

SCHEDULE "A"TO BYLAW NO. 2212 (2000) OF THE TOWN OF PELHAMDEFINITIONS

Whenever used in this Bylaw, unless the context otherwise requires, the following words and terms shall have the respective meanings ascribed to them below:

- (a) "Assets" means all of the Distribution Assets, Competitive Assets and Holding Company Assets
- (b) "Assumed Liabilities" means all of the Distribution Liabilities, Competitive Liabilities and Holding Company Liabilities;
- (c) "Bylaw" means this Bylaw No. 2212 (2000), all schedules and all documents, instruments, agreements and transfers supplemental hereto or in amendment or confirmation hereof,
- (d) "Commission" shall have the meaning set out in the recitals hereto;
- (e) "Corporations" shall mean Peninsula West Power Inc., Peninsula West Utilities Limited. and Peninsula West Services Ltd.;
- (f) "Distribution Assets" means all assets, interests, property, rights and undertaking, including easements, registered or unregistered, secured or unsecured, other than the Excluded Assets, Competitive Assets and Holding Company Assets of the Commission and/or the Town held or used by either of them as at the Effective Date which relate to or have been used in connection with the transmission and distribution of electricity including the distribution system of the Commission and including, without limitation, the assets listed in Schedule "C" hereto;
- (g) "Distribution Employees" shall have the meaning set out in Subsection 2.05(l);
- (h) "Distribution Liabilities" means, except for the Competitive Liabilities, Holding Company Liabilities and Excluded Liabilities, all of the debts, liabilities and obligations of the Commission and/or of the Town related to, incurred or assumed by either of them as at the Effective Date in connection with the transmission and distribution of electricity, the distribution system of the Commission and the Distribution Assets including, without limitation, all environmental, reclamation and decommissioning liabilities, if any, of the Commission and the Town and the liabilities, debts and obligations listed in Schedule "D" hereto;
- (i) "Effective Date" means November 1, 2000;
- (j) "Electricity Act" means the *Electricity Act, 1998 (Ontario)* and all regulations thereunder;
- (k) "Employees" means all full time and part time, union and nonunion, employees and officers of the Commission (including all trainees and probationary employees) as at the Effective Date;

- (l) "Employee Agreements" means all contracts, agreements, and commitments written or oral, in respect of Employees as at the Effective Date to which the Commission is a party or by which it is bound, including, without limitation, the following:
 - (i) all collective agreements; and
 - (ii) all contracts of employment;
- (m) "Employee Plans" means all pension plans, participation in the Ontario Municipal Employees Retirement System (OMERS), all retirement arrangements and plans relating to Employees and former Employees of the Commission and their beneficiaries, and employee benefit plans, bonus or incentive plans, employee medical insurance and disability plans and savings plans relating to Employees and former Employees of the Commission and their beneficiaries;
- (n) "Excluded Assets" means those assets of the Commission and/or the Town described in Schedule "E" hereto;
- (o) "Excluded Liabilities" means those debts, obligations and liabilities of the Commission and/or the Town described in Schedule "F" hereto;
- (p) "Holding Company Assets" means those assets, interests, rights and undertaking, registered or unregistered, secured or unsecured, of the Commission and/or the Town held or used by either of them as at the Effective Date and listed in Schedule "G" hereto;
- (q) "Holding Company Employees" shall have the meaning set out in Subsection 2.05(3);
- (r) "Holding Company Liabilities" means those liabilities, debts and obligations of the Commission and/or the Town as at the Effective Date relating to the Holding Company Assets and as listed in Schedule "I" hereto;
- (s) "Municipalities" shall have the meaning set out in the recitals hereto;
- (u) "OBCA" means the *Business Corporations Act* (Ontario) and all regulations thereunder;
- (v) "OEB" means the Ontario Energy Board;
- (w) "OEB Act" means the *Ontario Energy Board Act, 1998* (Ontario) and all regulations thereunder;
- (x) "Person" means any individual, corporation, partnership, trust, unincorporated association or joint venture;
- (y) "Purchase Price" means the amounts payable for the Assets as set out in Article III;
- (aa) "Competitive Assets" means, except for the Holding Company Assets, Distribution Assets and Excluded Assets, those assets, interests, rights and undertaking, registered or unregistered, secured or unsecured of the Commission and/or the Town held or used by either of them as at the Effective Date in connection with the energy services activities of the Commission including, without limitation, the assets listed in Schedule "H" hereto;

