

## SHAREHOLDERS AGREEMENT

THIS AGREEMENT made as of June 20, 2018;

B E T W E E N:

**TAY HYDRO INC.** (hereinafter referred to as “**Tay Holdco**”)

- and -

**NEWMARKET HYDRO HOLDINGS INC.** (hereinafter referred to as “**Newmarket Holdco**”)

- and -

**ENVI NETWORKS LTD.**, a corporation incorporated under the laws of the Province of Ontario (hereinafter referred to as the “**Corporation**”)

- and -

**THE CORPORATION OF THE TOWNSHIP OF TAY**,  
(hereinafter referred to as “**Tay**”),

- and -

**THE CORPORATION OF THE TOWN OF NEWMARKET**,  
(hereinafter referred to as “**Newmarket**”)

WHEREAS the authorized capital of the Corporation consists of an unlimited number of common shares, of which 100 Shares are issued and outstanding;

AND WHEREAS at the date hereof all of the issued Shares of the Corporation are beneficially owned as follows:

<u>SHAREHOLDERS</u>	<u>SHARES</u>
Tay Holdco	7
Newmarket Holdco	93

AND WHEREAS at the date hereof all of the issued shares of Tay Holdco are owned by Tay;

AND WHEREAS at the date hereof all of the issued shares of Newmarket Holdco are owned by Newmarket;

AND WHEREAS the Participating Municipalities, the Shareholders and the Corporation have agreed to enter into this Agreement as being in their respective best interests and for the purpose of providing for the operation of the Corporation and its Subsidiaries, as applicable;

NOW THEREFORE THIS AGREEMENT WITNESSES that in consideration of the premises and the mutual covenants and agreements herein contained the parties hereto agree as follows:

## ARTICLE 1 -INTERPRETATION

### 1.01 Definitions

In this Agreement, unless something in the subject matter or context is inconsistent therewith:

“**Affiliate**” has the meaning ascribed thereto in the Business Corporations Act.

“**Agreement**” means this agreement and all schedules attached hereto and all amendments made thereto by written agreement among the Participating Municipalities, the Shareholders and the Corporation.

“**Applicable Law**” means any and all applicable laws, including common law, statutes, codes, licensing requirements, directives, rules, regulations, protocols, policies, by laws, guidelines, orders, injunctions, rulings, awards, judgments or decrees or any requirement or decision or agreement with or by any Government Authority, including the OEB.

“**Auditor**” means the auditor of the Corporation and its Subsidiaries appointed from time to time.

“**Business Corporations Act**” means the *Business Corporations Act* (Ontario), as now enacted or as the same may from time to time be amended, re-enacted or replaced.

“**Business**” means the development and deployment of ultra-high speed networks in the Participating Municipalities and surrounding areas.

“**Business Day**” means a day other than a Saturday, Sunday or statutory holiday in Ontario.

“**Communication**” has the meaning set out in Section 6.09.

“**Governmental Authority**” means any domestic government, whether federal, provincial, territorial, local, regional, municipal, or other political jurisdiction, and any agency, authority, instrumentality, court, tribunal, board, commission, bureau, arbitrator, arbitration tribunal or other tribunal, or any quasi-governmental or other entity, insofar as it exercises a legislative, judicial, regulatory, administrative, expropriation or taxing power or function of or pertaining to government including the OEB.

“**Holdco Corporations**” means, collectively, Tay Holdco and Newmarket Holdco and “**Holdco Corporation**” means either one of them.

**“including”** means “including without limitation” and **“include”** or **“includes”** will be provided corresponding meanings.

**“Majority Shareholder”** means any Shareholder holding 75% or more of the Shares.

**“Non-Municipal Appointee”** means an individual who is neither a member of the Council of either of the Participating Municipalities, nor an employee of any of the Participating Municipalities, the Shareholders, the Corporation, or any Subsidiary.

