THE CORPORATION OF THE CITY OF PETERBOROUGH

BY-LAW NUMBER 13-100

BEING A BY-LAW TO CONFIRM COUNCIL’S DIRECTION TO CITY OF PETERBOROUGH HOLDINGS INC. RELATING TO THE LONDON STREET POWERHOUSE REDEVELOPMENT PROJECT

WHEREAS Peterborough Utilities Inc. (PUI) has proposed redeveloping its London Street Powerhouse ("the Project") through a subsidiary company, London Street Power Corporation (the “Project Company”), which is wholly owned by PUI;

AND WHEREAS certain provisions of the Shareholder Direction and Unanimous Shareholder Declaration (as amended to July 30, 2012), have established certain principles of governance for the City of Peterborough Holdings Inc. ("CoPHI"), which principles extend to PUI and the Project Company as affiliates of CoPHI and are relevant to certain aspects of the Project and the Project's financing;

AND WHEREAS in connection with the financing of the Project by PUI and/or the Project Company (the “Financing”), the City may be requested to:

(a) subordinate and postpone both (a) the debt owed to the City or CoPHI by PUI and/or any debt owed by the Project Company to any of City, CoPHI and PUI, and (b) any security held by the City on the assets of PUI and the Project Company, to the repayment of the debt of the Project Company to any one or more financial institutions approved by the Directors of CoPHI to provide construction and/or term financing for the Project (each a "Lender") and each Lender’s security for such debt; and

(b) enter into other agreements and deliver other documents required or desirable for each Lender to provide the Financing (the “Other Security Documents”),

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

1. The City does hereby provide the following approvals to CoPHI and the directors of CoPHI:

a) the purchase and sale of assets for the Project by PUI and/or the Project Company with an aggregate value in excess of $20 million, but not greater than $31.0 million, for assets purchased from other than CoPHI and its indirect or direct Subsidiaries; and

b) the assumption of PUI and/or the Project Company of financial obligations in relation to the Project while nevertheless maintaining a debt/equity ratio of CoPHI and its Subsidiaries (including PUI and/or the Project Company) not greater than 80:20; and

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 City by CoPHI and its Subsidiaries (including PUI and the Project Company) to a value equal to no more than 25% of the book value of all assets of CoPHI and its Subsidiaries as reported at the end of this most recently completed fiscal year; and
2. That any two of the Chief Administrative Officer, City Clerk, Treasurer and City Solicitor of the City be and are authorized to execute and deliver:

   a) one or more agreements (each a "Postponement Agreement") in favour of a Lender approved by the Directors of CoPHI to provide all or various parts of the Financing for the Project which postpones and subordinates the repayment by PUI and its subsidiaries (including the Project Company) of their debt to the City and the security granted to the City relative thereto to the repayment of the debt of PUI and the Project Company in relation to the Project to the Lender and to the Lender's related security; and

   b) the Other Security Documents; and

   c) to amend, terminate, remove, vacate and discharge any Postponement Agreement and Other Security Documents and the security they create and registrations made relative to the foregoing, in the form approved by the City Solicitor on behalf of the City.

By-law read a first, second and third time this 2nd day of July, 2013.

(Sgd.) Daryl Bennett, Mayor

(Sgd.) John Kennedy, City Clerk