

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.



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.