Whereas section 5 of the Municipal Act, 2001, as amended (the “Act”) provides that a municipal power shall be exercised by by-law unless the municipality is specifically authorized to do otherwise;

And Whereas the Board of Health for the Peterborough County – City Health Unit (“PCCHU”) has entered or intends to enter, as the case may be, into an agreement (the “Financing Agreement”) with Ontario Infrastructure and Lands Corporation (“OILC”) to obtain a long-term loan from OILC in a principal amount not to exceed $3,500,000.00 (the “Financing”) to provide long-term financing for the purchase of the first three floors of the property having the municipal address of 185 King Street, Peterborough, Ontario, being a condominium building, including the appurtenant common elements and the exclusive use of 26 underground parking spaces (the “Property”) for the purpose of using the Property to enable the PCCHU to consolidate its provision of health programs and services in one location;

And Whereas PCCHU proposes to sell its current premises at 10 Hospital Drive, Peterborough, Ontario and use the proceeds from the sale of such premises to apply to the purchase price of the Property as a down payment for the Property;

And Whereas under the terms and conditions of the Financing Agreement OILC requires the guarantee of The Corporation of the City of Peterborough (the “Municipality”) and of The Corporation of the County of Peterborough as part of OILC’s security for the Financing (the “Guarantee”);

And Whereas the Act expressly empowers a municipality to guarantee a loan for any purpose that council considers to be in the interests of the municipality;

And Whereas authorizing the Guarantee and the entering into of an agreement substantially in the form attached as Appendix “A” hereto and forming part of this By-law (the “Guarantee Agreement”) does not constitute direct or indirect assistance by the Municipality to any manufacturing business or other commercial enterprise through the granting of bonuses for that purpose;

And Whereas the Guarantee Agreement provides, amongst other things, that the liability under the Guarantee Agreement of the Guarantors, as defined in the Guarantee Agreement shall be limited as follows:
(a) The Corporation of the City of Peterborough – up to the principal amount of $2,100,000.00 in respect of the Financing; and

(b) The Corporation of the County of Peterborough – up to the principal amount of $1,400,000.00 in respect of the Financing.

And Whereas before authorizing the Guarantee, the Council of the Municipality had its Treasurer calculate an updated limit in respect of its most recent annual debt and financial obligation limit received from the Ministry of Municipal Affairs and Housing in accordance with the applicable regulation. Prior to the Council of the Municipality authorizing the Guarantee the Treasurer determined that the estimated annual amount payable in respect of the Guarantee would not cause the Municipality to exceed the updated limit and that the approval of the Guarantee by the Ontario Municipal Board pursuant to such regulation was not required;

Now Therefore, The Corporation of the City of Peterborough by the Council thereof hereby enacts as follows:

1. Providing Council’s consent to the sale of the property known as 10 Hospital Drive by PCCHU, as described in OILC Loan Application bearing ID number 14094 and submitted on February 3, 2015 by PCCHU, is hereby authorized, in accordance with section 52(4) of the Health Protection and Promotion Act. The Council hereby waives any right it has to purchase the property which is contained in the transfer of the said property to Peterborough County-City Health Unit which was registered as Instrument Number R 274815 on November 29, 1974.

2. Providing Council’s consent to the acquisition of the Property by PCCHU and the Charge/Mortgage of the Property by PCCHU, as described in the Financing Agreement is hereby authorized, in accordance with section 52(4) of the Health Protection and Promotion Act.

3. Providing the Guarantee and entering into an agreement in form and substance substantially the same as the Guarantee Agreement is hereby authorized without further approval by the Council of the Municipality on the basis that providing the Guarantee and entering into the Guarantee Agreement are in the interests of the Municipality.

4. (i) The Treasurer together with one of the Mayor or the Clerk are hereby authorized for and on behalf of the Municipality to execute and deliver an agreement substantially in the form of the Guarantee Agreement in respect of the loan to be made by OILC to PCCHU in a principal amount not to exceed $3,500,000.00 with such changes, additions and amendments as the said officers may, in their sole discretion, consider necessary or desirable in connection with the Guarantee Agreement, provided that the maximum principal amount of the Municipality’s liability under the Guarantee Agreement (up to the principal amount of $2,100,000.00 in respect of the Financing) remains unchanged.

(ii) One or more of the Mayor, the Clerk and the Treasurer are hereby authorized to generally do all such other acts and things and to execute and deliver all such other documents, certificates, undertakings, papers and writings as such officer may, in his or her sole discretion, consider necessary or desirable in connection with the aforesaid waiver, consents and the Guarantee or to carry out the provisions of this By-law and the authority for the aforesaid writings and the doing of such things shall be conclusively evidenced by the execution and delivery of the aforesaid writing and the performance of the aforesaid actions by the said authorized officer.
5. The Treasurer is hereby authorized to affix the Municipality’s municipal seal to any of such documents and writings.

This by-law shall come into force and take effect upon the final passing thereof.

By-law read a first, second and third time this 7th day of December, 2015.

(Sgd.) Daryl Bennett, Mayor

(Sgd.) John Kennedy, City Clerk
GUARANTEE

Date: As at the 10th day of December, 2015

To: ONTARIO INFRASTRUCTURE AND LANDS CORPORATION
(777 Bay Street, 9th Floor, Toronto, Ontario M5G 2C8)
(the “Creditor”)

From: THE CORPORATION OF THE CITY OF PETERBOROUGH
(the “Guarantor 1”)

And from: THE CORPORATION OF THE COUNTY OF PETERBOROUGH
(the “Guarantor 2”)

WHEREAS the Board of Health for the Peterborough County-City Health Unit (the “Debtor”) intends to acquire the first three floors of the property having the municipal address of 185 King Street, Peterborough, Ontario, a condominium building, including the appurtenant common elements and the exclusive use of 26 underground parking spaces (the “Property”) upon terms and conditions that have been approved by the Creditor;

AND WHEREAS the Creditor has entered or intends to enter, as the case may be, into an Agreement attached as Schedule A hereto (the “Financing Agreement”) to provide long-term financing up to the maximum principal amount of $3,500,000 which maximum principal amount is referred to in the Financing Agreement as the “Committed Amount” (the “Financing”) to the Debtor to finance a portion of the costs of the acquisition of the Property for the purpose of using the Property to enable the Debtor to consolidate its provision of health programs and services in one location (the “Project”);

AND WHEREAS each of Guarantor 1 and Guarantor 2 (collectively, the “Guarantors”) understand that under the terms and conditions of the Financing Agreement, it is a condition of the Creditor providing the Financing that the Guarantors guarantee the obligations of the Debtor in respect of the Financing under the Financing Agreement;

AND WHEREAS the Guarantors acknowledge that this agreement does not constitute any direct or indirect assistance by the Guarantors to any manufacturing business or other commercial enterprise through the granting of bonuses for that purpose that would contravene section 106 of the Municipal Act, 2001;

AND WHEREAS all capitalized terms not defined herein are as defined in the Financing Agreement;

THEREFORE, in order to induce the Creditor to provide the Financing and to satisfy the conditions of the Financing Agreement with respect thereto, the Guarantors undertake and agree as follows:
1. Guaranteed Obligations

1.1. The Guarantors irrevocably and unconditionally severally, and not jointly and not jointly and severally, guarantee the Financing, in the proportions up to the maximum principal amounts set forth in section 1.2 hereof, (i) the due and punctual payment and performance of all debts, liabilities and obligations, including any principal, interest and fees payable by the Debtor to the Creditor under the Financing Agreement in connection with the Financing, and (ii) any and all fees, expenses or costs (including reasonable legal fees and reasonable allocated costs of internal counsel of the Creditor) payable in connection with the enforcement and protection by the Creditor of its rights under this agreement including, but not limited to costs of collection (collectively the "Guaranteed Obligations").

1.2 The liability hereunder of the Guarantors shall be limited as follows:

(a) Guarantor 1 – up to the principal amount of $2,100,000.00 in respect of the Financing; and

(b) Guarantor 2 – up to the principal amount of $1,400,000.00 in respect of the Financing.

1.3 The Guarantors’ liability hereunder shall not extend to any financing or refinancing other than the Financing or any amounts in excess of the Committed Amount.

2. Costs and expenses

Subject to section 1.2 hereof, the Guarantors agree to pay the Creditor, upon demand, all out-of-pocket costs and expenses (including, without limitation, legal fees on a solicitor and client basis) incurred by or on behalf of the Creditor in connection with enforcing any of its rights against the Debtor in respect of the Guaranteed Obligations or against the Guarantors.

3. Right to immediate payment

The Creditor shall not be bound to seek or exhaust its recourse against the Debtor or any other persons or to realize on any securities it may hold in respect of the Guaranteed Obligations before being entitled to payment from the Guarantors under this agreement and the Guarantors renounce all benefits of discussion and division.

4. Payment on demand

The liability of the Guarantors hereunder shall be payable immediately upon written demand and such demand shall be conclusively deemed to have been effectually made and given when an envelope containing such demand, addressed to each of the Guarantors in accordance with section 18 hereof, is delivered to the attention of each Guarantor. The liability of the Guarantors shall bear interest from the date of such demand [both before and after judgment at the rate set out in the Financing Agreement].
5. Statement of accounts

Any account settled or stated by or between the Creditor and the Debtor, or if any such account has not been so stated or settled prior to any demand for payment, any account stated by the Creditor shall, in the absence of manifest error, be accepted by the Guarantors as conclusive evidence that the amount of the Guaranteed Obligations so settled or stated is due and payable by the Debtor to the Creditor.

