by the Borrower hereunder, the amount debited to the Borrower's accounts shall be deemed to be a Prime Based Loan under the Operating Loan, the Agriculture Operating Line or Farm Property Line of Credit.

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

18. NON WAIVER

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

19. EVIDENCE OF INDEBTEDNESS

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

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

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

20. ENTIRE AGREEMENTS

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

21. NON-MERGER

Notwithstanding the execution, delivery or registration of the Bank Security and notwithstanding any advances made pursuant thereto, this Agreement shall continue to be valid, binding and enforceable and shall not merge as a result thereof. Any default under this Agreement shall constitute concurrent default under the Bank Security. Any default under the Bank Security shall constitute concurrent default under this Agreement. In the event of an inconsistency between the terms of this Agreement and the terms of the Bank Security, the terms of this Agreement shall prevail and the inclusion of any term in the Bank Security that is not dealt with in this Agreement shall not be an inconsistency.

22. ASSIGNMENT

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

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

23. RELEASE OF INFORMATION

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

24. FX CLOSE OUT

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

25. SET-OFF

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

When applying a deposit or other obligation in a different currency than the indebtedness and liability under this Agreement to the indebtedness and liability under this Agreement, the Bank will convert the deposit or other obligation to the currency of the indebtedness and liability under this Agreement using the exchange rate determined by the Bank at the time of the conversion.

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

27. MISCELLANEOUS

i) The Borrower has received a signed copy of this Agreement;

ii) If more than one Person, firm or corporation signs this Agreement as the Borrower, each party is jointly and severally liable hereunder, and the Bank may require payment of all amounts payable under this Agreement from any one of them, or a portion from each, but the Bank is released from any of its obligations by performing that obligation to any one of them;

iii) Accounting terms will (to the extent not defined in this Agreement) be interpreted in accordance with accounting principles established from time to time by the Canadian Institute of Chartered Accountants (or any successor) consistently applied, and all financial statements and information provided to the Bank will be prepared in accordance with those principles;

iv) This Agreement is governed by the law of the Province or Territory where the Branch/Centre is located;

v) Unless stated otherwise, all amounts referred to herein are in Canadian dollars

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

"All-In Rate" means the greater of the interest rate that the Borrower pays for Floating Rate Loans or the highest fixed rate paid for Fixed Rate Term Loans.

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

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

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

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

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

"Face Amount" means, in respect of:

(i) a B/A, the amount payable to the holder thereof on its maturity;

(ii) A L/C or L/G, the maximum amount payable to the beneficiary specified therein or any other Person to whom payments may be required to be made pursuant to such L/C or L/G.

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

"Floating Rate Loan" means any loan drawn down, converted or extended under a Facility at an interest rate which is referenced to a variable rate of interest, such as the Prime Rate.

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

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

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

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

"Maturity Date" for a Facility, means the date on which all amounts outstanding under such Facility are due and payable to the Bank.

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

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

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

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

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

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

"US$" or "USD Equivalent" means, on any date, the equivalent amount in United States Dollars after giving effect to a conversion of a specified amount of Canadian Dollars to United States Dollars at the exchange rate determined by the Bank at the time of the conversion.

Commercial Banking

August 11th, 2020

Dear Mr Giddings,

Thank you for considering TD Commercial Banking for your financing needs. We have performed a preliminary assessment based on the financial information you have provided. The terms and conditions summarized herein are provided for discussion purposes only and for convenience of reference and do not constitute an offer, agreement or commitment to lend or to reach agreement of definitive terms and conditions. The Bank has not sought or received credit approval from the departments and persons within the Bank who approve credit. The actual terms and conditions on which the Bank might extend credit to your business may change following the Bank's review of your business and other information, including but not limited to operational, financial, and environmental information and following the review of departments and persons within the Bank who approve credit. The proposed credit facilities will only be established upon completion of definitive loan documentation.

This letter is to be held confidential and may not be shared with any other party, including any other financial institution, without the prior written consent of the Bank. All dollar amounts are in Canadian dollars unless expressly stated otherwise.

Borrower	Lakefront Utilities Services Inc.
Lender	The Toronto-Dominion Bank (the "Bank")
Facilities	1. Committed Reducing Term Facility of up to $2,500,000
Use of Funds	1. Acquisition and installation of Waterworks equipment
Pricing	Indicative 5 year fixed rate: 2.95%.
Amortization	Up to 7 years
Fees:	Set up fee to be a minimum of $2,500
Security	• First position General Security Agreement • Postponement issued by City of Cobourg • Confirmation of Insurance
Repayment	To be established.
Disbursement Conditions	1. Forecast showing expected cash-flow and debt service. 2. Interim Financial Statements for Waterworks along with interim F/S for all businesses under LUSI
Covenants/Terms & Conditions	Please note that test thresholds and formula definitions will be determined upon the completion of our due diligence. • Annual testing of Debt Service Coverage Ratio to assess the adequacy of operating cash flows to service debt obligations.

