

THE CORPORATION OF THE CITY OF BROCKVILLE
BY-LAW NO. 97-2000

BEING A BY-LAW TO AMEND BY-LAW NO. 80-2000 (THE TRANSFER BY-LAW AS IT RELATES TO THE TRANSFER OF EMPLOYEES, ASSETS, LIABILITIES, RIGHTS AND OBLIGATIONS OF THE BROCKVILLE UTILITIES COMMISSION AND THE CITY OF BROCKVILLE TO CITY OF BROCKVILLE HOLDINGS INC. AND BROCKVILLE UTILITIES INC.), TO ENSURE THAT THE EXCLUDED ASSETS AND EXCLUDED LIABILITIES AS DEFINED IN THIS AMENDING BY-LAW, ARE NOT TRANSFERRED TO BROCKVILLE UTILITIES INC., CITY OF BROCKVILLE HOLDINGS INC., THEIR SUCCESSORS AND ASSIGNS AND ANY SUBSIDIARIES THEREOF.

WHEREAS the City of Brockville Council passed By-law No. 80-2000 (the “**Transfer By-law**”) pursuant to which, among other things, on November 1, 2000 (the “**Effective Date**”) the City transferred the Transferred Assets (as defined in the Transfer By-law) to Brockville Utilities Inc., a corporation incorporated under the *Business Corporation Act* (Ontario) pursuant to Section 142 of the *Electricity Act, 1998* (Ontario) (the “**Act**”); and

WHEREAS the City of Brockville Council passed By-law No. 86-2000 (the “**Amending By-law**”) to exclude the insurance policy, policy number L2000BROV1, maintained by the City with the Municipal Electric Association Reciprocal Insurance Exchange (the “**MEARIE Policy**”) from the Transferred Assets to be transferred to Brockville Utilities Inc. on the Effective Date pursuant to the Transfer By-law; and

INASMUCH as it is the desire of the City Council to ensure that, in addition to the MEARIE Policy, Excluded Assets and Excluded Liabilities as defined in this further amending By-law (this “**Further Amending By-law**”) are not transferred to Brockville Utilities Inc., City of Brockville Holdings Inc., their successors and assigns and any Subsidiaries thereof (the “**Corporations**”) and that this Further Amending By-law amend other sections of the Transfer By-law and the Amending By-law as set out herein.

NOW THEREFORE IT IS RESOLVED THAT BY-LAW 80-2000, AS AMENDED BY BY-LAW 86-2000, IS FURTHER AMENDED AS FOLLOWS:

1. Subsection 1.1 is amended by deleting subsection (11) and replacing it as follows:

“**Excluded Assets** means those assets of the City or the Commission which are not being transferred to the Corporations and which are described in Schedule 1.1 (8)”

2. Subsection 1.1 is amended by deleting subsection (12) and replacing it as follows:

“**Excluded Liabilities** means those liabilities of the City or the Commission which are not being transferred to the Corporations and which are described in Schedule 1.1(9).”

3. Subsection 1.1 is amended by adding the following subsection (12.1):

“(12.1) “**MEARIE**” means the Municipal Electric Association Reciprocal Insurance Exchange and any predecessor or successor thereto.”

4. Subsection 1.7 is amended by deleting “Schedule 1.1(11) - Excluded Assets” in the first line and replacing it with “Schedule 1.1(8) - “Excluded Assets”.
5. Subsection 1.7 is amended by deleting “Schedule 1.1(12) - Excluded Liabilities” in the second line and replacing it with “Schedule 1.1(9) - Excluded Liabilities”.
6. Subsection 3.1(p) is amended by deleting it entirely and replacing it with the following:

“(p) **Insurance Policies.** Except as identified in Schedule 1.1(8), the full benefit of all policies of insurance relating to the Business as described in Schedule 3.1(p).”

7. Section 3 is amended by adding the following Subsection:

"3.13 Excluded Assets and Excluded Liabilities. The Excluded Assets set out in Schedule 1.1(8) and the Excluded Liabilities set out in Schedule 1.1(9) will not be transferred from the City and the Commission to the Corporations. For greater certainty, the Excluded Assets set out in Schedule 1.1(8) will continue to remain the assets of the City and the Commission and not the assets of the Corporations or their successors, and the Excluded Liabilities set out in Schedule 1.1(9) will continue to be the liability or obligation of the City and the Commission and not the liability or obligation of the Corporations or their successors. Notwithstanding the provisions of this section, in the event that it is ever determined that the Excluded Liabilities set out in Schedule 1.1(9) have been transferred to the Corporations pursuant to the Act, it is Council's intention that the liability or obligation for the Excluded Liabilities set out in Schedule 1.1(9) will not be enforceable against the City and the Commission as transferor and not against the Corporations or their successors as transferee, pursuant to Section 153(1) of the Act."

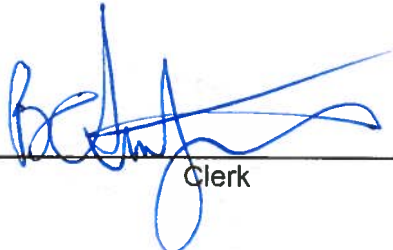
8. Schedule 1.1(8) - Excluded Assets - is amended by adding the following:

"7. All rights, title and benefits of the City and of the Commission in and to or arising or in respect of or in connection with MEARIE and any insurance issued under MEARIE."

9. Schedule 1.1(9) - Excluded Liabilities - is amended by adding the following:

"3. All liabilities, obligations, costs, expenses, charges and assessments relating directly or indirectly in any manner whatsoever to the Excluded Assets set out in Schedule 1.1(8)."

GIVEN UNDER THE SEAL OF THE CORPORATION OF
THE CITY OF BROCKVILLE PASSED THIS 12th
DAY OF DECEMBER, 2000



Clerk



Mayor