Execution Version

INDEPENDENT ELECTRICITY SYSTEM OPERATOR
as Borrower

– and –

THE FINANCIAL INSTITUTIONS PARTY HERETO
as Lenders

– and –

TD SECURITIES
as Lead Arranger and Book Manager

– and –

THE TORONTO-DOMINION BANK

as Agent

SECOND AMENDED AND RESTATED DEFAULT FACILITY AGREEMENT

April 28, 2017

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THIS SECOND AMENDED AND RESTATED DEFAULT FACILITY AGREEMENT is made as of April 28, 2017.

BETWEEN:

INDEPENDENT ELECTRICITY SYSTEM OPERATOR
as Borrower

- and -

THE FINANCIAL INSTITUTIONS PARTY HERETO,
as Lenders

- and -

THE TORONTO-DOMINION BANK,
as Agent

RECITALS:

A. The Borrower, the Agent and the Lenders entered into a default facility agreement dated July 31, 2002 as (the "**Original Agreement**").

B. The Original Agreement has been amended by a first amending agreement dated June 28, 2004, a direction and second amendment dated July 22, 2005, a third amendment dated July 22, 2005, a fourth amendment dated March 31, 2006, a fifth amendment dated March 22, 2007 and a sixth amendment dated March 19, 2008 (collectively, the **"Amending Agreements"** and, together with the Original Agreement, the **"Amended Agreement")**.

C. The Borrower, the Agent and the Lenders amended and restated the Amended Agreement pursuant to an amended and restated default facility agreement dated April 30, 2009 (the "**2009 Agreement**").

D. The 2009 Agreement has been amended by a first amendment dated April 13, 2010, a second amendment dated December 30, 2010, a third amendment dated March 31, 2011, a fourth amendment dated October 3, 2011, a fifth amendment dated March 20, 2013 and a sixth amendment dated January 1, 2015 (collectively, the "**2009 Amending Agreements**" and, together with the 2009 Agreement, the "**Amended and Restated Agreement**").

E. The parties hereto wish to further amend the Amended and Restated Agreement and to restate it with such further amendments incorporated herein and the Lenders have agreed to continue to provide the Default Facility to the Borrower on the terms and conditions herein set forth.

NOW THEREFORE THIS AGREEMENT WITNESSES that, in consideration of the covenants and agreements herein contained, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

ARTICLE 1
INTERPRETATION

1.1 Definitions

For the purposes of this Agreement:

1.1.1 "**Advance**" means any utilization of the Default Facility by the Borrower (other than by way of Rollover or Conversion of a Loan already outstanding), whether by way of advance of a Prime Rate Loan or by way of issuance of BA Instruments or by way of a Swing Line Loan;

1.1.2 "**Affiliate**" means, in respect of any Person, any other Person which, directly or indirectly, controls or is controlled by or is under common control with such Person; and for the purpose of this definition, "**control**" (including, with correlative meanings, the terms "**controlled by**" and "**under common control with**") means the power to direct, or cause to be directed, the management and policies of a Person whether through the ownership of voting shares or by contract or otherwise;

1.1.3 "**Agent**" means The Toronto-Dominion Bank in its capacity as administration agent hereunder or any Successor Agent as provided in section 10.8;

1.1.4 "**Aggregate Commitment**" means $150,000,000, subject to all reductions effected from time to time pursuant to Article 2 or section 3.8;

1.1.5 "**Agreement**" means this agreement and all schedules attached to this agreement, in each case as they may be amended or supplemented from time to time; the expressions "**hereof**", "**herein**", "**hereto**", "**hereunder**", "**hereby**" and similar expressions refer to this Agreement as a whole and not to any particular article, section, schedule or other portion hereof, and the expression "**article**" and "**section**" followed by a number or by a number and letter, and "**schedule**" followed by a letter, mean and refer to the specified article or section of or schedule to this Agreement, except as otherwise specifically provided herein;

1.1.6 "**Amended and Restated Agreement**" has the meaning attributed to such term in the recitals;

1.1.7 "**Applicable Law**" means, in respect of any Person, property, transaction or event, all applicable laws including without limitation, the *Electricity Act* and the Market Rules, statutes, regulations, common law and, to the extent they have the force of law, all applicable rules, by-laws, directives, orders, judgments, decrees and policies or guidelines of Governmental Bodies;

1.1.8 "**Applicable Margin**" means 40 basis points;

1.1.9 "**Assignment Agreement**" has the meaning attributed to such term in section 11.9.4;

1.1.10 "**Bankers' Acceptance Loan**" means, at any time, any Loan which at such time is outstanding by way of one or more BA Instruments and, for greater certainty, refers to the aggregate face amount of such BA Instruments, and "**Bankers' Acceptance Loans**" means, at any time, all Bankers' Acceptance Loans at such time;

1.1.11 "**Bankers' Acceptance**" has the meaning attributed to such term in section 4.1.1; provided, however, that if the Lenders elect to use a clearing house as contemplated by the *Depository Bills and Notes Act* (S.C. 1998 c. 13) (the "Act"), Bankers' Acceptance shall mean a depository bill (as defined in the Act) in Canadian dollars signed by or on behalf of the Borrower and accepted by a Lender pursuant to this Agreement;

1.1.12 "**Bankers' Acceptance Discount Rate**" means, in respect of a Bankers' Acceptance or Draft to be purchased by any Lender hereunder, the discount rate confirmed to the Agent by such Lender at the time of purchase as being the rate at which such Lender would be prepared to discount such Bankers' Acceptance or Draft;

1.1.13 "**Bankers' Acceptance Price**" means, on any Drawing Date, in respect of Bankers' Acceptances or Drafts to be purchased by a Lender on such Drawing Date, the difference between (i) the result (rounded to the nearest whole cent, with one-half of one cent being rounded up) obtained by dividing the aggregate Face Amount of such Bankers' Acceptances or Drafts by the sum of one plus the product of (x) the Reference Discount Rate; and (y) a fraction the numerator of which is the number of days comprising the term to maturity of such Bankers' Acceptances or Drafts and the denominator of which is 365; and (ii) the applicable aggregate Drawing Fee;

1.1.14 "**BA Equivalent Note**" has the meaning specified in section 4.4.4;

1.1.15 "**BA Instrument**" means Bankers' Acceptances, Drafts and BA Equivalent Notes;

1.1.16 "**BA Period**" means, with respect to a BA Instrument, subject to availability, 14, 30, 60, 90, 180 days or such other duration as selected by the Borrower in the applicable Borrowing Notice, in each case commencing on the Drawing Date of the BA Instrument and expiring on a Banking Day which is one, two, three or six months after such Drawing Date, subject to availability;

1.1.17 "**Banking Day**" means a day on which banks are generally open for business in Toronto, Canada;

1.1.18 "**Borrower**" means the Independent Electricity System Operator, a not-for-profit corporation without share capital established and continued under the *Electricity Act* and its successors and permitted assigns;

1.1.19 "**Borrowing Date**" means any Banking Day on which an Advance is made, or is to be made in accordance with a request of the Borrower;

1.1.20 "**Borrowing Notice**" means a notice substantially in the form of Schedule 3.1;

1.1.21 "**Branch of Account**" means the Agent's branch located at The Toronto-Dominion Bank, International Centre, Toronto, or such other branch of the Agent as the Agent may designate in writing to the Borrower;

1.1.22 "**Canadian dollars**", "**Cdn. $**", "**dollars**" or "**$**" means currency of Canada;

1.1.23 "**Canadian Taxes**" means all Taxes imposed, levied, collected, withheld or assessed by any Governmental Body of or within Canada or any political subdivision thereof;

1.1.24 "**Capital Lease Obligations**" means the obligations of the Borrower to pay rent or other amounts under a lease of (or other agreement conveying the right to use) personal property, which obligations are required to be classified and accounted for as a capital lease on a balance sheet of the Borrower under GAAP to the extent that, at the relevant time, such obligations would be included in the Borrower's balance sheet under GAAP;

1.1.25 "**Cash Account**" has the meaning attributed to such term in section 7.1.26;

1.1.26 "**Closing Date**" means April 30, 2009;

1.1.27 "**Commitment**" means, with respect to each Lender, the amount set forth opposite the name of such Lender in Schedule 1.1.27, in each case, subject to section 3.8 and such Lender's Rateable Portion of all reductions effected from time to time pursuant to Article 2;

1.1.28 "**Contingent Liabilities**" means, for the Borrower at any time, the aggregate amount of all liabilities of the Borrower at such time to guarantee, or which have the economic effect of guaranteeing, any indebtedness or other monetary obligations (each a "primary obligation") of any other Persons (each a "primary obligor") in any manner, whether directly or indirectly, including any liability of the Borrower as an account party in respect of a letter of credit issued to assure payment by a primary obligor of a primary obligation, and any liability of the Borrower, whether or not contingent (i) to purchase a primary obligation or any property constituting direct or indirect security therefor, (ii) to advance or supply funds for the purchase or payment of a primary obligation or to maintain working capital or equity capital of a primary obligor or otherwise to maintain the net worth or solvency of a primary obligor, (iii) to purchase property or services primarily for the purpose of assuring the obligee under a primary obligation of the ability of the primary obligor to make payment of such primary obligation, or (iv) otherwise to assure or hold harmless or indemnify the obligee under a primary obligation against loss in respect thereof;