- (bb) "Competitive Employees" shall have the meaning set out in Subsection 2.05(2);
- (cc) "Competitive Liabilities" means, except for the Holding Company Liabilities, the Distribution Liabilities and the Excluded Liabilities, all of the debts, liabilities and obligations of the Commission and/or of the Town as at the Effective Date including, without limitation, the debts, liabilities and obligations listed in Schedule "J" hereto;
- (dd) "Subsidiary" means a subsidiary as defined in the OBCA, and includes the subsidiaries listed in the recitals hereto;
- (ee) "Town" shall have the meaning set out in the recitals hereto;
- (ff) "Transferred Shares" means the common shares of Peninsula West Utilities Limited referred to in Section 3.03; and
- (gg) "Transferee" means, with respect to any particular Asset, Employee or Assumed Liability, the Corporation which has received the transfer of such Asset, Employee or Assumed Liability pursuant to this Bylaw.

SCHEDULE “B-1”

TO BY-LAW NO. 2212 (2000) OF THE TOWN OF PELHAM

DISTRIBUTION EMPLOYEES

<u>NAME</u>	<u>POSITION</u>
Sylvia E. Bosetti	Hydro Accounting Clerk
Donna L. Kozub	Assistant Hydro Clerk
E. Jake Dilts	Superintendent
Chase I. Cook	Linesman

SCHEDULE "B-2"

TO BY-LAW NO. 2212 (2000) OF THE TOWN OF PELHAM

COMPETITIVE EMPLOYEES

None.

SCHEDULE "B-3"

TO BY-LAW NO. 2212 (2000) OF THE TOWN OF PELHAM

HOLDING COMPANY EMPLOYEES

None.

SCHEDULE C

TO BYLAW NO. 2212 (2000) OF THE TOWN OF PELHAM

DISTRIBUTION ASSETS

- (i) Real Property Interests: except as specified in Schedule "E", all the real property interests of the Town and/or the Commission as at the Effective Date in the following: all lands, premises, freehold and leasehold property, interests, easements, licences, leasehold improvements and rights to use or occupy real property whether registered or unregistered, liens, mortgages, charges, agreements, notice of agreements, debentures and security interests which create an interest in land and all other rights or interests therein, and fixtures thereon.
- (ii) Plant, Building, Fixtures: except as specified in Schedule "E", all plant, buildings, structures, erections, improvements, appurtenances and fixtures (including fixed machinery and fixed equipment), substations, transformers, vaults, distribution lines, conductors, conduits, ducts, pipes, wires, rods, cables, and other apparatus, devices, appliances and equipment, materials, works, poles, pipelines and fittings, all meters, wherever situate including, without limitation, situate on any of the lands, premises, leaseholds, easements, rights of way or interests whether registered or unregistered described in (i) above or forming part thereof or otherwise, or located on property owned by the Commission, or the Town, private property or public property.
- (iii) Machinery and Equipment: except as specified in Schedules "E" and "H", all machinery and equipment, all goods and chattels and other personal property, tools, handling equipment, furniture, furnishings and accessories relating to the electricity, transmission and distribution activities of the Commission.
- (iv) Accounts Receivable: except as specified in Schedules "E" and "H", all accounts receivable of the Commission relating to the electricity, transmission and distribution activities of the Commission including, without limitation, all customer and trade accounts, notes receivable, book debts and other debts due or accruing to the Commission and the benefit of all security and security deposits for such accounts and debts;
- (v) Inventories: except as specified in Schedules "E" and "H", all inventories relating to the distribution and transmission activities of the Commission;
- (vi) Cash and Investments: except as specified in Schedules "E" and "H", all cash on hand or in bank accounts or other depositories held in the name of the Commission as at the Effective Date and all investments and other securities held by the Commission as at the Effective Date;

