



SENT BY ELECTRONIC MAIL

March 24, 2015

Mr. John Brown
Chief Administrative Officer
Town of Collingwood
97 Hurontario St.
P.O. Box 157
Collingwood, ON
L9Y 3Z5

Dear Mr. Brown:

RE: Collingwood Public Utilities Commission and Collus Solutions Corp. dated January 1, 2003; and, the Collus Power Corp. and Collus Solutions Corp. dated December 18, 2002 (collectively the "Service Agreements").

I hope this letter finds you well. I am writing with respect to the discourse regarding the Service Agreements and in particular your recent discussion with David McFadden regarding the Service Agreements.

In your discussion with David, I understand he referenced the letter agreement dated July 31, 2012 entered into between PowerStream, the Town of Collingwood, Collingwood Utility Services Corp., Collus Power Corp., Collus Solutions Corp. and Collus Energy Corp. (the "**Letter Agreement**"), a copy of which is attached for your convenience.

In the spirit of moving the Service Agreements and the relationship forward, and in order to ensure a mutually beneficial solution for the parties, I have asked Dan Horchik, Director of PowerStream and Collus PowerStream to arrange a time for Dan and myself to meet with you and Deputy Mayor Saunderson as a representative of Council.

We look forward to continuing to work with you and the Town of Collingwood.

Sincerely,

A handwritten signature in black ink, appearing to read 'B. Bentz', is written over a light blue horizontal line.

Brian Bentz
President and Chief Executive Officer

c. Board of Directors, Collus PowerStream
Mayor Sandra Cooper
Deputy Mayor Brian Saunderson

encl.

PowerStream Inc.

161 Cityview Boulevard, Vaughan, ON L4H 0A9 Tel: 905-417-6900 Fax: 905-532-4505 www.powerstream.ca



July 31, 2012

The Corporation of the Town of Collingwood
Collingwood Utility Services Corp.
Collus Power Corp.
Collus Solutions Corp.
Collus Energy Corp.
P.O. Box 189
43 Stewart Road
Collingwood, ON
L9Y 3Z5

Re: Shared services agreements

Pursuant to the terms of a share purchase agreement dated as of March 6, 2012 between PowerStream Inc. (the "**Purchaser**"), The Corporation of the Town of Collingwood (the "**Vendor**"), Collingwood Utility Services Corp. (the "**Corporation**"), Collus Power Corp. ("**Collus**"), Collus Solutions Corp. ("**Solutions**") and Collus Energy Corp. ("**Energy**") (the "**Purchase Agreement**"), the Vendor has agreed to sell, and the Purchaser has agreed to purchase, 50% of the Vendor's interest in the Corporation. Capitalized terms used and not otherwise defined herein have the meaning given to them in the Purchase Agreement.

Section 4.3(5) of the Purchase Agreement requires the Parties to have reviewed and amended or confirmed the Service Agreements as provided for in Section 6.3(8) of the Purchase Agreement as a condition to Closing. The Service Agreements provide for the provision of services to the Vendor and its subsidiaries or alternatively for the purchase of services from the Vendor, and include the following agreements:

1. Computer rental agreement between Solutions and Collingwood Public Utilities Commission ("**CPUC**") dated December 3, 2003, as amended from time to time;
2. Services agreement between Solutions and CPUC dated January 1, 2003, as amended by an amending agreement dated November 4, 2004;
3. Services Agreement between Collus and Solutions dated December 18, 2002, as amended by an amending agreement dated December 17, 2003;
4. Street lighting agreement between Collus and Solutions dated January 1, 2003; and
5. Street lighting agreement between Solutions and the Vendor dated January 1, 2003.

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Each of the Vendor, the Corporation, Collus, Solutions and Energy represent and warrant that all Service Agreements entered into between the Corporation, the Vendor, Collus, Solutions, Energy and any of their respective Affiliates are described in this letter agreement and as at the date of this letter agreement, there are no other Service Agreements between such parties.