Commercial Banking

APPENDIX G – DEBT RESTRUCTING

Lakefront Utilities Inc.

Debt Restructuring

In response to the economic impacts stemming from COVID-19 and the effects on the Canadian economy, interest rates have fallen to near historic lows. Further, management felt it was prudent to manage the financial risk to rate payers. The purpose of this report is to review the interest rates on the Infrastructure Ontario (IO) debt and determine if:

1. IO will restructure the loans at a revised interest rate.
2. If IO will not restructure the loans, can the debt be refinanced with TD Bank.

Lakefront Utilities Inc. (LUI/Lakefront) has three loans with IO, consisting of the following:

Advance Date	Initial Loan Amount	Original Lending Rate	Maturity Date	Years to Maturity	Principal at 12/31/20
October 1, 2012	$1,700,000	3.38%	10/01/27	6.75	$899,731
September 3, 2013	$1,847,658	4.03%	9/03/28	7.68	$1,121,110
December 3, 2018	$1,170,332	3.90%	12/03/48	27.94	$1,127,559

Option #1: Restructure with Infrastructure Ontario

Based on recent economic events, current interest rates have been approximately 3% or less. Lakefront approached IO to determine if they would restructure the debt to take advantage of lower rates. The restructuring would not affect Lakefront's access to debt. That is, the restructuring would be amortized over the remaining maturity.

Based on discussions with IO, they indicated the loan program was designed to offer long-term financing for the new purchase or construction of capital assets. Unfortunately, they do not offer restructuring of loans on existing debt.

Option #2: Restructure Loans with TD Bank

Based on the above, Lakefront approach TD Bank about paying off the loans with IO and refinancing with TD Bank. IO indicated that there would be a fee applied to each loan if they were paid down early, as follows:

Advance Date	Initial Loan Amount	Outstanding Principal at Prepayment	Original Lending Rate %	Mat Date	Years to Maturity	Principal	Accrued Interest Due	Cost to be Recovered	Total Due
1-Oct-12	1,700,000	956,278	3.38	1-Oct-27	7.08	956,278	2,004	89,260	1,047,542
3-Sep-13	1,847,658	1,180,001	4.03	3-Sep-28	8.01	1,180,001	6,272	153,249	1,339,522
3-Dec-18	1,170,332	1,134,921	3.9	3-Dec-48	28.27	1,134,921	3,451	355,693	1,494,065
	TOTAL DUE	3,271,200				3,271,200	11,726	598,202	3,881,128

As indicated, the total fees associated with paying off the IO debt early is $598,202. Lakefront discussed with TD Bank and the interest rate offered for each of the loans is as follows:

Initial Loan Amount	IO Lending Rate	TD Lending Rate
$1,700,000	3.38%	2.26%
$1,847,658	4.03%	2.28%
$1,170,332	3.90%	2.85%

Lakefront prepared loan amortization schedules based on the IO fees and TD lending rate and determined the benefit(cost) of restructuring the debt with TD Bank, as summarized below:

Initial Loan Amount	IO Lending Rate	TD Lending Rate	Remaining Interest IO Loan	Cumulative Interest TD Loan	Benefit (Cost)
$1,700,000	3.38%	2.26%	$118,178	$81,385	($36,793)
$1,847,658	4.03%	2.28%	$201,579	$119,409	($82,169)
$1,170,332	3.90%	2.85%	$727,172	$672,939	($54,233)

As indicated above, the cost of restructuring the debt with TD Bank, primarily due to the significant penalties by IO, outweigh the benefits of the reduced interest rate.

Conclusion

In conclusion, the costs related to breaking the IO loans are quite large and outweigh the lower interest rates offered by TD Bank. Therefore, restructuring Lakefront's IO debt is not prudent as it would not lower payments on existing loans.

APPENDIX H – LAKEFRONT UTILITY SERVICES INC. – INTERCOMPANY AGREEMENT

INTERCOMPANY LOAN AGREEMENT

INTERCOMPANY LOAN AGREEMENT

THIS AGREEMENT made as of the 1st day of January 2019

BETWEEN:

LAKEFRONT UTILITY SERVICES INC.
(referred to in this Agreement as "LUSI")
- and-

LAKEFRONT UTILITIES INC.
(referred to in this Agreement as "LUI")

Background

Over the last sixteen years since the Electricity Market Opening, Lakefront Utilities Inc. (LUI) has accumulated a current intercompany "line of credit" (debt instrument) of approximately $3,000,000 running total with Lakefront Utility Services Inc. (LUSI) managed affiliates, including Town of Cobourg Holdings Inc. (Holdco). This amount is a combination of several factors, including timing of the Independent Electricity System Operator (IESO) invoices that LUI must pay before collecting revenues from its billed customers, which has increased from a monthly average of approximately $1M at market opening, to a current monthly average of over $2.5M. This IESO bill increase can be attributed to the steep rise of Global Adjustment and small incremental growth of LUI's customer base and usage consumption over the years.