- (vii) Reserves: the portion of any reserve fund established under Section 33 of the Development Charges Act, 1997 and referred to in Section 63 of the Development Charges Act, 1997 that relates to development charges collected in respect of electrical power services;
- (viii) Contracts, Rights: except as specified in Schedule "E" and "H", the full benefit of all franchise, licence or management agreements and all other contracts, commitments, rights, chooses in action, benefits, arrangements, understandings, and agreements, written or oral, relating to the electricity transmission and distribution activities of the Commission and the Distribution Assets to which the Town or the Commission is a party or otherwise including, without limitation, the following:
- (a) all written or oral contracts, agreements, commitments, undertakings, rights and arrangements;
 - (b) any Transfer Agreement between Ontario Hydro (as is then was) and the Commission;
 - (c) all forward commitments to the Commission for supplies or materials entered into in the usual and ordinary course of business whether or not there are any written contracts with respect thereto; and
 - (d) all letters of credit held by the Commission;
- (ix) Goodwill: except as specified in Schedule "E" and "H", the goodwill of the Commission relating to the electricity, transmission and distribution activities of the Commission including, without limitation, the following:
- (a) the exclusive right to represent itself as carrying on the electricity, transmission and distribution activities in continuation of and in succession to the Commission and the right to use any words indicating that these activities are so carried on; and
 - (b) all records of sales, customer lists, customer data and supplier lists of or used by the Commission relating to the electricity, transmission and distribution activities of the Commission;
- (x) Intellectual Property: except as specified in Schedule "E" and "H", all of the rights, title, benefit and interest of the Commission in and to all registered trade marks, trade names, brand names, patents and copyrights, all unregistered trade marks, trade names and copyrights and all patent applications, both domestic and foreign, owned or made by the Commission; (xi) Licences and Permits: except as specified in Schedule "E" and "H", the full benefit of all licences, registrations, permits, consents, quotas, approvals, certificates, and other authorizations including, without limitation, the following:
- (a) Transitional Distribution Licence number dated issued by the OEB to the Pelham Hydro-Electric Commission;

- (xi) Know How: except as specified in Schedule "E" and "H", all patterns, plans, designs, research data, copyrights, trade secrets and other proprietary know-how, processes, drawings, technology, unpatented blueprints, flow-sheets, equipment and parts lists and descriptions and related instructions, manuals, data, records and procedures relating to the electricity, transmission and distribution activities of the Commission and any and all data owned or used by the Commission, and all licences, agreements and other contracts and commitments relating to any of the foregoing;
- (xii) Prepaid Expenses: except as specified in Schedule "E" and "H", all pre-paid expenses and deposits relating to the electricity, transmission and distribution activities of the Commission, the benefit of which will accrue to Peninsula West Utilities Limited;
- (xiii) Warranties: except as specified in Schedule "E" and "H", the full benefit of all warranties and warranty rights (implied, express or otherwise) against manufacturers, suppliers or sellers which apply to any of the Distribution Assets and the net realizable value of any warranty claims relating to the Distribution Assets outstanding as of the Effective Date;
- (xiv) Insurance: the full benefit of all policies of insurance of the Commission relating to the Distribution Assets;
- (xv) Records: all personnel records, inspection records and all other records, books, documents and data bases relating to Distribution Employees, the Distribution Liabilities, or the Distribution Assets as are in the possession or under the control of the Commission;
- (xvi) Computer Hardware and Software: except as specified in Schedule "E" and "H", all computer hardware and software, including, without limitation, all computer monitoring equipment and all rights under licences and other agreements or instruments relating to the electricity, transmission and distribution activities of the Commission;
- (xvii) Vehicles: except as specified in Schedule "E" and "H", all cars, trucks and other related equipment owned by the Commission; and
- (xviii) Proceedings: except as specified in Schedule "E" and "H", all actions, applications, administrative proceedings, causes of action, claims, suits, statutory rights or remedies and demands of any nature or kind, including the right to any benefits derived therefrom.

SCHEDULE "D"

TO BYLAW NO. 2212 (2000) OF THE TOWN OF PELHAM

DISTRIBUTION LIABILITIES

- (i) All customer deposits of the Commission.
- (ii) All obligations of the Town and the Commission arising out of the Employee Plan in respect of the Distribution Employees.

SCHEDULE "E"

TO BYLAW NO. 2212 (2000) OF THE TOWN OF PELHAM

EXCLUDED ASSETS

1988 GMC - Model GM4 - V.I.N. - 2GTDC14HXJ582290

SCHEDULE "F"

TO BYLAW NO. 2212 (2000) OF THE TOWN OF PELHAM

EXCLUDED LIABILITIES

None.