**“Notice”** has the meaning set out in Section 3.03(2).

**“OEB”** means the Ontario Energy Board.

**“Offer to Purchase”** has the respective meanings set out in Sections 3.03(1) and 3.05(1).

**“Offeror”** has the meaning set out in Section 3.05(1).

**“Participating Municipalities”** means, collectively, The Corporation of the Township of Tay, The Corporation of the Town of Newmarket and any other municipality or municipalities that the board of directors of the Corporation may approve from time to time, collectively, and **“Participating Municipality”** means any one of them.

**“Purchase Price”** has the meaning set out in Section 3.03(2).

**“Selling Shareholder”** has the meaning set out in Section 3.03(1).

**“Shares”** means the common shares of the Corporation that the Shareholders at the date hereof or hereafter may beneficially own.

**“Shareholders”** means Tay Holdco and Newmarket Holdco, together with such other persons as may acquire Shares and become parties to this Agreement, collectively, and **“Shareholder”** means any one of such persons individually.

**“Subsidiary”** means any corporation which may hereafter become a direct or indirect subsidiary of the Corporation, as “subsidiary” is determined in accordance with the Business Corporations Act.

**“Third Party”** has the meaning set out in Section 3.03(1).

**“Third Party Offeree”** has the meaning set out in Section 3.03(1).

## **1.02 Sections and Headings**

The division of this Agreement into Articles and Sections and the insertions of headings are for the convenience of reference only and shall not affect the construction or interpretations of this Agreement. The terms “this Agreement”, “hereof”, “hereunder” and similar expressions refer to this Agreement and not to any particular Article, Section or other portion hereof and include any agreement or instrument supplemental or ancillary hereto. Unless something in the



subject matter or context is inconsistent therewith, references herein to Articles and Sections are to Articles and Sections of this Agreement.

### **1.03 Number**

Words importing the singular number only shall include the plural and vice versa, words importing the masculine gender shall include the feminine and neuter genders and vice versa and words importing persons shall include individuals, partnerships, associations, trusts, unincorporated organizations and corporations.

### **1.04 Accounting Principles**

Wherever in this Agreement reference is made to generally accepted accounting principles, such reference shall be deemed to be the generally accepted accounting principles from time to time approved by the Canadian Institute of Chartered Accountants, or any successor institute, applicable as at the date on which such calculation is made or required to be made in accordance with generally accepted accounting principles.

### **1.05 Unanimous Shareholder Agreement**

(1) To the extent that this Agreement specifies that any matters relating to the Corporation may only be, or shall be dealt with or approved by, or shall require action by the Shareholders, the discretion and powers of the directors of the Corporation to manage and to supervise the management of the business and affairs of the Corporation with respect to such matters are correspondingly restricted. For greater certainty, the parties agree that this Agreement is intended to operate as a unanimous shareholders agreement with respect to the Corporation, within the meaning of the Business Corporations Act.

(2) To the extent that this Agreement specifies that any matters relating to any Subsidiary may only be, or shall be dealt with or approved by, or shall require action by the Shareholders or the directors of the Corporation, the discretion and powers of the directors of such Subsidiary to manage and to supervise the management of the business and affairs of such Subsidiary with respect to such matters are correspondingly restricted. For greater certainty, the parties agree that this Agreement is a unanimous shareholder declaration by the Corporation in respect of each Subsidiary, within the meaning of the Business Corporations Act.

## **ARTICLE 2 -MANAGEMENT**

### **2.01 Carrying out of the Agreement**

The Shareholders shall at all times carry out and cause the Corporation and the Subsidiaries, as applicable, to carry out the provisions of this Agreement.

### **2.02 Carrying out of the Business**

The Shareholders shall at all times carry out and cause the Corporation and the Subsidiaries, as applicable, to carry out the Business in accordance with Applicable Law.

### **2.03    Idem**

The Corporation confirms its knowledge of this Agreement and will carry out and be bound by the provisions of this Agreement to the full extent that it has the capacity and power at law to do so. The Corporation shall at all times cause each of its Subsidiaries, as applicable, to comply with the provisions of this Agreement.

