THE CORPORATION OF THE CITY OF PETERBOROUGH

BY-LAW NUMBER 12-089

BEING A BY-LAW TO CONFIRM COUNCIL'S DIRECTION TO CITY OF PETERBOROUGH HOLDINGS INC. RELATING TO THE STANLEY ADAMSON POWERHOUSE REDEVELOPMENT PROJECT

WHEREAS Peterborough Utilities Inc. ("PUI") has proposed redeveloping the Stanley Adamson Powerhouse that is situated on lands owned by Trent University through a subsidiary company (the "Project Company") which is wholly owned by PUI, and has entered into a proposed arrangement with Trent University for that development (the "Project"); and

WHEREAS certain provisions of the Shareholder Direction and Unanimous Shareholder Declaration (as amended to February 8, 2010, the "Shareholder Direction") in which the City (the "Shareholder") has established certain principles of governance for the City of Peterborough Holdings Inc. ("CoPHI"), which is applicable to PUI and the Project Company, require Shareholder approval; and

WHEREAS in connection with the construction and term financing of the Project, the Shareholder is being asked to subordinate its security interest over the assets secured by the City in the General Security Agreement, dated December 13, 2001 in favour of financial institutions approved by the Directors of COPHI;

NOW THEREFORE, THE CORPORATION OF THE CITY OF PETERBOROUGH BY THE COUNCIL THEREOF HEREBY ENACTS AS FOLLOWS:

1. That the City provides the following approvals to CoPHI and the directors of CoPHI:

   a) the purchase of assets for the Project by PUI and/or the Project Company with an aggregate value in excess of $20.0 million but not greater than $25.0 million;

   b) the assumption of PUI and the Project Company of financial obligations in relation to the Project that may or do increase the debt/equity ratio of CoPHI and its Subsidiaries (including PUI and the Project Company) to a ratio greater than 60:40 but not greater than 70:30;

   c) the entry into agreements, commitments or investments by PUI and/or the Project Company in relation to the Project that create any Lien (as described in the Shareholder Direction) or recourse in favour of any third party in priority to the security given to the Shareholder by CoPHI and its Subsidiaries (including PUI and the Project Company) to a value of more than 25% of the book value of all assets of CoPHI as reported at the end of its most recently completed fiscal year; and

2. That in accordance with the above Shareholder approvals, that any two of the Chief Administrative Officer, City Clerk and Treasurer of the City be authorized to execute any documentation relating to the above Project in the form approved by the City Solicitor on behalf of the City.
3. That a by-law be passed at the June 25, 2012 Council meeting giving effect to the above recommendations.

By-law read a first, second and third time this 25th day of June, 2012.

(Sgd.) Henry Clarke, Deputy Mayor

(Sgd.) John Kennedy, City Clerk