6. Liability absolute

The liability of the Guarantors shall be absolute and unconditional irrespective of:

(a) the invalidity, unenforceability or illegality, in whole or in part, of any agreements, instruments or other documents held by the Creditor to create, represent or evidence any Guaranteed Obligations;

(b) any defence, counterclaim or right of set off available to the Debtor;

(c) any change in the name, objects, capital, constating documents or by-laws of the Debtor;

(d) any amalgamation, merger or re-organization of the Debtor or, if a partnership, in the firm, including, without limitation, by reason of the death, retirement or admission for membership of any partners (in which case this agreement shall apply to the corporation or partnership, as the case may be, resulting or continuing therefrom);

(e) any equities between the Creditor, the Guarantors or the Debtor or any defence of right of set off, compensation, abatement, combination of accounts or cross claim that the Guarantors or Debtor may have;

(f) any act or omission on the part of the Creditor that would prevent subrogation operating in favour of the Guarantors;

(g) any contest by the Debtor, the Guarantors or any other guarantor as to the amount of the Guaranteed Obligations, the validity or enforceability of any term of the Financing Agreement or any security documents or other agreements or documents related to the Financing (collectively, the “Financing Documents”) or the priority of any security;

(h) any invalidity, non-perfection or unenforceability of any security or Financing Document held by the Creditor or any irregularity or defect in the manner or procedure by which Creditor realizes on such security or any Financing Documents;

(i) any non-disclosure to the Guarantors by the Debtor or any other person of any matter (whether now existing or arising hereafter) relating in any way to the Guaranteed Obligations or the liability of the Guarantors hereunder, including
without limitation any material change in circumstances or any act or omission of
the Creditor but excluding any non-disclosure relating to matters set out in section
1.3 hereof (e.g. any extension of the term of the Financing); or

(j) to the extent permitted by applicable law, any other circumstances which might
otherwise constitute, in whole or in part, a defence available to, or a discharge of,
the Guarantors, the Debtor or any other persons, firms or corporations in respect
of the Guaranteed Obligations or the liability of the Guarantors;

it being the intent of the Guarantors that liability to the Creditor under this agreement shall be
absolute and unconditional and shall not be discharged except by payment and performance in
full of the Guaranteed Obligations.

7. Representations

Each Guarantor hereby represents and warrants to the Creditor that:

(a) it is duly organized and existing under the laws of the Province of Ontario and has
all requisite power and authority to enter into this agreement;

(b) the execution, delivery and performance of this agreement has been duly
authorized by its municipal council and this agreement constitutes a legal, valid
and binding obligation of it, enforceable according to its terms;

(c) the execution and delivery of this agreement and the performance of its
obligations hereunder do not contravene any provisions of the Guarantor’s by-
laws or any law, regulation, rule decree, order, judgment or contractual restriction
binding on it or affecting it or its undertakings, property and assets;

(d) no consent, approval, order or authorization or the giving of notice to or the
registration with, or the taking of any other action in respect of any governmental
authority or agency, other than by the Guarantor’s municipal council which has
been received, is required in connection with the execution, delivery, performance,
validity or enforceability of this agreement; and

(e) the representations and warranties of the Debtor given in the Financing
Agreement and relating to the Guarantors are true and correct.

8. Dealings by Creditor

8.1 Subject to section 8.2 hereof, the Creditor may, on thirty (30) days prior notice in writing
to the Guarantors, and without obtaining the consent of the Guarantors, grant extensions of time
and other indulgences, take and give up securities, accept compositions, grant releases and
discharges, whether full, partial, conditional or otherwise, perfect or fail to perfect any securities,
release any undertaking, property or assets charged by any securities to third parties and
otherwise deal or fail to deal with the Debtor and others (including, without limitation, any other
guarantors) and securities, hold any moneys received from the Debtor and others or from any
securities unappropriated, apply such moneys against such part of the Guaranteed Obligations
and change any such application in whole or in part from time to time, all as the Creditor may see fit, without prejudice to or in any way discharging or diminishing the liability of the Guarantors and no loss of or in respect of any securities received by the Creditor from the Debtor or any other persons, whether occasioned through the fault of the Creditor or otherwise, shall in any way discharge or diminish the liability of the Guarantors.

8.2 The Creditor shall not amend the terms of the Financing Agreement including, but not limited to, extensions of the term of the Financing, without the prior written consent of the Guarantors.

9. Liability as principal debtor

Subject to section 1.2 hereof, all debts, liabilities and obligations purporting to be incurred by the Debtor in connection with the Financing and owing to the Creditor shall form part of the Guaranteed Obligations despite: (i) any incapacity, disability, or lack or limitation of status or power of the Debtor or any of its directors, officers or agents; (ii) the fact that the Debtor may not be a legal entity; or (iii) any irregularity or defect or informality in the incurring of such debts, liabilities or obligations and any such debts, liabilities and obligations shall be recoverable from the Guarantors as principal debtor upon demand and with interest, calculated and payable as provided in this agreement.

10. Continuing nature and reinstatement

This agreement is a continuing guarantee and shall apply to and secure payment of all Guaranteed Obligations and any ultimate unpaid balance thereof. This agreement shall be reinstated if at any time any payment of any Guaranteed Obligations is rescinded or must otherwise be returned by the Creditor upon the insolvency, bankruptcy or reorganization of the Debtor or for any other reason whatsoever, all as though such payment had not been made.

11. Liquidation, bankruptcy, etc.

In the event of any liquidation, winding up or bankruptcy of the Debtor (whether voluntary or compulsory) or in the event that the Debtor shall make a bulk sale of any of its assets within the bulk transfer provisions of any applicable legislation or any composition with creditors or scheme of arrangement, the Creditor shall have the right to rank in priority to the Guarantors for its claim in respect of the Guaranteed Obligations and to receive all dividends or other payment in respect thereof until its claim has been paid in full, all without prejudice to its claim against the Guarantors who shall continue, subject to section 1.2 hereof, to be liable for any remaining unpaid balance of the Guaranteed Obligations. In the event of any valuation or retention by the Creditor of any securities, such valuation or retention shall not, as between the Creditor and the Guarantor, be considered payment, satisfaction or reduction of any Guaranteed Obligations.

12. Waiver of subrogation rights

In the event that the Creditor receives any payments on account of the liability of the Guarantors, the Guarantors shall not have, and waive to the extent required, any rights to claim repayment from or against the Debtor and any rights to be subrogated to any rights of the Creditor, until that Guarantor’s proportionate share of the Guaranteed Obligations has been paid in full.
13. Termination

This agreement shall remain in full effect until:

a) the Debtor has complied with all of its covenants in the Financing Agreement, no principal or interest, fees or other amounts are outstanding under the Financing Agreement; and
b) the Creditor has no further commitment under the Financing Agreement to advance any part of the Committed Amount.

Notwithstanding the foregoing, this agreement shall be reinstated in accordance with the provisions of section 10 hereof.

14. Postponement of claims

All present and future debts, liabilities and obligations (collectively the “Postponed Obligations”) of the Debtor to the Guarantors are postponed to the payment of the Guaranteed Obligations. Any moneys or other property received by the Guarantors in respect of any Postponed Obligations shall be received by the Guarantors in respect of any Postponed Obligations shall be received in trust for, and immediately paid over to, the Creditor with all necessary endorsements and assignments and pending such payment shall be held separate and apart from all other property held by the Guarantors. Any moneys received by the Creditor pursuant to this section, including moneys derived from instruments and any other property, may be applied against any Guaranteed Obligations, all as the Creditor may see fit and without prejudicing or in any way discharging or diminishing the liability of the Guarantors. Despite the forgoing, the Guarantors shall be entitled to receive and deal with any payments on account of any Postponed Obligations in the form of salaries and any other permitted payments made by the Debtor in the ordinary course of business prior to a default in the payment of any Guaranteed Obligations.

15. No rights of set off

All amounts payable by the Guarantors shall be paid without set off or counterclaim and without any deduction or withholding whatsoever unless and to the extent that the Guarantors shall be prohibited by law from doing so, in which case the Guarantors shall pay to the Creditor such additional amounts as shall be necessary to ensure that the Creditor receives the full amount it would have received if no such deduction or withholding had been made.

16. Entire agreement

There are no representations, condition, agreements or understandings with respect to this agreement or affecting the liability of the Guarantors other than as set forth or referred to in this agreement.

17. Additional security
This agreement is in addition and without prejudice to any security of any kind (including, without limitation, any guarantees, whether or not in the same form as this agreement) held by the Creditor.

18. Further assurances

The Guarantors shall from time to time upon the request of the Creditor, execute and deliver, under seal or otherwise, all such further agreements, instruments and documents and do all such further acts and things as the Creditor may reasonably require to give effect to the transactions contemplated by this agreement.

19. Notice

19.1 Any notice given under this Agreement to the parties hereto shall be in writing and any such notice shall be served either by personal delivery by facsimile or registered mail, postage paid, to the following addresses:

(a) if to Guarantor 1, at:

The Corporation of the City of Peterborough
500 George Street North
Peterborough, ON, Ontario
K9H 3R9

Attn: Sandra Clancy,
Fax: 705-748-8839

(b) if to Guarantor 2, at:

The Corporation of the County of Peterborough
470 Water Street
Peterborough, ON
K9H 3M3

Attn: Sheridan Graham,
Fax: 705-876-1730

(c) if to the Creditor, at:

Ontario Infrastructure and Lands Corporation
1 Dundas, 20th floor
Toronto, Ontario
M5G 2L5

Attn: Loan Operations
Fax: 416-263-5900
19.2 Any notice given in accordance with section 18.1 above, shall be deemed to have been received on the day of delivery and shall be deemed, if sent by registered mail, to be received five (5) days after posting in Canada (except in the event of a postal interruption, in which event such notice shall be deemed to be received when actually received).

19.3 Any of the parties hereto may at any time give notice under this section to the other of a change of address and thereafter such changed address shall be substituted for the previous address set out in section 18.1 above.

20. Successors, assigns and governing law

This agreement shall enure to the benefit of and be binding upon the respective legal representatives, successors and permitted assigns of the Guarantors and the Creditor and shall be governed by and construed in accordance with the laws of the Province of Ontario. The Guarantors irrevocably submit to the jurisdiction of the courts of Ontario in any action or proceeding arising out of or relating to this agreement but nothing shall prevent the Creditor from enforcing this agreement or any related judgment against the Guarantors in any other jurisdiction.

21. Severability

If any provision contained in this agreement shall be invalid, illegal or unenforceable in any jurisdiction, the invalidity, illegality or unenforceability of that provision will not affect the validity, legality or enforceability of the remaining provisions hereof or thereof.

SIGNED, SEALED and DELIVERED as of the date first above written.

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Schedule A

Form of the Financing Agreement
November 2, 2015

Board of Health for the Peterborough County – City Health Unit
10 Hospital Drive
Peterborough, ON  K9J 8M1
Attention: Bob Dubay, Manager of Accounting

Dear Mr. Dubay,

We are pleased to offer Peterborough County – City Health Unit (the "Borrower") the following credit facilities, subject to Ontario Infrastructure and Lands Corporation’s (the "Lender") provisions set out below, standard terms and conditions (the "Standard Terms"), and any schedules and appendices attached hereto (collectively, the "Agreement"). This Agreement is effective as of the date first above written. Unless stated otherwise, all dollar amounts are in Canadian currency. All capitalized terms not defined herein shall have the meaning attributed thereto in the Standard Terms.