The Parties acknowledge and confirm that there is considerable work involved in assessing the appropriate costs and conditions for the provision of services as set out in the Service Agreements. The Parties hereby waive the fulfillment of the condition precedent set out in Section 4.3(5) of the Purchase Agreement and agree that all of the Service Agreements will be reviewed and amended, or shall cause all Service Agreements to be reviewed and amended, as necessary, within 12 months of the Closing Date, in order to comply with the following terms and conditions:

- (a) All services provided by the Corporation to the Vendor and its subsidiaries shall be on a fully allocated cost, plus a return on equity equal to the weighted average cost of capital allowed for local distribution companies by the OEB;
- (b) All services purchased by the Corporation from the Vendor and its subsidiaries shall not exceed the fair market value of such services;
- (c) The term of each Service Agreement shall be for a period of 5 years;
- (d) Each Service Agreement shall be reviewed annually and the Parties shall, or shall cause the parties to the applicable Service Agreement (the "SA Parties") to, agree upon the revised cost of services to be provided pursuant to such agreement. If the Parties or the SA Parties are unable to agree upon the cost of services, the cost of services provided pursuant to the applicable Service Agreement shall increase by an amount equal to 3.5% of the cost of services for the prior year; and
- (e) The Service Agreements shall continue in force unless the SA Parties mutually agree in writing to extend or terminate such Service Agreement.

Irrespective of the date of any particular amending agreement for a Service Agreement, the Parties agree that all such amendments shall be effective as of January 1, 2013.

If the SA Parties are not able to agree upon the initial cost of services, the Parties shall select or cause the SA Parties to select, an Independent Accounting Firm to resolve the dispute by conducting an independent review and verification of the proposed cost of services. The Parties agree that the procedures set out in Section 2.7(f) and (g) of the Purchase Agreement shall apply, *mutatis mutandis*, to any dispute between the SA Parties



in respect of the cost of services payable pursuant to a Service Agreement and shall cause the SA Parties to comply with such requirements accordingly.

Yours truly,

POWERSTREAM INC.

Dennis Nolan ,

Executive Vice-President,
Corporate Services and Secretary

ACCEPTED AND AGREED this ____ day of _____, 2012.

THE CORPORATION OF THE TOWN OF COLLINGWOOD

Per: _____
Name: Sandra Cooper
Title: Mayor

Per: _____
Name: Sara Almas
Title: Clerk

COLLINGWOOD UTILITY SERVICES CORP.

Per: _____
Name:
Title:

Per: _____
Name:
Title:



in respect of the cost of services payable pursuant to a Service Agreement and shall cause the SA Parties to comply with such requirements accordingly.

Yours truly,

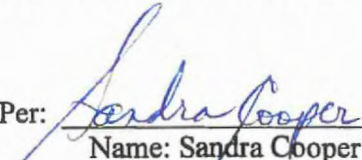
POWERSTREAM INC.

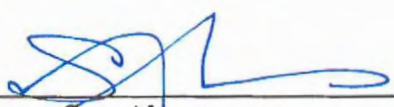
Dennis Nolan

Executive Vice-President,
Corporate Services and Secretary

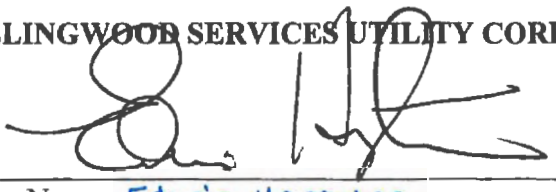
ACCEPTED AND AGREED this 31st day of JULY, 2012.

THE CORPORATION OF THE TOWN OF COLLINGWOOD

Per: 
Name: Sandra Cooper
Title: Mayor

Per: 
Name: Sara Almas
Title: Clerk

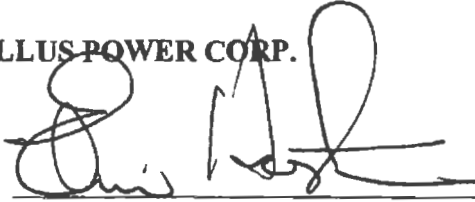
COLLINGWOOD SERVICES UTILITY CORP.

Per: 
Name: Edwin Haughton
Title: Pres & CEO

Per: _____
Name:
Title:




COLLUS POWER CORP.

Per: 
Name: Edwin Houghton
Title: PRES + CEO

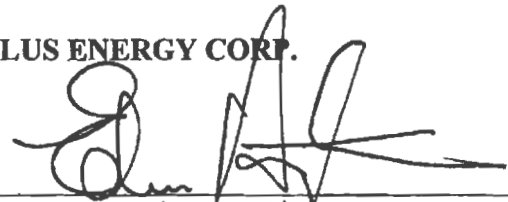
Per: _____
Name:
Title:

COLLUS SOLUTIONS CORP.

Per: 
Name: Edwin Houghton
Title: PRES + CEO

Per: _____
Name:
Title:

COLLUS ENERGY CORP.

Per: 
Name: Edwin Houghton
Title: PRES + CEO

Per: _____
Name:
Title: