

Amended by #02-38 Amended by #03-68 Amended by #06-72 Amended by #04-117
Amended by #05-60 Amended by #09-35 Amended by #15-86 Amended by #16-50

THE CORPORATION OF THE TOWN OF GRIMSBY
BY-LAW NO. 00-20

A BY-LAW TO APPROVE THE INCORPORATION
OF A CORPORATION AND SUBSIDIARIES
UNDER THE BUSINESS CORPORATIONS ACT
(ONTARIO) (NIAGARA POWER INCORPORATED)

WHEREAS pursuant to section 142(1) of the Electricity Act, 1998 the Council of the Corporation of the Town of Grimsby (the "Town") may cause a corporation to be incorporated under the Ontario Business Corporations Act ("OBCA") for the purpose of generating, transmitting, distributing or retailing electricity;

AND WHEREAS the Town transmits, distributes and retails electricity through the Grimsby Hydro Electric Commission (the "Commission");

AND WHEREAS the Town has authorized the incorporation of a corporation (the "Corporation") and certain subsidiaries (the "Subsidiaries") (collectively the "Corporation and its Subsidiaries") to be incorporated under the OBCA pursuant to section 142(1) of the Electricity Act, 1998 and sections 71 and 73 of the Ontario Energy Board Act, 1998 for the purpose of generating, transmitting, distributing or retailing electricity;

AND WHEREAS the Town desires to enter into a shareholder declaration (the "Shareholder Declaration") to provide for the conduct of certain affairs of the Corporation and its Subsidiaries;

NOW THEREFORE THE COUNCIL OF THE CORPORATION OF THE TOWN OF GRIMSBY ENACTS AS FOLLOWS:

1. The incorporation of the Corporation, Niagara Power Incorporated, and of the following Subsidiaries, Grimsby Power Incorporated, Grimsby Energy Incorporated and Grimsby Hydro Incorporated under the OBCA is hereby authorized and approved pursuant to section 142(1) of the Electricity Act, 1998 and sections 71 and 73 of the Ontario Energy Board Act, 1998 for the purpose of continuing and developing the Commission and the Town's distribution,

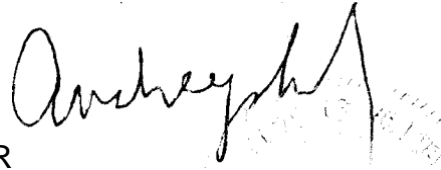
transmission and retailing of electricity and associated business activities. The incorporation of additional Subsidiaries to carry on any of the foregoing activities as may be deemed to be necessary by the board of directors of Niagara Power Incorporated from time to time is also hereby authorized.

2. The persons listed in the articles of incorporation of the Corporation and Subsidiaries as the first directors of the Corporation and its Subsidiaries are hereby authorized for and on behalf of the Town to execute and file, pursuant to the OBCA, on such date referred to above, all articles of incorporation in the form annexed hereto as Schedule "A", notices, articles of amendment, consents and other instruments as may be necessary to effect the incorporation of the Corporation and its Subsidiaries authorized pursuant to this by-law. The registered office of the Corporation and its Subsidiaries shall be the head office of the Grimsby Hydro-Electric Commission until otherwise determined by the Town pursuant to the OBCA.
3. The Shareholder Declaration between the Town and the Corporation, in substantially the form attached hereto as Schedule "B", forming part of this by-law is hereby authorized and approved
4. The transfer of the assets, liabilities and employees of the Commission to the Corporation and as appropriate, to one or more Subsidiaries shall be authorized by Council pursuant to a transfer by-law in accordance with the Electricity Act, 1998 to be submitted to Council for its consideration and enacted prior to November 1, 2000 or such earlier date to be determined by Council.
5. The Mayor and the Clerk are hereby authorized and directed, for and on behalf of the Town to execute and deliver the Shareholder Declaration and the applicable organizational documents (the "Organizational Documents") of the Corporation and its Subsidiaries with such alterations, additions and amendments thereto as they may approve, the execution of the Shareholder Declaration and the Organizational Documents by such individuals being conclusive evidence of such approval and to do all such acts and things and to execute and deliver all such other documents, instruments and writings as may be necessary or desirable to give effect to the provisions of this by-law, the Shareholder Declaration, the articles of incorporation of the Corporation and its Subsidiaries and the Organizational Documents.

READ A FIRST TIME this 31st day of April, 2000

READ A SECOND AND THIRD TIME AND FINALLY PASSED this 31st day of April, 2000.

MAYOR

A handwritten signature in black ink, appearing to read "Anthony J. Venturi". To the right of the signature is a faint circular stamp, likely an official seal or date stamp.

TOWN CLERK

A handwritten signature in black ink, appearing to read "Katherine J. Venturi".