Rationale

To formalize an Intercompany Loan Agreement effective January 1, 2019, to ensure that a mechanism is in place for LUSI to remit appropriate interest on an intercompany "line of credit."

Introduction

Lakefront Utility Services Inc. (LUSI) is considered the Lender, and Lakefront Utilities Inc. (LUI) is considered the Borrower.

> WHEREAS the Lender and the Borrower belong to the same group of companies;
>
> WHEREAS the Parties hereby wish to set forth terms and conditions agreed between them in that respect; and,
>
> WHEREAS LUI is bound by the Affiliate Relationships Code for Electricity Distributors and Transmitters of the Ontario Energy Board as Revised March 15, 2010 (Originally issued on April 1,1999);
>
> THEREFORE This agreement has been prepared to meet the necessary requirements of the foregoing Code while providing a fair an equitable return to the Lender.

The intercompany loan agreement is only to be used between companies of the same group. For that reason, the number of covenants is limited. Attention has been given to the tax aspects of these kinds of intra-group agreements, to avoid the possible taxation of abnormal or gratuitous advantages, especially in intercompany relationships. In this respect, the terms relating to the duration of the Intercompany Loan Agreement and the interest rate will be closely scrutinized by the tax authorities.

Article 1 – Loan

1.1 The Borrower shall use the proceeds from intercompany loans for the purpose of their ordinary business only.

1.2 The maximum quantum of the loan shall be at the Lender's sole discretion, subject to the agreement of the Lender and as set out in Schedule B to this agreement.

1.3 There shall be no charges from the Lender for the administration of the loan.

Article 2 – Interest

2.1 Interest shall accrue on the average monthly outstanding balance at the OEB deemed interest rate as filed in LUI's latest approved Cost of Service application as set out in Schedule B.

2.2 The interest will be paid annually and without any deduction whatsoever.

2.3 All payments hereunder shall be made in Canadian dollars.

Article 3 – Security

The obligations of the Borrower hereunder are unsecured.

Article 4 – Duration

4.1 The intercompany loans are available to the Borrower throughout the duration of the Intercompany Loan Agreement.

4.2 The intercompany loans are unsecured with no fixed terms of repayment.

Article 5 – Termination or Reduction

5.1 The Lender may terminate or reduce the quantum of the intercompany loan with one (1) year written notice to the Lender.

5.2 The Lender may cancel the intercompany loans forthwith and without any prior written notice in case of any of the following events, which constitute default by the Borrower.

a) Failure by the Borrower to pay to the Lender any interest due;

b) Failure by the Borrower to comply with any other term or condition of this Agreement, and if such failure is capable of being remedied, the failure remains not remedied for more than thirty days after the Lender gives notice thereof to the Borrower;

c) The appointment of a receiver over any material part of the assets or undertakings of the Borrower, which results in a suspension of payments or an attachment being made on a material part of the Borrower's assets or undertakings, or any bankruptcy, insolvency or similar legal action instituted by or against the Borrower;

d) The occurrence of any other event which in the reasonable opinion of the Lender would have a material adverse effect on the Borrower's ability to comply with any of its obligations of this Agreement; or

e) The transfer of the Borrower's business (or any part thereof) to a third party outside the group of companies that the Lender and the Borrower are part of.

Article 6 – Assignments

The rights and obligations of either party under this Agreement are not assignable to a third person, without the prior written consent of the other party.

Article 7 – Covenants

7.1. The Borrower undertakes that, during the term of this Agreement, (i) all its obligations hereunder will rank equally with all of its other present and future unsecured obligations, except for obligations which are preferred by law, and (ii) it will not create or permit to subsist or have outstanding any charge, pledge or lien whatsoever on or over the whole or any part of its assets in favour of any other lender, without obtaining the prior consent in writing of the Lender.

7.2. The Borrower shall at all times (i) keep all licences, permits, and franchises necessary for the operation of its business in order and (ii) keep all of its assets which are useful in and necessary to its business in good working order and condition (ordinary wear and tear excepted) and make all necessary repairs thereto and replacements thereof.

Article 8 – Inspection of Accounts

The Lender, at its own expense, has the right to have the Borrower's books, accounts, invoices, receipts and other administrative data inspected by such (objective) persons as the Lender shall determine (preferably auditors), who shall be approved by the Borrower (and such approval cannot be unreasonably withheld), so as to verify compliance by the Borrower with the terms and conditions of this Agreement.