### **2.04    Directors**

- (1) The board of directors of the Corporation shall consist of up to five (5) directors.
- (2) As of the date of this Agreement, the initial director of the Corporation is Paul Ferguson.
- (3) No later than the date one year from the date of this Agreement, Newmarket, in its sole discretion, shall nominate up to five (5) directors for the board of directors to replace the initial director and shall use reasonable efforts to ensure that three (3) of the five (5) of its nominees for the board of directors are independent of Newmarket, as determined by Newmarket in its sole discretion.
- (4) Other than the initial director, if a director of the Corporation resigns or is otherwise removed from the board of directors, including at the request of Newmarket, the resulting vacancy on the board will be filled by a nominee of Newmarket. Newmarket will promptly nominate a replacement for any such director who has resigned or has been removed. Newmarket, in its sole discretion, may replace directors or add directors from time to time.
- (5) Directors shall be elected for a three (3) year term and all directors shall be eligible for election for a total of three (3) consecutive terms. Directors shall be elected by a majority of the votes cast at the relevant Shareholders' meeting.
- (6) Until otherwise agreed to by Newmarket, each Subsidiary shall have a board of directors consisting of one (1) director chosen by the board of directors of the Corporation from the then officers of the Corporation.
- (7) All directors of the Corporation and of each Subsidiary shall act honestly and in good faith with a view to the best interests of the Corporation and of such Subsidiary respectively and shall exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. Any Shareholder that nominates individuals (in conformity with the provisions of this Agreement) to the board of directors shall nominate individuals who appear to be capable of meeting this standard of care and who appear to have appropriate skills and experience.

### **2.05    Auditor and Financial Reporting**

- (1) The Shareholders shall appoint the Auditor of the Corporation and its Subsidiaries, as applicable.



(2) The financial year end of the Corporation and its Subsidiaries shall be December 31. Audited annual financial statements for the Corporation and its Subsidiaries, prepared on a consolidated basis, shall be presented to the Shareholders and the directors of the Corporation no later than 120 days after the financial year end of the Corporation. Unaudited quarterly financial statements for the Corporation and each Subsidiary shall be presented to the Shareholders and the directors of the Corporation no later than 60 days after the end of each applicable quarter.

## **2.06 Officers**

The board of directors may appoint officers of the Corporation from time to time to manage the business and affairs of the Corporation.

## **ARTICLE 3 -DEALING WITH SHARES**

### **3.01 No Transfer of Shares**

(1) Except as expressly provided for in this Article 3, no Shareholder shall sell, transfer, assign, pledge, charge, mortgage or in any other way dispose of or encumber its Shares or its rights under this Agreement, unless prior to doing so the Majority Shareholder consents in writing.

(2) At all times, Tay Holdco will continue to be a wholly-owned subsidiary of The Corporation of the Township of Tay.

(3) No sale or transfer of Shares by a Shareholder may be completed unless the person to whom the Shares are to be sold or transferred enters into an agreement with the remaining Shareholders to become a party to this Agreement. If the Shareholder sells or transfers less than all of its Shares, the sale or transfer may not be completed unless the Shareholder, the third party purchaser and the other Shareholders enter into an agreement that will specify the rights and obligations of all the Shareholders.

### **3.02 Endorsement on Certificates**

Share certificates of the Corporation and each Subsidiary shall bear the following language either as an endorsement or on the face thereof:

“The shares represented by this certificate are subject to all the terms and conditions of an agreement made as of June 20, 2018, as it may be amended from time to time, a copy of which is on file at the registered office of the Corporation.”

### **3.03 Mandatory Offer to Purchase – Piggyback Rights**

(1) If any third party (for the purposes of this Section 3.03(1) the “**Third Party**”) agrees to acquire Shares from the Majority Shareholder, if any (the “**Selling Shareholder**”), the Third Party will only be permitted to acquire such Shares, and the Selling Shareholder will only be permitted to sell them, if the Third Party first makes an offer (an “**Offer to Purchase**”) to the other Shareholder (the “**Third Party Offeree**”) to purchase all, but not less than all, of the

Shares then outstanding that the Third Party does not then own or have a right to acquire for cash at the price to be determined in accordance with the provisions of Section 3.03(2).