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<tr>
<th>1. Borrower:</th>
<th>Board of Health for the Peterborough County – City Health Unit (the &quot;Borrower&quot;)</th>
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<td>2. Lender:</td>
<td>Ontario Infrastructure and Lands Corporation (the &quot;Lender&quot;)</td>
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<td>3. Guarantor:</td>
<td>City of Peterborough for 60% of the Committed Amount and the County of Peterborough for 40% of the Committed Amount (individually a &quot;Guarantor&quot;, collectively, the “Guarantors”)</td>
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<td>4. Loan Amount:</td>
<td>$3,500,000.00 (the &quot;Committed Amount&quot;)</td>
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<td>5. Credit Facilities:</td>
<td>Term Loan: Non-revolving fixed rate term loan up to the aggregate maximum principal amount of the Committed Amount, to be repaid over a 25 year amortization period (the &quot;Term Loan&quot;).</td>
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<td>6. Purpose:</td>
<td>Term Loan: To provide long-term financing for the purchase of the first three floors of the property having the municipal address of 185 King Street, Peterborough, Ontario, being a condominium building, including the appurtenant common elements and the exclusive use of 26 underground parking spaces (the “Property”) for the purpose of using the Property to enable the Borrower to consolidate its provision of health programs and services in one location (the “Project”). The maximum aggregate principal amount which may be outstanding at any time under the Term Loan cannot exceed the Committed Amount.</td>
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<td>7. Credit Facility Maturity</td>
<td>Term Loan: 25 years, subject to acceleration by the Lender in accordance with the Standard Terms (the &quot;Term Loan Maturity Date&quot;). Any and all</td>
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### Dates:

amounts owing under the Term Loan must be repaid in full no later than the Term Loan Maturity Date.

### 8. Interest Rates & Repayment:

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<th>1. Term Loan:</th>
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<td>i. Fixed interest rate as posted on the Lender's website (<a href="http://www.infrastructureontario.ca">www.infrastructureontario.ca</a>) as confirmed by the Lender to the Borrower under the Term Loan. Such fixed interest rate shall be based on the Lender's cost of funds plus the Lender's prevailing spread assigned to the Borrower's sector for program delivery costs and risks.</td>
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<td>ii. Blended payments of principal and interest to be paid monthly.</td>
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<td>iii. The Term Loan is a non-revolving facility and no amounts repaid under the Term Loan may be re-borrowed.</td>
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**No Prepayment:** The Borrower shall not be entitled to repay all or any portion of the principal amount of the Term Loan prior to the Term Loan Maturity Date except in accordance with any agreed amortization schedule or with the prior written consent of the Lender which consent may be withheld or conditioned at the sole discretion of the Lender.

### 9. Drawdown Procedure:

Term Loan Advances shall be made either on the 1st or 15th day of the month. The Borrower shall provide notice, in form and in substance satisfactory to the Lender, requesting a Term Loan Advance no later than 30 days prior to the Advance date.

### 10. Security:

The following security shall be provided to support all present and future indebtedness and liability of the Borrower, and shall be registered in first position unless otherwise noted below, and shall be on the Lender's standard form, supported by resolutions, by-laws and legal opinions, as applicable, all acceptable to the Lender:

a) **Municipal Guarantee** provided by the Guarantors.

b) **Charge/Mortgage** on the Property in such principal amount, as specified by the Lender, which charge/mortgage shall incorporate by reference standard charge terms filed by Dye & Durham as number 200033 (as the same may be revised or supplemented from time to time);

c) **General Security Agreement** registered under the *Personal Property Security Act, 1990* ("PPSA") and site specific to the Property;

d) **Assignment of Material Contracts** which includes the Borrower making best and reasonable efforts to obtain an assignment of the Public Health Funding and Accountability Agreement and Amending Agreements, with acknowledgements of assignment of contracts. Should the Province of Ontario refuse to consent to such an assignment, the Borrower shall provide proof and said refusal to the Lender, and upon receipt of said proof, the Lender will waive this...
requirement;
e) **Title Insurance** in favour of the Lender on the Property acceptable to the Lender with the cost of insurance for the Borrower's account;
f) **Certificate of Property Insurance** over the Property with the Lender shown as first loss payee and additional insured to the satisfaction of the Lender;
g) **Rights of deduction** pursuant to the *Ontario Infrastructure and Lands Corporation Act, 2011*;
h) **Solicitor’s report** customary for this type of transaction shall be executed; and
i) all other security documentation as may be required from time to time in the sole discretion of the Lender to protect the interests of the Lender.

All of the above security shall be referred to collectively as the "**Lender Security**".

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<th>11. Additional Conditions Precedent - Advances under Term Loan:</th>
<th>The Borrower shall provide to the Lender's satisfaction prior to any drawdown under the Term Loan (each a &quot;<strong>Term Loan Advance</strong>&quot;), in addition to the conditions precedent within the Standard Terms, the following conditions precedent with all costs paid from the account of the Borrower:</th>
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<tr>
<td>a) <strong>Separate PIN</strong>: The Borrower shall ensure that a separate PIN is in place for the Property and that the IO charge/mortgage is registered on the separate PIN.</td>
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<td>b) <strong>AACI Appraisal</strong>: The Borrower shall provide a qualified AACI appraisal with a maximum LTV ratio of not exceeding 70% based on the Committed Amount satisfactory to the Lender, prepared at the Borrower’s expense. <em>(RECEIVED AND SATISFACTORY)</em></td>
<td>b) <strong>AACI Appraisal</strong>: The Borrower shall provide a qualified AACI appraisal with a maximum LTV ratio of not exceeding 70% based on the Committed Amount satisfactory to the Lender, prepared at the Borrower’s expense. <em>(RECEIVED AND SATISFACTORY)</em></td>
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<td>c) <strong>Borrower Equity</strong>: requirements as detailed in Appendix 1 shall be confirmed to the satisfaction of the Lender prior to the Term Loan Advance. For clarity, a minimum sum of $4,505,000 shall have been injected into the Project concurrently to the IO loan drawdown.</td>
<td>c) <strong>Borrower Equity</strong>: requirements as detailed in Appendix 1 shall be confirmed to the satisfaction of the Lender prior to the Term Loan Advance. For clarity, a minimum sum of $4,505,000 shall have been injected into the Project concurrently to the IO loan drawdown.</td>
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<td>d) <strong>Agreement of Purchase and Sale</strong>: the Borrower shall provide an executed copy confirming the cost, terms and conditions of the Property purchase. <em>(RECEIVED AND SATISFACTORY)</em></td>
<td>d) <strong>Agreement of Purchase and Sale</strong>: the Borrower shall provide an executed copy confirming the cost, terms and conditions of the Property purchase. <em>(RECEIVED AND SATISFACTORY)</em></td>
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<td>e) The <strong>Advance</strong> shall be applied only for the acquisition of the Property.</td>
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<td>f) <strong>Occupancy Certificate</strong>: The Borrower shall provide an occupancy certificate issued by the City of Peterborough that the Vendor’s work has been completed sufficiently to permit occupancy of the Property by the Borrower</td>
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<td>g) <strong>Reserve Fund Study</strong>: The Borrower shall provide the Reserve</td>
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</table>
### 12. Evidence of Indebtedness:

The Lender shall record the principal amount of the Advances, the payment of principal and interest on account of the Advances, and all other amounts becoming due to the Lender under this Agreement. The Lender's accounts and records shall constitute, in the absence of manifest error, *prima facie* evidence of the indebtedness of the Borrower under the credit facilities. For each Term Loan Advance, the Borrower shall provide a promissory note in favour of the Lender which shall include the scheduled dates for payments of principal and interest.

### 13. Representations and Warranties:

The Borrower shall and is deemed to make the representations and warranties as set out in the Standard Terms.

### 14. Events of Default:

The Lender may accelerate the payment of principal and interest under any committed credit facility hereunder and/or terminate any undrawn portion of any committed credit facility hereunder, at any time after the occurrence of any Event of Default.

### 15. Additional 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 shall observe, and shall ensure that its subsidiaries observe, the following positive covenants, in addition to those set out in the Standard Terms:

- **Borrower Equity** requirements as detailed in Appendix 1 shall be confirmed to the satisfaction of the Lender prior to the Term Loan Advance. For clarity, a minimum sum of $4,505,000 shall have been injected into the Project concurrently with the IO loan draw;

- **Reserve Fund Study** The Borrower’s annual contribution to the condominium corporation reserve fund must align to the amount specified within the most recent reserve Fund Study (every 3 years beginning in 2018). The Lender may require that a building condition assessment (BCA) be completed for the Property 5 years after the advance date and every 5 years thereafter;

- **Sale or Transfer of the Property** herein secured, or any change in ownership of the Borrower not approved by the Lender, will cause all monies owing under the Term Loan to become due and payable at the Lender’s option;

- **Access to the Property** – Subject to the Property’s Rules of the Condominium Corporation, the Borrower shall ensure that the Lender and its agents have full access to the Property provided the...
<table>
<thead>
<tr>
<th>16. Additional Negative Covenants:</th>
<th>Lender provides the Borrower with reasonable notice of its intention to access the Property; and e) Such other Positive Covenants as may be reasonably deemed necessary by the Lender.</th>
</tr>
</thead>
<tbody>
<tr>
<td>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 shall observe, and shall ensure that its subsidiaries observe, the following negative covenants, in addition to those set out in the Standard Terms: a) <strong>Withdrawal of Equity</strong> and/or profits in any form including dividends and/or fees in any form are not permitted without the Lender’s prior knowledge and written consent, excluding any withdrawals made in accordance with Public Health Funding and Accountability Agreement between the Borrower and Her Majesty the Queen in Right of Ontario; b) <strong>Payments to Guarantors and/or Creditors</strong> - The Borrower shall not, subject to the Standard Terms, make any payment to any guarantor and/or creditor that may have any past, present and future financial claims, except for payments incurred in the ordinary course of business (provided that no payments made by the Borrower shall reduce the Borrower’s ability to achieve its minimum annual Debt Service Coverage of 1.10x prior to a drawdown under the Term Loan or cause the Borrower to breach its financial covenants) c) <strong>Cross Defaults</strong> – The Borrower shall not permit any cross default provisions to be included with any other documentation with respect to Indebtedness to affect the Property and/or the Project. d) The Borrower shall postpone and subordinate all <strong>related party debt</strong> to IO. Any repayment of related party debt shall be subject to IO approval; e) <strong>Interest payments on existing related party debt</strong> is allowed provided terms of the IO financing and covenants are met; and f) <strong>Borrower Additional Indebtedness</strong> – The Borrower shall not, without the Lender’s prior written consent, incur any additional indebtedness or guarantee or act as surety or agree to indemnify the debts of any other Person, except for indebtedness resulting from Permitted Liens and expenses incurred in the ordinary course of business (provided that no additional indebtedness incurred by the Borrower shall reduce the Borrower’s ability to achieve its financial covenants).</td>
<td></td>
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<tr>
<td>17. Financial Covenants:</td>
<td>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 shall observe, and shall ensure that its subsidiaries observe, the following financial covenants:</td>
</tr>
</tbody>
</table>
a) **Debt Service Coverage Ratio** – The Borrower agrees to maintain a minimum annual Debt Service Coverage Ratio of 1.10x on the corporate level at all times.