SCHEDULE "G"

TO BYLAW NO. 2212 (2000) OF THE TOWN OF PELHAM

HOLDING COMPANY ASSETS

None.

SCHEDULE "H"

TO BYLAW NO. 2212 (2000) OF THE TOWN OF PELHAM

COMPETITIVE ASSETS

- (i) Machinery and Equipment: all machinery and equipment, all goods and chattels and other personal property, tools, handling equipment, relating to the energy services activities of the Commission including, without limitation, water heater and sentinel light rental, energy management and energy product sales;
- (ii) Inventories: all inventories relating to the energy services activities of the Commission including, without limitation, water heater and sentinel light rental, energy management and energy product sales;
- (iii) Amounts Receivable: all amounts due for work completed with respect to the energy services of the Commission including, without limitation, water heater and sentinel light rental, energy management and energy product sales;
- (iv) Contracts, Rights: the full benefits of all franchise, licence or management agreements and all other contracts, commitments, rights, chooses in action, benefits, arrangements, understandings, and agreements, written or oral, relating to the energy services activities of the Commission and the Competitive Assets, to which the Town or the Commission is a party or otherwise including, without limitation, the foregoing:
 - (a) all written or oral contracts, agreements, commitments, undertakings, rights and arrangements;
 - (b) all forward commitments to the Commission for supplies or materials entered into in the usual and ordinary course of business whether or not there are any written contracts with respect thereto;
- (v) Intellectual Property: all of the rights, title, benefit and interest of the Commission in and to all registered trade marks, trade names, brand names, patents and copyrights, all unregistered trade marks, trade names and copyrights and all patent applications, both domestic and foreign, owned or made by the Commission, relating to the energy services activities of the Commission and the Competitive Assets;
- (vi) Warranties: the full benefit of all warranties and warranty rights (implied, express or otherwise against manufacturers, suppliers or sellers which apply to any of the Competitive Assets and the net realizable value of any warranty claims relating to the Competitive Assets outstanding as of the Effective Date;
- (vii) Goodwill: the goodwill of the Commission relating to the energy services activities of the Commission including, without limitation, the following:
 - (a) the exclusive right to represent itself as carrying on the energy services activities in continuation of and in succession to the Commission and the right to use any words indicating that these activities are so carried on; and
 - (b) all records of sales, customer lists, customer data and supplier lists of or used by the Commission relating to the energy services activities of the Commission;

- (viii) Licences and Permits: the full benefit of all licences, registrations, permits, consents, quotas, approvals, certificates, and other authorizations relating to the energy services activities of the Commission;
- (ix) Know How: all patterns, plans, designs, research data, copyrights, trade secrets and other proprietary knowhow, processes, drawings, technology, unpatented blueprints, flowsheets, equipment and parts lists and descriptions and related instructions, manuals, data, records and procedures relating to the energy services activities of the Commission and any and all data owned or used by the Commission, and all licences, agreements and other contracts and commitments relating to any of the foregoing;
- (x) Prepaid Expenses: all prepaid expenses and deposits relating to the energy services activities of the Commission the benefit of which will accrue to Peninsula West Services Ltd;
- (xi) Computer Hardware and Software: all computer hardware and software, including, without limitation, all computer monitoring equipment and all rights under licences and other agreements or instruments relating to the energy services activities of the Commission.
- (xii) Insurance: the full benefit of all policies of insurance of the Commission relating to the Competitive Assets; and
- (xiii) Records: all records, books, documents and data bases relating to the Competitive Employees, Competitive Assets and Competitive Liabilities as are in the possession or under the control of the Commission.

SCHEDULE "I"

TO BYLAW NO. 2212 (2000) OF THE TOWN OF PELHAM

HOLDING COMPANY LIABILITIES

- (i) All obligations of the Town and the Commission arising out of the Employee Plans in respect of the Holding Company Employees.

SCHEDULE "J"

TO BYLAW NO. 2212 (2000) OF THE TOWN OF PELHAM

COMPETITIVE LIABILITIES

- (i) All obligations of the Town and the Commission arising out of the Employee Plans in respect of Competitive Employees.