(2) The Offer to Purchase described in Section 3.03(1) must be given to the Third Party Offeree in a notice (the “**Notice**”) which Notice must provide that the price to be paid for each Share and the other terms and conditions of the offer contained in the Offer to Purchase (the “**Purchase Price**”) is the same as that upon which the Third Party has agreed to purchase from the Selling Shareholder.

(3) Within thirty (30) days of the Notice being given, the Third Party Offeree will be entitled to accept the Offer to Purchase by giving notice of the acceptance thereof to the Third Party and to the Corporation.

(4) The Third Party will purchase all the Shares beneficially owned by the Third Party Offeree who accepts the Offer to Purchase at the Purchase Price and the transaction of purchase and sale will be completed within twenty (20) Business Days (or such longer period as may reasonably be required to comply with all applicable statutory and regulatory requirements or to ensure the concurrent closing with the sale of Shares by the Selling Shareholder) of the expiry of the thirty (30) day period specified in Section 3.03(3). The transaction will be completed at the Corporation’s registered office where delivery of the Shares must be made by the Third Party Offeree accepting the Offer to Purchase with good title, free and clear of all liens, charges, encumbrances and any other rights of others, against payment by certified cheque or bank draft by the Third Party. If, at the time of completion, any of the Shares that the Shareholder beneficially owns are subject to any lien, charge, encumbrance or other right of others, the Third Party will be entitled to deduct from the purchase money to be paid to the Third Party Offeree the amount required to discharge all such liens, charges, encumbrances or other rights of others and will apply such amount to the repayment, on behalf of the Third Party Offeree, of the obligations secured thereby.

(5) If the Third Party Offeree has accepted the Offer to Purchase and defaults in transferring any of the Shares, the Third Party Offeree is obligated to transfer to the Third Party as provided for in this Section 3.03, the Corporation is authorized and directed to receive the purchase money and thereupon to record the transfer of Shares, to enter the name of the Third Party in the registers of the Corporation as the holder of the Shares purchased by the Third Party, and cause to be issued to the Third Party share certificates for such Shares in the name of the Third Party. The Corporation will hold the purchase money received by it in trust on behalf of the Third Party Offeree and will not commingle the purchase money with the Corporation’s assets, except that any interest accruing thereon will be for the account of the Corporation. The receipt by the Corporation of the purchase money will be a good discharge to the Third Party and, after the name of the Third Party has been entered in the registers of the Corporation, the purchase and sale will be deemed completed at the price and on the terms and conditions contemplated herein and the Third Party will for all purposes own the Shares purchased by it. Upon such registration, the Third Party Offeree will cease to have any right to or in respect of the Shares except the right to receive, without interest, the purchase price received by the Corporation upon surrender of any certificates that previously represented such Shares.



### 3.04 Preemptive Rights

If any additional shares of the Corporation are to be issued from treasury, the Corporation will first offer such shares to the Shareholders by notice given to them of the Corporation's intention to issue additional shares and the number and class thereof to be so issued. The Shareholders will have the right to purchase the shares so offered *pro rata* based upon the number of Shares beneficially owned by the Shareholders at the date notice is given. Each Shareholder will have 20 Business Days from the date such notice is given to take up and pay for any of the shares so offered to the Shareholder. The shares that have not been taken up and paid for within the 20 Business Days will be offered again by the Corporation by notice given to those Shareholders who took up and paid for all the shares initially offered to them, and each of such Shareholders will have the right to purchase the shares so offered *pro rata* based upon the number of Shares beneficially owned by such Shareholders at the date notice is given of such subsequent offer. Such Shareholders will have 20 Business Days from the date such subsequent notice is given to take up and pay for any of the shares so offered, and so on from time to time until all the shares have been taken up or until all the Shareholders have refused to take up any more, in which latter event the shares not so taken up may be issued to such persons as the directors in their discretion determine, provided that such persons agree to be bound by this Agreement and to become parties hereto.