"Debt Service Coverage Ratio" or "DSCR", for any fiscal year, means earnings before interest, taxes, depreciation, amortization, and lease payments(EBITDAL), divided by the sum of principal and interest payments made, on all interest-bearing debts during the relevant fiscal year. Debt Service Coverage Ratio = (EBITDAL) / (Principal + Interest).

### 18. Reporting:

The Borrower agrees to provide the Lender with the following in order to complete the Lender’s annual review all within 120 days of the Borrower’s Fiscal Year end:

a) **Consolidated audited financial statements** of the Borrower;

b) **Reserve Fund Study** provided by the Borrower every 3 years beginning in 2018;

c) **Confirmation of condominium corporation dues** which evidence dues are paid and current;

d) **Property tax exemption confirmation** that any and all property taxes are exempt;

e) **Certificate of updated insurance**; and

the Borrower shall furnish the Lender as soon as practicable with any other financial reporting information that the Lender may require.

### 19. Permitted Liens:

Permitted Liens are listed in the Standard Terms.

### 20. Standard Terms:

The Standard Terms attached hereto, including the defined terms set out therein, form part of this Agreement, unless the provisions herein specially state that one or more provisions of the Standard Terms do not apply or are modified.

We trust you will find these credit facilities helpful in meeting your ongoing financial requirements. We ask that if you wish to accept this Agreement, please do so by signing the signature page below and returning the attached duplicate copy of the signature page to the undersigned. This offer will expire if not accepted in writing and received by the Lender on or before November 23, 2015.

Yours Truly,

**ONTARIO INFRASTRUCTURE AND LANDS CORPORATION**

by: ____________________________
TO:  ONTARIO INFRASTRUCTURE AND LANDS CORPORATION

Board of Health for the Peterborough County – City Health Unit hereby accepts the foregoing Agreement No. [NTD: Upma to provide] this ____ day of November, 2015.

BOARD OF HEALTH FOR THE
PETERBOROUGH COUNTY – CITY
HEALTH UNIT

I/We have authority to bind the Corporation.
STANDARD TERMS AND CONDITIONS

1. INTEREST CALCULATION AND PAYMENT

(a) Repayment of the Term Loan

The principal amount of the Term Loan, together with all interest, fees and other amounts payable under this Agreement in connection with the Term Loan, shall be due and payable on the earlier of:

(A) demand by the Lender following the occurrence of an Event of Default which is continuing; and

(B) the Term Loan Maturity Date.

2. DRAWDOWN PROVISIONS

(a) The Borrower may request a Term Loan Advance to be made on either the 1st or the 15th day of any calendar month or the first Business Day following such date if such date is not a Business Day (either of which is defined as the "Advance Date").

(b) The principal amount of all Advances will be tendered to the Borrower by electronic transfer of funds to an account of the Borrower maintained with a deposit-taking institution, such account to be designated by notice in writing to the Lender by the execution and delivery of a pre-authorized debit agreement in the Lender's form, and the Borrower undertakes to notify the Lender immediately in writing of any changes in its designated account for the purposes of such deposit.

(c) The Borrower must provide written notice to the Lender of any change to the terms of Term Loan at least five (5) Business Days prior to the date the Lender is scheduled to set the interest rate for a Term Loan. Failure to provide the required notice 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 this Financing Agreement.

3. RIGHT OF DEDUCTION AND SECURITY

(a) If the Borrower fails to meet its obligations to the Lender under the Agreement, and as security for the satisfaction by the Borrower of the Obligations, the Borrower hereby agrees, pursuant to subsections 25(1), 25(2) and 25(3) of the Ontario Infrastructure and Lands Corporation Act, 2011 (Ontario), as amended from time to time hereafter, that the Minister of Finance is entitled to deduct from money appropriated by the Legislative Assembly of Ontario for payment to the Borrower, or from money appropriated by such Assembly for payment to the Borrower in respect of such matters as may be specified, amounts not exceeding the amounts that the Borrower fails to pay to the Lender pursuant to this Agreement and to pay such amounts to the Lender from the Consolidated Revenue Fund.
(b) As continuing collateral security for the payment by the Borrower to the Lender under the terms of this Agreement and for performance by the Borrower of its obligations hereunder, the Borrower acknowledges and agrees that the Lender shall have the benefit of the Lender Security.

(c) If a guarantee is contemplated pursuant to the terms of this Agreement, the Borrower shall arrange to deliver to the Lender certified copy of the Guarantor's by-law authorizing the grant of the guarantee and an incumbency and signing authority of officers certificate in respect of the Guarantor along with any other documents or instruments to be provided to the Lender pursuant to the provisions hereof.

4. DISBURSEMENT CONDITIONS

(a) Term Loan. Unless waived by the Lender or previously delivered or satisfied to the Lender's sole discretion, the following are the conditions precedent to the obligation of the Lender to make any Term Loan Advances:

(i) Prior Liens: The Borrower shall have paid in full and discharged all principal balances and all other sums due and owing pursuant to any liens (including any liens arising under the CLA), charges, assessments, levies or other encumbrances of any nature affecting the Property except for Permitted Liens;

(ii) Taxes: Borrower shall have provided to the Lender, in a form satisfactory to the Lender with evidence that all realty taxes, local improvement rates and other taxes which may give rise to lien against the Property have been paid in full;

(iii) Audit: At the Lender's discretion, if any issues were raised in any audit conducted under paragraph 18(a), such issues have been resolved to the Lender's satisfaction and/or the Lender has neither required an audit under paragraph 18(a) nor is such an audit ongoing;

(iv) Building and Zoning By-laws: Borrower shall have provided to the Lender evidence in form reasonably satisfactory to the Lender that the Property complies and will comply in all respects with all municipal and provincial by-laws, statutes and regulations and is not in contravention of any such by-laws, statutes and regulations. The Borrower shall have provided evidence to the Lender that all appropriate environmental approvals and permits, including construction permits and building permits, related to the Project have been received and are in full force and effect. The Borrower shall have provided evidence to the Lender that all appropriate regulatory approvals, permits, insurance certificates, warranties related to the Project have been received and are in full force and effect;

(v) Insurance: Borrower shall have provided to the Lender and/or its insurance consultants with evidence satisfactory to the Lender that all insurance required to be placed pursuant to the terms of this Agreement is in place. The Lender shall have received an acceptable insurance binder or certificate of insurance, to be followed, within sixty (60) days of the issuance of the binder or certificate, with a certified copy of the Borrower's policy or policies of insurance, as well as a report
from the Insurance Consultant certifying that the Borrower's insurance is satisfactory and complies with this Agreement;

(vi) **Security**: Borrower shall have executed and delivered or caused to be executed and delivered in favour of the Lender the Lender Security, all in form and substance satisfactory to the Lender, in its sole discretion;

(vii) **Title Insurance**: Borrower shall have provided to the Lender evidence of acceptable title insurance from an acceptable title insurer, in each case satisfactory to the Lender, issued in favour of the Lender with respect to the Property insuring the full Committed Amount;

(viii) **Status**: The Lender shall be satisfied in its sole discretion that no event or circumstances has occurred or is likely to occur which may affect the basis upon which the Committed Amount was approved or which results or would result in a Material Adverse Change in the Borrower's financial condition since the date of this Agreement or ownership of the Property;

(ix) **Committed Amount Ceiling**: The amount of the requested Advance when added to the aggregate amount of Advances then outstanding in respect of the Property does not exceed the Committed Amount;

(x) **Officer's Certificate**: The Borrower shall provide to the Lender an Officer's Certificate dated as of the date of each Term Loan Advance, certifying:

(A) the matters set forth in paragraphs 4(a)(xi) and 4(a)(xii);

(B) that all covenants and conditions in this Agreement to be observed or performed by the Borrower have been complied with;

(C) that all conditions precedent to the Term Loan Advance have been satisfied;

(D) that all Project Approvals for the Project are in full force and effect;

(E) that no Material Adverse Change has occurred since the closing date; and

(F) as to such other matters as the Lender may reasonably require.

(xi) **Accuracy of Representations**: All representations and warranties of the Borrower contained in this Agreement and all representations of the Borrower and each Obligor contained in any other Financing Document shall be true and correct in all material respects on and as of the date of the requested Term Loan Advance as though made on and as of such date, and the Lender shall have received a certificate of a senior officer of each such certifying the same with respect to such Person;
(xii) **No Default:** No Default or Event of Default shall have occurred and be continuing, and the Lender shall have received an officer's certificate of the Borrower so certifying;

(xiii) **Lien Searches:** The Lender shall have received Land Title Office, Personal Property Registry and such other searches as the Lender considers appropriate, acting reasonably, in respect of the Property, the collateral and the Borrower as of a time and date satisfactory to the Lender confirming (i) registration of the security documents or financing statements or other appropriate filings or notices in respect thereof, and (ii) that no liens (other than Permitted Liens) are registered against or charge the Borrower, the Property or any of the collateral (including, without limitation, all construction liens in respect of the Property have been discharged, vacated or removed as provided under the CLA;

(xiv) **Opinion of Borrower's Counsel:** The Borrower shall deliver to the Lender an opinion of Borrower's external counsel dated as of the date of the Term Loan Advance and addressed to the Lender, in form and substance acceptable to the Lender;

(xv) **Opinion of Guarantor's Counsel:** The Borrower shall arrange to deliver to the Lender an opinion of Guarantor's counsel dated as of the date of the Term Loan Advance and addressed to the Lender, in form and substance acceptable to the Lender.

