

Message

From: Sandra Cooper [/O=TOC/OU=FIRST ADMINISTRATIVE GROUP/CN=RECIPIENTS/CN=SCOOPER]
Sent: 3/6/2012 2:36:32 PM
To: Shelley Fuhre [sfuhre@collingwood.ca]
CC: Ed Houghton [ehoughton@collus.com]
Subject: Fw: Recapitalization Dividend

Shelley:

Kindly craft a letter for my review. If you require clarification please refer to Ed.

Thx

Mayor Cooper

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 Sent from Blackberry Mobile Device

Sandra Cooper  
 Mayor

Town of Collingwood  
 Office of the Mayor  
 97 Hurontario Street  
 Box 157  
 Collingwood, ON  
 L9Y 3Z5

Email: scooper@collingwood.ca  
 Phone: 705.445.8451 ext 3226  
 Fax: 705.445.2448  
 [REDACTED]

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**From:** Ed Houghton  
**Sent:** Tuesday, March 06, 2012 02:26 PM  
**To:** Sandra Cooper  
**Subject:** Recapitalization Dividend

Your Worship:

Please see the "draft" email below for your consideration to send to Leo. Please be advise that I spoke with Leo in advance and described in detail the contents of the email and he is comfortable with this explanation. The email should be copied to the following:

- Ron Clark - [rclark@airdberlis.com](mailto:rclark@airdberlis.com)
- Corrine Kennedy - [ckennedy@airdberlis.com](mailto:ckennedy@airdberlis.com)
- John Rockx - [jrockx@kpmg.ca](mailto:jrockx@kpmg.ca)
- Dean Muncaster - [jdmuncaster@rogers.com](mailto:jdmuncaster@rogers.com)
- Kim Wingrove - [kwingrove@collingwood.ca](mailto:kwingrove@collingwood.ca)
- Sara Almas - [salmas@collingwood.ca](mailto:salmas@collingwood.ca)
- Ed Houghton - [ehoughton@collus.com](mailto:ehoughton@collus.com)

Thanks.....Ed

Leo:

Ed Houghton spent time today describing in detail the new Recapitalization Dividend Calculation that was developed by John Rockx, KPMG and agreed to recently by PowerStream. He also made clear what we (the Town) could expect in a "Recapitalization Dividend" that will be paid by Collus to the Town of Collingwood. He went on to explain the impacts on the dividend paid to the Town by the significant decline in the Net Regulatory Liabilities from \$1.412 million at Dec 31, 2010 to under \$100K today.

Specifically, the Recap Dividend will be about \$4.126 million with the now approved \$500K regulatory liability minimum threshold clause we introduced into Schedule C last week. Without the clause, the Recap Dividend would be about \$473K (\$500K - \$27K) lower as at December 31, 2011.

I also understand that John Rockx and Ed will be presenting the "draft" financial statements for December 31, 2011 and the Recap Dividend calculations to PowerStream and show them that Collus is significantly reducing their liabilities while at the same time Collus continues to be profitable (\$460K profit in 2011) and of increasing value.

I am also pleased to confirm that PowerStream is in final agreement with all aspects of the agreement and as a result the Agreement is now complete.

Mr. Ed Houghton, President & CEO  
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**Collingwood Utility Services Corp.**

P.O. Box 189, 43 Stewart Road

Collingwood, ON

L9Y 3Z5

Phone: 705-445-1800, 2222

Fax: 705-445-2549

Email: [ehoughton@collus.com](mailto:ehoughton@collus.com)

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