

PROMISSORY NOTE (The "Note")

To: The Corporation of the City of Owen Sound (The "Lender")
808 2nd Ave E, Owen Sound, ON, N4K 2H4

\$2,100,000.00

April 28, 2025

FOR VALUE RECEIVED, the Grey Sauble Conservation Authority (the "Borrower") hereby acknowledges itself indebted in the amount of and promises to pay to or to the order of "The Corporation of the City of Owen Sound" the principal sum of Two Million, One Hundred Thousand Dollars (\$2,100,000.00) in lawful money of Canada, together with interest accrued thereon as hereinafter provided, in accordance with the terms and conditions of this Note, as hereinafter provided.

The principal amount outstanding from time to time under this Note shall accrue interest in accordance with that certain Secured Loan Agreement entered into between the Borrower, as borrower, and the Lender, as lender, dated April 28th, 2025 (the "Loan Agreement"). All accrued Interest hereunder remaining unpaid and outstanding after the payment date shall bear interest at the same rate, calculated and payable semi-annually, not in advance, and shall accrue on a day-to-day basis.

The Borrower shall make semi-annual payments on October 28th and April 28th of principal and interest in accordance with the terms of the Loan Agreement.

The Borrower may, on thirty (30) days advance written notice, prepay all or any part of the indebtedness evidenced by this Note (including interest) without bonus or penalty on any payment date. All prepayments of indebtedness under this Note shall be applied against the unpaid principal amount.

The Borrower hereby waives presentment for payment, demand and notice of non-payment, notice of dishonour and agrees to pay all costs (including reasonable legal costs) incurred by the Lender in collecting any amounts payable under this Note.

In the event of any default by the Borrower under the Loan Agreement, the Lender may, in addition to its other remedies, recover unpaid amounts by offsetting them against future levy requisitions payable to the Borrower pursuant to the *Conservation Authorities Act (Ontario)*.

This Note shall enure to the benefit of the holder hereof and its successors and assigns and shall be binding on the Borrower and its executors, heirs, administrators, representatives, other legal personal representatives and assigns. The Borrower shall not assign any of its obligations under this Note without the prior written consent of The Corporation of the City of Owen Sound.

This Note shall be governed by and construed and enforced in accordance with the laws of the province of Ontario and the federal laws of Canada applicable therein. The Borrower hereby attorns to the jurisdiction of the courts of the province of Ontario.

IN WITNESS WHEREOF the Borrower has executed this Note on the ____ day of _____, 2025

GREY SAUBLE CONSERVATION
AUTHORITY

Per:

Name: Chair

Per: _____

Name: Secretary- Treasurer

(attach seal)