### 3.05 Obligation to Sell – Drag-Along Rights

(1) If the Majority Shareholder desires to sell all or any of its Shares, the Majority Shareholder may secure from a third party (the “**Offeror**”) a *bona fide* offer (an “**Offer to Purchase**”) to Tay Holdco to purchase all or an equal proportion of the Shares having regard to the relevant proportionate shareholdings owned by Tay Holdco on substantially similar terms and conditions for cash. Upon receipt of the Offer to Purchase, together with notification from Newmarket Holdco of its intention to accept the Offer to Purchase, Tay Holdco will be deemed to have accepted the Offer to Purchase in accordance with its terms and conditions.

(2) If Tay Holdco defaults in transferring any of its Shares that it is obligated to transfer to the Offeror as provided for in this Section 3.04, the Corporation is authorized and directed to receive the purchase money and thereupon to record the transfer of Shares, to enter the name of the Offeror in the registers of the Corporation as the holder of the Shares purchased by the Offeror, and cause to be issued to the Offeror share certificates for such Shares in the name of the Offeror. The Corporation will hold the purchase money received by it in trust on behalf of Tay Holdco and will not commingle the purchase money with the Corporation's assets, except that any interest accruing thereon will be for the account of the Corporation. The receipt by the Corporation of the purchase money will be a good discharge to the Offeror and, after the name of the Offeror has been entered in the registers of the Corporation as the holder of the Shares purchased by it, the purchase and sale will be deemed completed at the price and on the terms and conditions contemplated herein and the Offeror will for all purposes own the Shares purchased by it. Upon such registration, Tay Holdco will cease to have any right to or in respect of the Shares except the right to receive, without interest, the purchase money received by the Corporation upon surrender of any certificates that previously represented such Shares.



(3) The Offeror will purchase all or an equal proportion of the Shares beneficially owned by Tay Holdco having regard to the relevant proportionate shareholdings owned by Tay Holdco and the transaction of purchase and sale will be completed within twenty (20) Business Days (or such longer period as may reasonably be required to comply with all applicable statutory and regulatory requirements or to ensure the concurrent closing with the sale of Shares by Newmarket Holdco). The transaction will be completed at the Corporation's registered office where delivery of the Shares must be made by Tay Holdco accepting the Offer to Purchase with good title, free and clear of all liens, charges, encumbrances and any other rights of others, against payment by certified cheque or bank draft by the Offeror. If, at the time of completion, any of the Shares that Tay Holdco beneficially owns are subject to any lien, charge, encumbrance or other right of others, the Offeror will be entitled to deduct from the purchase money to be paid to Tay Holdco the amount required to discharge all such liens, charges, encumbrances or other rights of others and will apply such amount to the repayment, on behalf of Tay Holdco, of the obligations secured thereby.

### **3.06 Exclusivity of Sections**

Each of Sections 3.03 and 3.05 are exclusive and the provisions thereof may only be relied upon by any party if the provisions of one of the other of such Sections are not at the same time being relied upon by the same or another party.

## **ARTICLE 4 -COVENANTS OF EACH PARTICIPATING MUNICIPALITY**

### **4.01 Undertaking of Each Participating Municipality**

Each of the Participating Municipalities agrees with the other Participating Municipality that it shall cause its respective Holdco Corporation to duly and punctually observe and perform each and every covenant of its Holdco Corporation contained in this Agreement.

### **4.02 Transfer of Holdco Corporation Shares**

Tay shall not sell, transfer, assign, pledge, charge, mortgage or in any other way dispose of or encumber any of its shares in Tay Holdco or any other entity through which Tay hold its interest in the Corporation without the prior written consent of Newmarket.

## **ARTICLE 5 -BOOKS AND RECORDS**

### **5.01 Access to Books and Records**

Proper books and records will be kept by the Corporation. Each Shareholder or its nominee or other authorized representative will have free access at all times to examine and copy such books and records.