5. **REPRESENTATIONS AND WARRANTIES**

The Borrower represents and warrants to the Lender that:

(a) the information contained in the Application, to the extent that it relates to the Borrower or the Project, is true and correct in all material respects as of the date of this Agreement;

(b) the Borrower has been continued as corporation without share capital pursuant to the terms of the Health Promotion and Protection Act and the Borrower has the corporate power and capacity to:

(i) own, lease and operate its properties and assets and to carry on its activities as presently carried on;

(ii) to borrow money and grant security on its properties and assets;

(iii) to purchase the Property; and

(iv) to execute and deliver the Financing Documents and to perform its obligations hereunder and thereunder;

(c) the Borrower has taken all necessary corporate action to authorize the execution, delivery and performance of the Financing Documents;
(d) each of the Financing Documents has been duly authorized, executed and delivered by the Borrower and constitutes a valid and legally binding obligation, enforceable against the Borrower in accordance with its respective terms, subject to applicable bankruptcy, insolvency and other laws affecting the enforcement of creditors' rights generally;

(e) the execution and delivery by the Borrower of the Financing Documents and the performance by the Borrower of its respective obligations thereunder do not violate, result in a breach of, or constitute a default under:

(i) any of the terms, conditions or provisions of its constating documents or by laws of the Borrower;

(ii) any resolution of the board of directors or any financial plan, budget, borrowing strategy or investment strategy of the Borrower; or

(iii) any statute, regulation or other law applicable to the Borrower;

(f) the Borrower is not currently in default under: (a) any Indebtedness; (b) any loan documentation related to the Project; and (c) any material agreements related to the Project and the Borrower undertakes to immediately inform the Lender if it is in default under any of these instruments or agreements at any time;

(g) all conditions precedent and pre-construction conditions of the Public Health Funding and Accountability Agreement have been fulfilled;

(h) all Project agreements and ancillary loan documentation have been executed and are in full force and effect and are in form and on terms acceptable to the Lender;

(i) subject only to minor title defects not individually or in the aggregate material nor materially and adversely affecting the use thereof and subject to any security granted to the Lender pursuant to the provisions hereof, the Borrower has good and marketable title to its real and personal properties free and clear of any encumbrances or security interests other than Permitted Liens;

(j) since the date of incorporation of the Borrower, there has been no development materially adversely affecting the business or financial condition or position of the Borrower or its ability to carry on business as presently conducted or as contemplated hereunder to be conducted; and

(k) there is no litigation or judicial or administrative proceeding of any kind now existing, pending or threatened that in any way seeks to restrain, enjoin, delay or otherwise adversely affect the commencement or completion of the Project or that would substantially impair the Borrower's ability to meet its debt obligations as they generally come due or that in any manner questions the proceedings and authority of the Borrower under with the Project or the borrowings applied for in the Application have been or will be authorized or the security granted under the Financing Documents.
6. **ADDITIONAL POSITIVE COVENANTS**

The Borrower covenants and agrees with the Lender that:

(a) the proceeds of all Advances provided by the Lender to the Borrower shall be applied only to capital expenditures in respect of hard and soft capital costs actually incurred or to be incurred by the Borrower and which costs and expenditures are directly related to the Project and not for any other purpose;

(b) the Borrower shall duly and punctually pay or cause to be paid when due and payable the principal of and interest on all Advances and all other amounts owing in respect of all Advances, in conformity with the terms of this Agreement, and it shall faithfully observe and perform all the conditions, covenants and requirements of this Agreement;

(c) the Borrower shall as soon as practicable following the approval thereof by the Borrower and, in any event, within one-hundred and twenty (120) days after the end of each Fiscal Year of the Borrower, furnish the Lender with such number of copies as the Lender may reasonably request of an annual balance sheet, statement of revenue and expense, statement of changes in net assets, statement of cash flows, or equivalent documents prepared in accordance with Public Sector Accounting Standards (PSAS) as applied to the presentation of financial information of the Borrower and reported on by an independent accountant and independent auditor;

(d) the Borrower shall furnish the Lender as soon as practicable with any other financial reporting information that the Lender may require in its discretion and at any time prepared in accordance with PSAS;

(e) the Borrower shall at all times maintain its existence as a body corporate with all necessary approvals to carry on its operations as at such time are being carried on under Applicable Law and conduct its operations in a proper and efficient manner, and shall keep or cause to be kept proper books of account and will take all necessary steps to ensure that its Material Related Entities conduct their operations in a proper and efficient manner and keep or cause to be kept proper books of account;

(f) the Borrower shall maintain insurance on its properties and assets and for the operation of its business whereby each such insurance policy shall (i) be written by insurers approved by the Lender, acting reasonably, and (ii) provide for thirty (30) days written notice to the Lender of a proposed cancellation or non-renewal from the insurer of any such policy or deletion or material change of any coverage thereunder or of any property covered thereby. The Lender shall be entitled to retain an Insurance Consultant to review the existing insurance coverage to ascertain whether such insurance is adequate under the circumstances and the Borrower shall pay all amounts incurred by the Lender for such review. The Borrower agrees to make such changes to their insurance policies as such Insurance Consultant may reasonably require and to the extent changes can reasonably be effected in accordance with market standards; the Borrower shall pay all amounts incurred by the Lender to review the adequacy of the construction and operating
insurance, and obtain all adequate insurance policies during the construction and operating phases;

(g) the Borrower shall permit a Lender representative or any other individual authorized by the Lender to access the Project site for the purposes of conducting an environmental assessment;

(h) the Borrower shall notify the Lender as soon as practicable after becoming aware of the occurrence of any Event of Default or of the occurrence of any event or circumstance which, after notice or lapse of time, could become an Event of Default; and

(i) the Borrower shall at all times comply with Applicable Law in the acquisition of the Project.

7. **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 each Material Related Entity and the Guarantor does not, without the prior written consent of the Lender (which consent may be withheld in its sole unfettered discretion):

(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 Permitted Liens;

(b) voluntarily make any prepayment or accelerate any payment or repayment to the Guarantor or any other creditor in respect of Indebtedness;

(c) terminate or enter into a surrender of any lease of any property mortgaged under the Lender Security;

(d) cease to carry on the business currently being carried on by the Borrower and its subsidiaries and the Guarantors at the date hereof;

(e) permit any change of ownership of the Borrower or change in the Borrower's capital structure;

(f) amalgamate, merge, consolidate or otherwise combine pursuant to statute or by private agreement with any other Person except where such amalgamation is required by legislation and amalgamation is with another health unit and the amalgamated entity continues to operate as an eligible borrower under the *Ontario Infrastructure and Lands Corporation Act, 2011*, in which case the Borrower shall provide the Lender with notice of the intended amalgamation prior to the date the amalgamation takes effect;

(g) directly or indirectly sell, lease, transfer, assign, convey or otherwise dispose of all or substantially all of its assets, rights and properties, whether in a single transaction or a
series of related transactions, to any other Person or sell, lease, transfer, assign, convey or otherwise dispose of its interest in the Project;

(h) acquire all or substantially all of the shares, assets or business of any other Person; or

(i) amend, modify, restate, supplement or otherwise modify, waive or release, cancel or terminate, other than immaterial amendments which would not reasonably be expected to have a material adverse effect, any construction agreement or other material agreement relating to the Project.

8. **ENVIRONMENTAL**

(a) The Borrower shall at all times comply with all applicable Environmental Laws and occupational health and safety laws, regulations and orders which affect the Borrower or any of its assets.

(b) The Borrower shall inform the Lender in writing of each:

(i) environmental condition, release of Hazardous Material or violation of or non-compliance with environmental law, in each case which could reasonably be expected to materially adversely affect the Borrower, the Property or the Project upon becoming aware of such matter; and

(ii) legal action or proceeding commenced against the Borrower with respect to any environmental matter which may materially adversely affect the Borrower, the Property or the Project, promptly upon the Borrower becoming aware of the commencement of such action or other proceeding.

(c) The Borrower shall specifically establish and maintain procedures for monitoring its continued compliance with applicable Environmental Laws, which procedures shall include periodic reviews of such compliance.

(d) If the Borrower (i) receives written notice that any material violation of any Environmental Law may have been committed or is about to be committed by it, (ii) receives written notice that any administrative or judicial complaint or order has been filed or is about to be filed against it alleging material violations of any Environmental Laws or requiring it to take any action of a material nature in connection with the release of Hazardous Materials into the environment, or (iii) receives any written notice from a governmental authority or other Person alleging that it may be liable or responsible for costs in a material amount associated with a response to or clean-up of a release of a Hazardous Material into the environment or any damages caused thereby, then the Borrower shall provide to the Lender with a copy of such notice within 10 Business Days of the Borrower's receipt thereof. The Borrower shall also provide to the Lender, as soon as practicable after it becomes available, a copy of an environmental site assessment or audit report, if any, required to be submitted to any governmental authority. If any such assessment or report estimates the cost of any clean-up or remedial action required by such governmental authority, the Borrower shall provide evidence satisfactory to the
Lender of disbursements made from time to time to effect such clean-up or remedial action within such time as may be prescribed by such governmental authority.

(e) The Borrower shall indemnify the Lender and its respective officers, directors, employees, agents, representatives, assignees, and the officers, directors, employees of each of them (each, an "Indemnified Person") and shall hold each of them harmless from and against any and all losses, liabilities, damage, costs, expenses and claims (including legal fees on a solicitor and client basis) relating to this Agreement or any other document delivered in connection with this Agreement and/or arising in respect of (i) any violation of an Environmental Law by it or the Guarantors or any of its subsidiaries including the assertion of any Lien thereunder, (ii) the presence of any Hazardous Material affecting any real or personal property owned by it resulting in any way from the Borrower's use of such property, or (iii) the release by it or the Guarantors or its subsidiaries of any Hazardous Material into the environment; provided that the Borrower shall not be obliged to indemnify any Indemnified person for any losses, liabilities, damages, costs, expenses and claims which have arisen as a result of gross negligence or wilful misconduct of such Indemnified Person. The Borrower's obligations and indemnification under this section shall survive the payment and satisfaction of all obligations hereunder and the termination of this Agreement. The Lender shall hold the benefit of this indemnity in trust for those other Indemnified Persons who are not parties to this Agreement.