Article 9 – Miscellaneous Provisions

9.1. This Agreement including Schedules A and B contains the entire agreement and understanding between the Parties with respect to the subject matter hereof and supersedes and replaces all prior agreements or understandings, whether written or oral, with respect to the same subject matter that are still in force between the Parties.

9.2. Any amendments to this Agreement, as well as any additions or deletions, shall be agreed in writing by all the Parties.

9.3. Whenever possible, the provisions of this Agreement shall be interpreted in such a manner as to be valid and enforceable under the applicable law. However, if one or more provisions of this Agreement are found to be invalid, illegal or unenforceable, in whole or in part, the remainder of that provision and of this Agreement shall remain in full force and effect as if such invalid, illegal or unenforceable provision had never been contained herein. Moreover, in such an event, the Parties shall amend the invalid, illegal or unenforceable provision(s) or any part thereof and/or agree on a new provision, in such a way as to reflect insofar as possible the purpose of the invalid, illegal or unenforceable provision(s). Neither party shall be liable for failure to perform under this Agreement (except for the payment of any amounts due herein) if such failure is due to causes beyond its reasonable control, such as, but not limited to, fire, flood, strikes, labour disputes or other industrial disturbances, (declared or undeclared) war, embargoes, blockades, legal restrictions, riots, insurrections, governmental regulations or the unavailability of means of transport.

9.4. Any failure or delay by a party in exercising any right under this Agreement, any single or partial exercise of any right under this Agreement or any partial reaction or absence of reaction by a party in the event of a violation by the other party of one or more provisions of this Agreement, shall not operate or be interpreted as a waiver (either express or implied, in whole or in part) of that party's rights under this Agreement or under the said provision(s), nor shall it preclude any further exercise of any such rights. Any waiver of a right must be express and in writing. If there has been an express written waiver of a right following a specific failure by a party, this waiver cannot be invoked by the other party in favour of a new failure, similar to the prior one, or in favour of any other kind of failure.

9.5 Any disputes arising between affiliates under the terms of this agreement shall be resolved by the Town of Cobourg Holdings Company (HOLDCO) Board.

9.6. Each party shall bear its own costs (including lawyers' fees, costs and expenses) for the preparation and negotiation of this Agreement.

9.7. This Agreement is executed in separate copies, each of which is deemed an original and all of which taken together constitute one and the same agreement.

Article 10 – Applicable Law and Jurisdiction

10.1. All issues, questions and disputes concerning the validity, interpretation, enforcement, performance and termination of this Agreement shall be governed by and construed in accordance with appropriate laws and regulations, and no effect shall be given to any other choice-of-law or conflict-of-laws rules or provisions, that would cause the laws of any other jurisdiction to be applicable.

Executed in __________ [place] on __________ [date] in two original copies, each party acknowledging receipt of one.

FOR AND ON BEHALF OF THE LENDER	FOR AND ON BEHALF OF THE BORROWER
[name] Peter Chilibeck	[name] Gil Brocanier
[title] Chair, Lakefront Utility Services Inc.	[title] Chair, Lakefront Utilities Inc.
[date] December 13th, 2018	[date] December 13th, 2018
[signature]	[signature]

SCHEDULE A

As set out in the Introduction, this agreement has been prepared consistent with the requirements of the Affiliate Relationships Code of the Ontario Energy Board. Section 2.2.1 of the Code sets out the requirements for when a utility receives a service, resource, product or use of asset from an affiliate. Six areas are to be included in a Services Agreement. These six area are covered in this Loan Agreement as follows:

(a) Type, Quantity and Quality of Service: Line of Credit.

(b) Pricing Mechanisms: Interest rate set at the OEB deemed interest rate approved in the latest Cost of Service application.

(c) Cost Allocation Mechanisms: No charges for the administration of the loan.

(d) Confidentiality Arrangements: Standard arrangements that currently exist between affiliates.

(e) Apportionment of Risks: LUI as Lender is provided with one year's notice of any termination or reduction in the quantum of the loan.

(f) Dispute Resolution: LUI and LUSI are subsidiaries of the Town of Cobourg Holdings Company (HOLDCO) which shall resolve any disputes arising under this agreement.

SCHEDULE B

As referenced in Articles 1 and 2 of this Agreement, this Schedule sets out the quantum and the interest rate for the loan to LUI. This schedule may be amended from time to reflect changes in the OEB deemed interest rate or to reflect changes in the quantum of the loan subject to the stipulations in Article 5.

Any amendments to this Schedule are subject to resolutions approved by the Boards of the Lender (LUSI) and the Borrower (LUI) at which time the effective date, quantum and interest rate shall be updated.

Effective Date: January 1, 2019

Quantum: Up to $3,000,000 Canadian dollars.

Interest Rate: 3.72 % per annum paid annually.

Approved by LUSI Board on **December 13th, 2018**

Approved by LUI Board on **November 12th, 2018**