## **ARTICLE 6 -GENERAL**

### **6.01 Non-Competition**

Tay Holdco may not, without the prior written consent of Newmarket Holdco, at any time while Tay Holdco is a shareholder of the Corporation and for a period of two (2) years after Tay Holdco ceases to be a shareholder of the Corporation, either individually or in partnership or jointly or in conjunction with any person as principal, agent, trustee, employee or shareholder or in any other manner whatsoever:

- (a) carry on, engage in or be concerned with or interested in, or
- (b) lend money to, guarantee the debts or obligations of or permit the name of Tay Holdco or any part thereof to be used or employed by any person engaged in or concerned with or interested in,

any business that is the same as, substantially similar to or competitive with the business carried on by the Corporation or its Subsidiaries or, if Tay Holdco has ceased to be a shareholder of the Corporation, any business that is the same as, substantially similar to or competitive with the business carried on by the Corporation or its Subsidiaries at the time Tay Holdco ceased to be a shareholder of the Corporation within, in either case, the Province of Ontario.

### **6.02 Non-Solicitation**

Tay Holdco may not, without the prior written consent of Newmarket Hydro, at any time while Tay Holdco is a shareholder of the Corporation and for a period of two (2) years after Tay Holdco ceases to be a shareholder of the Corporation, either individually or in partnership or jointly or in conjunction with any person as principal, agent, trustee, employee or shareholder or in any other manner whatsoever:

- (a) induce or endeavour to induce any employee of the Corporation to leave his or her employment with the Corporation;
- (b) employ or attempt to employ or assist any person to employ any employee of the Corporation; or
- (c) solicit, endeavour to solicit or gain the business of, canvass or interfere with the relationship of the Corporation with any person that:
  - (i) is a customer of the Corporation while Tay Holdco is a shareholder of the Corporation or at the date Tay Holdco ceases to be a shareholder of the Corporation;
  - (ii) was a customer of the Corporation at any time within two (2) years prior to the date Tay Holdco ceases to be a shareholder of the Corporation; or
  - (iii) had been pursued as a prospective customer by or on behalf of the Corporation at any time within two (2) years prior to the date Tay Holdco



ceases to be a shareholder of the Corporation and in respect of whom the Corporation has not determined to cease all such pursuit.

**6.03 Benefit of the Agreement**

This Agreement shall enure to the benefit of and be binding upon the respective successors and permitted assigns of the parties hereto.

**6.04 Entire Agreement**

This Agreement constitutes the entire agreement between the parties hereto with respect to the subject matter hereof and cancels and supersedes any prior understandings and agreements between the parties hereto with respect thereto. There are no representations, warranties, terms, conditions, undertakings or collateral agreements, express, implied or statutory, between the parties other than as expressly set forth in this Agreement.

**6.05 Amendments and Waivers**

No amendment to this Agreement shall be valid or binding unless set forth in writing and (i) either duly executed by all of the parties thereto, or (ii) at a meeting of Shareholders duly called for the purpose of considering the proposed amendment, all of the votes are cast in favor of the action, in which event the amendment shall be deemed to be duly executed by all of the parties hereto. No waiver of any breach of any provision of this Agreement shall be effective or binding unless made in writing and signed by the party purporting to give the same and, unless otherwise provided in the written waiver, shall be limited to the specific breach waived.

**6.06 Assignment**

This Agreement may not be assigned by a party without the prior written consent of the other party; provided, however, that Newmarket Holdco will have the right to assign this Agreement concurrent with the transfer of the Shares held by it to any Affiliate without the consent of Tay Holdco.

**6.07 Termination**

This Agreement shall terminate upon:

- (a) the written agreement of all of the Participating Municipalities and the Shareholders;
- (b) the dissolution or bankruptcy of the Corporation or the making by the Corporation of an assignment under the provisions of the *Bankruptcy and Insolvency Act*; or
- (c) one person becoming the beneficial owner of all of the Shares.