9. TERM, TERMINATION AND DEFAULT

(a) This Agreement shall terminate ten (10) Business Days following the date on which the last Obligations outstanding hereunder are paid in full unless earlier terminated in accordance with paragraphs (b) or (c) below; provided that the indemnities of the Borrower in favour of the Lender and the provisions of paragraphs 16(c) and 18(a) shall continue for the benefit of the Lender following such termination.

(b) The Lender may terminate its obligations under this Agreement on thirty (30) days prior notice in writing to the Borrower if in the reasonable opinion of the Lender the Borrower is in material default under this Agreement, other than for any cause enumerated in (c) below.

(c) The Lender may terminate any or all of its obligations under this Agreement immediately, subject to paragraph 9(d) below, upon the occurrence of any of the following (each, an "Event of Default");

(i) if the Borrower fails to make one or more payments of principal or interest in respect of any Term Loan Advance within five (5) Business Days after the same becomes due and payable;

(ii) if the Borrower reaches or exceeds its updated debt and financial obligation limit imposed by its by-laws or any resolution of its Board of Directors;

(iii) if the Borrower has failed to pay any amount of principal, interest, fees or other amounts owing when due under any Indebtedness other than the Term Loan
Advances and such default continues for five (5) Business Days, unless such failure to pay has been remedied within the applicable cure period under such loan, credit or other agreement or waived by the applicable creditor thereunder:

(iv) if the Borrower has failed to meet and pay any of its liabilities and obligations other than Indebtedness when due and default in payment is occasioned from financial difficulties affecting the Borrower;

(v) if the Borrower uses any Advance for any purpose other than financing the Property;

(vi) if the Borrower takes any action to authorize the termination of the existence of the Borrower or a resolution is passed authorizing the dissolution, winding up or termination of the existence of the Borrower, unless such action or resolution is being pursued by the Borrower on the basis that it has made provision for payment of all of its Indebtedness and other obligations, including all of the Advances under this Agreement, that no court proceedings are pending against it and that it has obtained the approval of its creditors to a plan for the rateable distribution of all of its property;

(vii) if the Borrower shall admit in writing its inability to pay its debts generally as they become due or shall make a general assignment for the benefit of creditors or if the Borrower is subject to any proceeding whereby such proceeding shall be instituted against the Borrower or applying to a substantial part of its property or assets seeking to adjudicate it a bankrupt or insolvent, or seeking liquidation, dissolution, winding-up, reorganization, arrangement, adjustment, protection, relief or composition of it or any substantial part of its property or debt under any law relating to bankruptcy, insolvency or reorganization or relief of debts, or seeking an order for relief or the appointment of a receiver, trustee or other similar official for it or for any substantial part of its property and such proceeding shall have continued undismissed or unstayed for 60 days, or a creditor or creditors of the Borrower shall privately appoint a receiver, trustee or similar official for the Property or any substantial part of the property or assets of the Borrower and, if the Borrower shall be contesting such appointment in good faith, such appointment shall continue for 90 days; or any such action or proceeding shall have been consented to or not expeditiously opposed by the Borrower;

(viii) if the Borrower shall fail to observe or perform any covenant or condition contained herein (other than a covenant or condition whose breach or default in performance is elsewhere in this paragraph 9(c) specifically dealt with) and the Borrower shall not make good such default within a period of thirty (30) days after written notice has been given to the Borrower by the Lender;

(ix) if the representations and warranties made by the Borrower in this Agreement or the Application, or in any certificate or other document delivered hereunder shall be incorrect in any material respect when made and, if such incorrect
representation or warranty is curable, the Borrower shall fail to make good such default within a period of thirty (30) days after notice in writing has been given to the Borrower by the Lender;

(x) if issues raised in an audit required under paragraph 18(a) have not been resolved to the Lender's satisfaction within a reasonable time after the Borrower has been notified of such issues;

(xi) if the report of the auditors on any annual financial statements delivered pursuant to paragraph 6(d) or any other financial information requested by the Lender delivered pursuant to paragraph 6(e) hereof shall be qualified in any way which the Lender acting reasonably deems to be materially adverse or if the Borrower should fail to supply any documents requested pursuant to paragraphs 6(d) and 6(e);

(xii) if (A) any judgment or order or series of judgments or orders (whether or not related) for the payment of money shall be rendered against the Borrower and such judgment or order or series of judgments and/or orders are final with no further right of appeal and such judgments or order or series of judgments and/or orders would reasonably be expected to materially adversely affect the ability of the Borrower to satisfy its obligations to the Lender under the Financing Documents; or (B) any judgment or order or series of judgments or orders (whether or not related) for the payment of money shall be rendered against the Borrower and enforcement proceedings shall have been commenced by any creditor upon such judgment or order or series of judgments and/or orders, as the case may be, which affect, or could reasonably be expected to affect, any of the Properties or the Project have not been stayed or there shall be any period of thirty (30) consecutive days during which a stay of enforcement of such judgment or order or series of judgments and/or orders, as the case may be, which affect, or could reasonably be expected to affect, any of the Properties or the Project shall not be in effect;

(xiii) if the Borrower ceases to be an Eligible Borrower;

(xiv) if the Borrower shall permit any encumbrance or lien to exist against any of the Property other than a Permitted Lien, and such encumbrance or lien is not discharged within ten (10) days of notice thereof by the Lender to the Borrower;

(xv) if at any time any licence or approvals required by the Borrower under any Applicable Law or from any Public Authority to carry on its business has been assigned, cancelled or suspended;

(xvi) if the Borrower shall enter into any Indebtedness other than Permitted Indebtedness;

(xvii) if the Borrower shall fail to observe or perform any financial or project management covenant or condition contained herein; or
(xviii) if there is a change of control of the Borrower.

(d) If the Lender elects to terminate its obligations under this Agreement pursuant to paragraph 9(c) hereof, it shall give notice in writing of such termination to the Borrower, specifying the reason for such termination. Upon delivery of such notice the Lender shall have no further obligation to make any Advances hereunder. In such notice the Lender may also declare all Obligations outstanding hereunder to be immediately due and payable, whereupon such Obligations shall become immediately due and payable; and the Lender may exercise any rights or remedies it may have at law or in equity to enforce such Obligations.

(e) No delay on the part of the Lender in exercising any remedy and no waiver by the Lender of any of its rights against the Borrower shall operate as a waiver of any other rights nor shall any single or partial exercise of any remedy against the Borrower restrict other or further exercises of such remedy, all remedies being cumulative and not exclusive.

(f) If the Lender elects to terminate its obligations under this Agreement in accordance with paragraphs 9(b) or 9(c) above, the Borrower shall pay to the Lender the Make-Whole Amount on account of the losses that it will incur as a result of the full repayment or early termination.

(g) The Borrower shall not have any right to pre-pay its Obligations without the Lender’s written consent, which may be subject to conditions as determined by the Lender in its sole discretion.

10. NON-WAIVER

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

11. EVIDENCE OF INDEBTEDNESS

The Lender shall open and maintain in accordance with its usual practice books of account evidencing all Advances and all other amounts owing by the Borrower to the Lender. The Lender shall enter in the foregoing accounts details of each Advance and of all amounts from time to time owing or paid by the Borrower to the Lender hereunder, the amounts of principal, interest and fees payable from time to time hereunder. The information entered in the foregoing accounts shall constitute, in the absence of manifest error, prima facie evidence of the obligations of the Borrower to the Lender hereunder, the date the Lender made each Advance available to the Borrower and the amounts the Borrower has paid from time to time on account of the principal of, interest on and fees related to the Advances. For each Term Loan Advance, the Borrower shall provide a promissory note in favour of the Lender which shall include the scheduled dates for principal repayment and interest payments.
12. **ENTIRE AGREEMENT**

This Agreement, including the Standard Terms and together with the Schedules, the Appendices, the Drawdown Certificate, the Officer's Certificate(s) delivered hereunder, the mortgage/charge and the general security agreement, any other Lender Security and their respective terms and conditions delivered hereunder constitute the entire agreement between the parties with respect to the subject matter referenced in those documents and supersedes all prior agreements, negotiations, discussions, undertakings, representations, warranties and understandings, whether written or oral.

13. **ASSIGNMENT**

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

14. **INDEMNITY**

(a) To the fullest extent permitted by law, the Borrower shall indemnify and hold harmless the Lender, its officers, directors, employees and agents (the "Indemnified Parties") from and against all (i) claims and causes of action, pending or threatened, of any kind (whether based in contract, tort or otherwise) by third parties or by whomever made related to or arising out of or in any way related to the Reports, this Agreement, any of the Financing Documents, the advance of loans hereunder or the Project and (ii) liabilities, losses, damages, costs and expenses (including, without limitation, legal fees and disbursements) suffered or incurred by any of the Indemnified Parties in connection with any claims or causes of action described in clause (i) of this paragraph. The obligations contained in this paragraph shall survive the termination or expiry of this Agreement.

(b) Reports submitted by the Borrower to the Lender are for the Lender's reference only and in no way shall the Lender, its officers, directors, agents, subcontractors, or employees be held responsible or liable at law for: (i) any claim, demand or action brought forward by any party, including third parties, against the Lender; and (ii) direct or indirect consequential damages, including bodily injury, death or property damages, arising out of or in any way related to the Reports, this Agreement or the Project.

15. **COMMUNICATIONS REQUIREMENTS**

(a) The Lender and the Borrower will work together to ensure that the Lender financing of the Project receives recognition and prominence through agreed upon communications activities. An additional example of such communication activity could include signage at the Project site signifying Government of Ontario project financing.

(b) The Lender reserves the right to undertake its own communications activities in relation to the Lender financing of the Project at any time in its sole discretion and at its expense.
This may include, but is not limited to, disclosure of the Borrower and the loan amount hereunder to a third party.

(c) All joint communications activities between the Borrower and the Lender must comply with the Government of Ontario's Visual Identity Directive and guidelines.