**6.08 Severability**

If any provision of this Agreement is determined to be invalid or unenforceable in whole or in part, such invalidity or unenforceability shall attach only to such provision or part thereof and the remaining part of such provision and all other provisions hereof shall continue in full force and effect.

**6.09 Notices**

Any demand, notice or other communication (hereinafter in this Section 6.09 referred to as a “**Communication**”) to be given in connection with this Agreement shall be given in writing and may be given by personal delivery, by registered mail or by transmittal by facsimile transmission addressed to the recipient as follows:

To: Tay and Tay Holdco

450 Park St.  
Victoria Harbour, ON  
L0K 2A0

Attention: Chief Administrative Officer

Fax No: (705) 534-4470

To: Newmarket and Newmarket Holdco

395 Mulock Drive  
P. O. Box 328 STN MAIN  
Newmarket, Ontario  
L3Y 4X7

Attention: Chief Administrative Officer

Fax No: (905) 953-5100

To: The Corporation

Newmarket Hydro Holdings Inc.  
590 Steven Court  
Newmarket, Ontario  
L3Y 6Z2

Attention: President

Fax No: (905) 895-8931



or such other address, fax number or individual as may be designated by notice by any party to the other. Any Communication given by personal delivery shall be conclusively deemed to have been given on the day of actual delivery thereof and, if given by registered mail, on the third Business Day following the deposit thereof in the mail and, if given by facsimile transmission, on the day of transmittal thereof. If the party giving any Communication knows or ought reasonably to know of any difficulties with the postal system which might affect the delivery of mail, any such Communication shall not be mailed but shall be given by personal delivery or by facsimile transmission.

#### **6.10 Governing Law**

This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

#### **6.11 Dispute Resolution**

(1) The parties will make good faith efforts to resolve any controversy, question, claim or other dispute arising out of or relating to this Agreement (a “**Dispute**”) by negotiation between the Chief Administrative Officer and the Treasurer of each of Newmarket and Tay. Any party may give the another party or parties with which it has a Dispute written notice of a Dispute (which notice shall identify all the recipients of such notice). Within thirty (30) days after delivery of the notice, the receiving party or parties will submit a written response to the other recipient(s) of the notice of the Dispute. The notice(s) and the response(s) will include (a) a statement of the sending party’s position and the arguments supporting that position, and (b) the name and title of the representative who will represent that party and of any other representative who will accompany the representative. Within thirty (30) days after delivery of the notice, the representatives of each relevant party or, with the consent of all relevant parties, any other representative not identified in a notice will meet at a mutually acceptable time and place, and thereafter as often as they reasonably deem necessary during the period of thirty (30) days (the “**Meeting Period**”) after the initial meeting, to attempt to resolve the Dispute.

(2) In the event that the Dispute is not settled between the relevant parties by the completion of the Meeting Period, then the Dispute may be conclusively settled by submission to arbitration in accordance with the rules of arbitration of the *Arbitration Act, 1991* (Ontario).

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IN WITNESS WHEREOF the parties have executed this Agreement.

**TAY HYDRO INC.**

By:

  
\_\_\_\_\_  
Name: Robert Lamb  
Title: Director

**NEWMARKET HYDRO HOLDINGS INC.**

By:

  
\_\_\_\_\_  
Name: Robert Shelton  
Title: Director

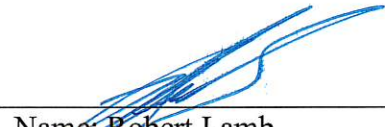
**ENVI NETWORKS LTD.**

By:

  
\_\_\_\_\_  
Name: Paul Ferguson  
Title: Director


**THE CORPORATION OF THE  
TOWNSHIP OF TAY**

By:

  
\_\_\_\_\_  
Name: Robert Lamb  
Title: Chief Administrative Officer

**THE CORPORATION OF THE TOWN OF  
NEWMARKET**

By:

  
\_\_\_\_\_  
Name: Robert Shelton  
Title: Chief Administrative Officer