16. **CONFIDENTIALITY AND RELEASE OF INFORMATION**

(a) The Borrower agrees that the Lender may provide any assignee with any information concerning the financial condition of the Borrower.

(b) Subject to paragraph 16(c) below, the Lender acknowledges the confidential nature of the financial, operational and other information and data provided and to be provided to it by the Borrower pursuant to this Agreement (the "Information") and agrees to use all reasonable efforts to prevent its disclosure provided, however, that:

(i) it may disclose all or any part of the Information if, in its opinion, such disclosure is required in connection with any actual or threatened judicial, administrative or governmental proceeding; and

(ii) it shall incur no liability in respect of any disclosure of Information to any, or pursuant to the requirements of any, judicial authority, law enforcement agency or taxation authority.

(c) The Borrower acknowledges that the Lender is an institution to which the *Freedom of Information and Protection of Privacy Act (Ontario)* ("FIPPA") applies and in the event of an access request under FIPPA for records in the control of the Lender that may be in the possession of the Borrower, the Borrower will co-operate in identifying, copying and returning such records to the Lender. The Borrower agrees that if it collects or receives Personal Information (as such term is defined in FIPPA) it will only do so, and it will only use, disclose or destroy such information, in accordance with the provisions of FIPPA relating to Personal Information in the custody or control of the Lender to which FIPPA applies.

17. **FURTHER ASSURANCES**

The Borrower shall from time to time and at all times hereafter, upon every reasonable request of the Lender, make, do, execute, and deliver or cause to be made, done, executed and delivered all such further acts, deeds, assurances and things as may be necessary in the opinion of the Lender acting reasonably for more effectually implementing and carrying out the true intent and meaning of this Agreement.

18. **MISCELLANEOUS**

(a) The Lender reserves the right to audit compliance with this Agreement at any time and from time to time for a period of seven (7) years following termination of this Agreement. Such right will survive any termination of this Agreement. The cost of any such audit will be at the Lender's or the Borrower's expense at the Lender's discretion.
The Borrower is required to keep any supporting documents required for any such audit for a minimum of seven (7) years.

(b) No amendment, supplement, restatement or termination of any provision of this Agreement is binding unless it is in writing and signed by each party.

(c) This Agreement is governed by, and is to be construed and interpreted in accordance with, the laws of the Province of Ontario and the federal laws of Canada applicable in the Province of Ontario.

(d) This Agreement and any amendment, supplement, restatement or termination of any provision of this Agreement may be executed and delivered in any number of counterparts, each of which when executed and delivered is an original but all of which taken together constitute one and the same instrument.

(e) Either party may deliver an executed copy of this Agreement by fax or e-mail but that party shall immediately deliver to the other party an original executed copy of this Agreement.

(f) Unless otherwise specified, each notice to a party must be given in writing and delivered personally or by courier, sent by prepaid registered mail or transmitted by fax or e-mail to the address, fax number or e-mail address set out below:

(i) Ontario Infrastructure and Lands Corporation

777 Bay Street, 9th Floor
Toronto, Ontario M5G 2C8

Attn: Director, Loans Operations
Tel.: 416-326-1149
Fax: 416-212-6452
e-mail: Jennifer.Hutcheon@infrastructureontario.ca

with a copy to:

Attn: Director, Legal Services, Corporate
Tel: 416-314-0057
e-mail: Navin.Katyal@infrastructureontario.ca

Peterborough County – City Health Unit
10 Hospital Drive
Peterborough, ON K9J 8M1
Attn: Bob Dubay, Manager of Accounting
Tel.: (705) 743-1000 ext. 286
Fax: (705) 743-2897
e-mail: bdubay@pcchu.ca
Any notice so mailed shall be deemed to have been received on the fifth Business Day next following the registered mailing of such notice, provided that postal service is in normal operation during such time. Any notice delivered by courier, e-mail or personal delivery shall be deemed to have been received on the Business Day that it was delivered. Any facsimile notice shall be deemed to have been received on transmission (and receipt of confirmation of transmission) if sent by any party to this Agreement before 4:00 p.m. Toronto time on a Business Day and, if not, on the next Business Day following transmission.

(g) If any provision of this Agreement is or becomes illegal, invalid or unenforceable in any jurisdiction, the illegality, invalidity or unenforceability of that provision will not affect:

(i) the legality, validity or enforceability of the remaining provisions of this Agreement; or

(ii) the legality, validity or enforceability of that provision in any other jurisdiction.

(h) All covenants, agreements, representations and warranties made herein or in any document delivered pursuant to the provisions hereof are material, shall be deemed to have been relied upon by each party hereto and, notwithstanding any investigation heretofore or hereafter made by such party shall survive the execution and delivery of this Agreement until all amounts owing pursuant to the provisions hereof have been paid in full.

(i) Words importing the singular include the plural and vice versa.

(j) In the event of any conflict, ambiguity or inconsistency between the provisions of this Agreement and the provisions of any other Financing Document, the provisions that use more stringent standards will prevail or if such standards cannot be determined, the provisions of this Agreement shall prevail to the extent of the conflict, ambiguity or inconsistency.

19. **DEFINITIONS**

Capitalized terms used in this Agreement shall have the following meanings:

"**Acquired Assets**" means any assets, rights or properties, of any nature or kind, acquired, constructed or improved by the Borrower or any Related Entity after the date of this Agreement and, for greater certainty, shall include any buildings or other fixtures, acquired, constructed or improved by the Borrower after the date of this Agreement.

"**Act**" means the *Corporations Act* (Ontario), as amended, supplemented or replaced from time to time.

"**Advance**" means a Term Loan Advance.

"**Advance Date**" has the meaning given to it in paragraph 2(a) of the Standard Terms.
"Agreement" means the agreement constituted by this agreement including all attached schedules and referenced security documents including, but not limited to, the general security agreement, charge/mortgage, assignment of rents and leases, guarantee, assignment of construction rights agreement, assignment of accounts, direct agreements, and the respective terms and conditions thereunder, as the same may be amended, restated, modified or replaced from time to time. Terms such as "hereof", "herein" and "hereto" refer to this Agreement.

"Applicable Law" means, in respect of any Person, property, transaction or event, all present or future Applicable Laws, statutes, regulations, treaties, judgments and decrees and all present or future applicable published directives, rules, policy statements, construction building codes, instruments and orders of any Public Authority and all applicable orders and decrees of courts and arbitrators of like application.

"Application" means the Lender loan application number provided by Upma.

"Authorized Officer" means with respect to the Borrower, the Chief Executive Officer, Chief Financial Officer, Secretary, Treasurer, Secretary-Treasurer, Chairperson, Vice-Chairperson or any other officer or Person designated from time to time by a resolution of the Board of Directors of the Borrower.

"Business Day" means a day on which banking institutions in Toronto, Ontario, Canada are not authorized or obligated by law or executive order to be closed, other than Saturday or Sunday.

"Capital Lease Obligations" of any Person means the obligations of such Person to pay rent or other amounts under any lease of (or other arrangement conveying the right to use) real or personal property, or a combination thereof, which obligations are required to be classified and accounted for as capital leases on a balance sheet of such Person under GAAP and the amount of such obligations shall be the capitalized amount thereof determined in accordance with GAAP.

"CLA" means the Construction Lien Act, R.S.O. 1990, c.30, as amended, supplemented or replaced from time to time.

"Committed Amount" means the aggregate principal amount of $3,500,00.00 committed by the Lender to be made available to the Borrower subject to the terms and conditions of the Agreement.

"Contaminants" means any solid, liquid, gas, odour, heat, sound, vibration, radiation or combination of any of them resulting directly or indirectly from human activities that may cause: (i) impairment of the quality of the natural environment for any use that can be made of it, (ii) injury or damage to property or to plant or animal life, (iii) harm or material discomfort to any person, (iv) an adverse effect on the health or any person, (v) impairment of the safety of any person, (vi) the rendering of any property or plant or animal life unfit for use by individuals, (vii) loss of enjoyment of normal use of property, or (viii) interference with the normal conduct of business, and includes any noxious, toxic, dangerous or potentially dangerous substance and any biological, chemical or physical agent which is regulated, prohibited, restricted or controlled under Environmental Laws.
"Debt Service Coverage Ratio" or "DSCR" has the meaning given to it in Section 17 of this Agreement.

“Default” means an event, condition or circumstance, the occurrence or non-occurrence of which would, with the giving of a notice, lapse of time, the making of any determination, or any combination thereof, constitute an Event of Default unless remedied within the prescribed period.

"Drawdown Certificate" means a certificate substantially in the form as provided by the Lender to the Borrower.

"Drawdown Notice" means a notice substantially in the form as provided by the Lender to the Borrower.

"Eligible Borrower" means a public body that is eligible to borrow from the Lender pursuant to the Ontario Infrastructure and Lands Corporation Act, 2011 (Ontario).

"Environmental Laws" means all applicable federal, provincial, local, municipal, governmental or quasi-governmental laws, rules, regulations, licenses, orders, permits, decisions, policies, guidelines or requirements concerning Contaminants, occupational or public health and safety or the environment and any other injunction, judgment, declaration, notice or demand issued thereunder.

"Event of Default" means any of the events described in paragraph 9(c) of the Standard Terms.

"Financial Instrument Obligations" means all obligations and liabilities of the Borrower or a Related Entity under or in respect of any interest or currency rate swap, forward agreement or other instrument which is a financial derivative.

"Financing Documents" means this Agreement and each of the security documents as contemplated in Section 10 of this Agreement.

"FIPPA" has the meaning given to it in paragraph 16(c) of the Standard Terms.

"Fiscal Quarter" means the fiscal quarter of the Borrower ending on March 31, June 30, September 30 and December 31, as applicable, in each calendar year.

"Fiscal Year" means the fiscal year of the Borrower ending on December 31st in each calendar year.

"GAAP" means those generally accepted accounting principles consistently applied in Canada and, following the adoption of IFRS by the Borrower, means IFRS.

"Hazardous Materials" means any substance, material or waste regulated, listed or prohibited by Environmental Laws including, without limitation: (i) any substance, material or waste that is (a) petroleum, (b) asbestos, (c) polychlorinated biphenyls, (d) flammable explosives or (e) radioactive materials.
"Holdback Amount" means an amount equal to the amount of the holdback or holdbacks required by the CLA (which is currently an amount equal to 10% of the price of all services or materials as they are actually supplied under the construction agreements under which a lien may arise) which the Borrower, at the time of determination:

(i) was required under the CLA to have retained from previous payments made pursuant to any provisions of any construction agreement or other agreement pursuant to which a lien under the CLA could arise against the Property; and

(ii) will be required under the CLA to retain from any payment currently due or about to become due pursuant to any construction agreement or other agreement whether or not such payment is made from funds loaned by the Lender to the Borrower;

"IFRS" means the International Financial Reporting Standards.

"Indebtedness" means, at any time and in respect of any Person, without duplication:

(i) all obligations of such Person for money borrowed including:

(A) obligations with respect to bankers' acceptances;

(B) contingent reimbursement obligations with respect to letters of credit and other financial instruments; and

(C) all Purchase Money Obligations which would be indebtedness under GAAP but excluding, for greater certainty, trade indebtedness accounted for as accounts payable, accrued expenses and other similar current liabilities incurred in the ordinary course of operations determined in accordance with GAAP;

(ii) any Financial Instrument Obligations;

(iii) any Capital Lease Obligation of such Person; and

(iv) all undertakings of such Person in respect of obligations of any Person of the type described in clause (i) or (ii) above which such Person has guaranteed, directly or indirectly, or the holder of which such Person has otherwise assured against loss thereon.

"Indemnified Parties" has the meaning given to it in paragraph 14(a) of the Standard Terms.

"Indemnified Person" has the meaning given to it in paragraph 8(e) of the Standard Terms.

"Independent Insurance Consultant" or "Insurance Consultant" means such insurance consultant appointed by the Lender.

"Information" has the meaning given to it in paragraph 16(b) of the Standard Terms.
"IO Yield" on any date means the yield to maturity on such date, assuming semi-annual compounding, which a non-prepayable term loan made by the Lender would have if advanced on the date of prepayment of the Term Loan, assuming a maturity date which is the same as the Term Loan Maturity Date and assuming an interest rate equal to the sum of the Lender’s interest rate for term loans of such tenor on the date of prepayment minus 100 basis points.

"Lender Security" has the meaning given to it in Section 10 of this Agreement.

"Liens" means mortgages, pledges, liens, hypothecs, charges, security agreements or other encumbrances or other arrangements that in substance secure payment or performance of an obligation, statutory and other non-consensual liens or encumbrances and includes the interest of a vendor or lessor under any conditional sale agreement, capital lease or other title retention agreement.

"Limited Recourse Debt" means Indebtedness, under which recourse in respect of a default in the repayment of such Indebtedness is limited to the asset or assets acquired with such Indebtedness by the Borrower or any Related Entity.

"Make-Whole Amount" means the amount, if any, by which (i) the amount calculated by the Lender, as of the date of prepayment, by which the present value of the remaining future payments until maturity of the Term Loan with respect to the principal amount repaid discounted at the IO Yield exceeds (ii) the principal amount being repaid; provided that the Make-Whole Amount shall never be less than zero.

"Material Adverse Change" means any event or occurrence of whatever nature that could reasonably be expected to result in a material adverse change in or effect on:

(i) the ability of the Borrower to pay or perform or comply with any of its material obligations under the Financing Documents or under the material agreements relating to the Property;

(ii) the validity, perfection or priority of the Liens in favour of the Lender under the Financing Documents, other than as a result of Permitted Liens that, pursuant to Applicable Law, are entitled to a higher priority than the Liens of the Lender;

(iii) the validity or enforceability of any of the Financing Documents; or

(iv) the business, condition (financial or otherwise), prospects or operations of the Borrower.

"Material Related Entity" means, at any relevant time, any Related Entity, the book value of whose assets, rights and properties constitutes in excess of 10% of the book value of the assets, rights and properties of the Borrower and all its Related Entities, considered as a whole.

"Obligations" means the amount of all Advances provided to the Borrower pursuant to this Agreement and any unpaid interest thereon.
"Officer's Certificate" means a certificate of the Borrower that has been signed by an Authorized Officer.

"OILC Act" means the *Ontario Infrastructure and Lands Corporation Act, 2011*.

"Permitted Indebtedness"

(i) Indebtedness under this Agreement;

(ii) Indebtedness to the Lender;

(iii) Indebtedness existing on the date of this Agreement;

(iv) Indebtedness in favour of a Guarantor or a Material Related Party which is subordinated and postponed to the Indebtedness to the Lender in a manner satisfactory to the Lender; and

(v) Indebtedness consented to in writing by the Lender from time to time.

"Permitted Liens" means:

(i) Liens to which any Acquired Assets are subject at the time such Acquired Assets are acquired by the Borrower or any Related Entity provided that such Lien is limited to the Acquired Assets and such Lien has not been created or incurred in anticipation of such acquisition;

(ii) any Lien on or against cash or marketable debt securities to secure Financial Instrument Obligations incurred by the Borrower or any Related Entity in the course of its operations and not for speculative purposes;

(iii) any Lien in respect of a Purchase Money Obligation, Capital Lease Obligation or Limited Recourse Debt incurred in connection with or within 180 days of the acquisition, construction or improvement of any Acquired Assets and which secures the purchase price of such asset or the cost of acquiring, constructing or improving such asset provided that the amount secured by such Lien does not exceed the purchase price or cost of acquiring, constructing or improving such asset (including any applicable interest and/or lease payments to be paid);

(iv) any Liens to which assets acquired or which are deemed to have been acquired by the Borrower or any Related Entity pursuant to a merger, amalgamation or other combination with any other entity are subject at the time of such merger, amalgamation or other combination;

(v) Liens for Taxes, utility charges, levies, assessments or governmental charges:

(A) not at such time past due; or
(B) the validity of which are being contested diligently in good faith and by appropriate proceedings and for which appropriate reserves have been established in connection therewith, in each case to the satisfaction of the Lender;

(vi) the Lien of any judgment rendered, or claim filed, which is being contested diligently in good faith and by appropriate proceedings and for which appropriate reserves have been established in connection therewith and monies paid into court or held in escrow, in each case to the satisfaction of the Lender;

(vii) provided that the Borrower has maintained all required Holdback Amounts in accordance with the CLA, undetermined or inchoate Liens and charges incidental to, purchases of goods, construction, maintenance or current operations which have not at such time been filed or registered pursuant to law, which relate to obligations which are at such time not past due or which, if filed or registered, are being diligently contested in good faith and by appropriate proceedings and for which appropriate reserves have been established in connection therewith, in each case to the satisfaction of the Lender;

(viii) servicing agreements, development agreements, site plan agreements and other similar agreements with any municipality or governmental or other public authorities pertaining to the use or development of the Property;

(ix) easements, rights-of-way, servitudes or other similar rights in property (including rights-of-way and servitudes for railways, sewers, drains, gas and oil pipe lines, gas and water mains, electric light and power and telephone or telegraph or cable television conduits, poles, wires and cables) granted to or reserved or taken by other Persons provided that the foregoing, individually or in the aggregate, do not materially adversely affect the value or normal operations of the Project or the Property;

(x) title defects or irregularities which are of a similar nature and which do not adversely affect the use of the Property or the construction, operation or use of the Project and which do not reduce the value of the Property or the Project;

(xi) security given to a public utility or any municipality or governmental or other public authority when and to the extent required by such utility or municipality or other authority in the ordinary course of operations of the Borrower or any Related Entity and not in connection with the borrowing of money or obtaining of credit by the Borrower or any Related Entity;

(xii) the right reserved to or vested in any municipality or governmental or other public authority by the terms of any lease, license, franchise, grant or permit, or by any statutory provision, to terminate any such lease, license, franchise, grant or permit, or to require annual or other periodic payments as a condition of the continuance thereof;
(xiii) the reservation in any original grant from the Crown of any land or interests therein and statutory exceptions to title;

(xiv) Liens created or assumed by the Borrower or any Related Entity if an Authorized Officer has certified to the Lender that such Liens (A) secure amounts which are not material having regard to the then current market value of the assets, rights and properties of the Borrower and its Related Entities, considered as a whole, and (B) do not, individually or in the aggregate, adversely affect the use of the Property or the construction of operation of the Project and do not reduce the value of the Property or the Project;

(xv) any renewal, replacement or temporal extension (or successive renewals, replacements or extensions) in whole or in part of any Permitted Lien so long as the principal amount secured by such Permitted Lien does not exceed the principal amount secured by the Permitted Lien immediately prior to such extension; and

(xvi) any and all Liens, whether direct or indirect, contingent or otherwise, to which any of the assets, rights and properties of the Borrower and its Related Entities are subject on the date of this Agreement and which have been specifically approved by the Lender in writing.

"Person" means an individual, company, partnership (whether or not having separate legal personality), corporation (including a business trust), joint stock company, trust, unincorporated association, joint venture, income fund or other entity, or a government, state or political subdivision thereof or any agency of such government, state or political subdivision.

"PPSA" has the meaning given to it in Section 10 of this Agreement.

"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 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.

"Project" has the meaning given to it in Section 6 of this Agreement.

"Project Approvals" means, collectively, all approvals, certificates of approval, authorizations, certificates of authorization, consents, permits, licences, orders, instructions, registrations, publications, declarations, filings, notices and other actions to be taken in respect of any governmental authority or regulatory body with respect to or which are necessary for the design, siting, construction, operation, maintenance, use, occupancy and upkeep of the Project.

"Property" means the premises and property as further described in Section 6 of this Agreement;

"Public Authority" means any governmental, regional, municipal or local body having authority over either of the Lender or the Borrower.
"Purchase Money Obligation" means any unpaid part of, or indebtedness incurred or assumed for the purpose of acquiring, a particular asset, right or property, the repayment of which is secured by recourse against such asset, right or property.


"Related Entity" means any company, corporation, partnership or other entity which is controlled by the Borrower either through the ownership of voting securities, by contract or otherwise.

"Reports" means the project management reports and any other project monitoring reports provided by the Project Monitor for and on behalf of the Borrower pursuant to this Agreement.

"Taxes" means any present or future income, excise, stamp, capital, goods and services, property or other taxes, levies or withholding imposed by any taxing authority.

"Term Loan Advance" means a long-term loan under the Term Loan made or deemed to be made by the Lender to the Borrower in Canadian dollars pursuant to the terms and conditions of this Agreement.