1.1.29 "**Conversion**" means, in respect of any Loan, the conversion of the method for calculating interest or fees on such Loan from one method to another, and includes a conversion to or from a BA Instrument;

1.1.30 "**Conversion Date**" means, in respect of any Loan, the Banking Day on which a Conversion thereof is made;

1.1.31 "**Debt**" means:

1.1.31.1 indebtedness for money borrowed and indebtedness represented by notes payable and drafts accepted representing extensions of credit (including, as regards any note or draft issued at a discount, the face amount of such note or draft);

1.1.31.2 all obligations (whether or not with respect to the borrowing of money) which are evidenced by bonds, debentures, notes or other similar instruments or not so evidenced but which would be considered to be indebtedness for borrowed money in accordance with GAAP;

1.1.31.3 all indebtedness upon which interest charges are customarily paid;

1.1.31.4 Capital Lease Obligations and all other indebtedness issued or assumed as full or partial payment for property or services or by way of capital contribution;

1.1.31.5 any Contingent Liability relating to an obligation of a type referred to in 1.1.31.1 to 1.1.31.4 above; and

1.1.31.6 all interest accrued and capitalized on indebtedness for borrowed money;

1.1.32 "**Debt Service**" means interest, fees and related expenses, not including principal, due and owing on any Debt;

1.1.33 "**Default**" means any event which, but for the lapse of time, giving of notice or both, would constitute an Event of Default;

1.1.34 "**Default Facility**" means the revolving credit facility made available to the Borrower by the Lenders pursuant to section 2.1.1;

1.1.35 "**Default Levy**" has the meaning set forth in the Market Rules;

1.1.36 "**Draft**" means, at any time, a blank non-interest bearing bill of exchange within the meaning of the *Bills of Exchange Act* (Canada) drawn by the Borrower on a Person and bearing such distinguishing letters and numbers as such Person may determine, or, a blank depository bill (as defined in the *Depository Bills and Notes Act* (Canada)), which at such time, except as otherwise provided herein, has not been completed or accepted by such Person;

1.1.37 "**Drawing**" means (i) the creation and purchase of Bankers' Acceptances by a Lender pursuant to Article 4; (ii) a purchase of completed Drafts by a Lender pursuant to Article 4; or (iii) the issuance of a BA Equivalent Note pursuant to Article 4;

1.1.38 "**Drawing Date**" means any Banking Day fixed pursuant to section 4.2 for a Drawing;

1.1.39 "**Drawing Fee**" means, in respect of any Bankers' Acceptances or Drafts to be purchased by a Lender, the product of (i) the aggregate Face Amount of such Bankers' Acceptances or Drafts; (ii) the Applicable Margin; and (iii) a fraction the numerator of which is the number of days comprising the term to maturity of such Bankers' Acceptances or Drafts and the denominator of which is 365;

1.1.40 "**Effective Date**" means April 28, 2017 or such other date upon which the Lenders and the Borrower shall agree;

1.1.41 "**Electricity Act**" means the *Electricity Act*, 1998, S.O., Chap. 15, Sch. A., and, to the extent they have the force of law, all Regulations, rules, policies and guidelines from time to time made thereunder;

1.1.42 "**Environmental Laws**" mean all Applicable Laws to the extent such relate to environmental or public health and safety matters including, without limitation, Environmental Permits and Environmental Orders;

1.1.43 "**Environmental Orders**" means, to the extent they have the force of law, applicable orders, directives, decisions, or the like rendered by any Governmental Body pursuant to or under any Environmental Laws;

1.1.44 "**Environmental Permits**" means all permits, certificates, approvals, consents, authorizations, registrations and licenses issued by, and registrations with, any Governmental Body pursuant to or required for the business of the Borrower to be in compliance with all Environmental Laws and Environmental Orders;

1.1.45 "**Event of Default**" has the meaning attributed to such term in section 9.1;

1.1.46 "**Excluded Taxes**" means in relation to the Agent or any Lender, those Canadian Taxes which are imposed or levied on or measured by the overall income or capital of such Person or any of its applicable lending offices, and all franchise taxes, taxes on doing business or taxes measured by capital or net worth imposed on the Agent or any Lender or any of its applicable lending offices, whether collected by withholding or otherwise, as a result of the Agent or such Lender (i) carrying on a trade or business in Canada or having a permanent establishment in Canada, (ii) being organized under the laws of Canada or any political subdivision thereof, (iii) being or being deemed to be resident in Canada for income tax purposes, or (iv) not dealing at arm's length (as defined for the purposes of the *Income Tax Act* (Canada)) with the Borrower, but for greater certainty shall not include any sales, goods or services taxes payable under the laws of Canada or any political subdivision thereof with respect to any goods or services made available by the Agent or any Lender to the Borrower hereunder;

1.1.47 "**Face Amount**" means in respect of a BA Instrument, the amount payable to the holder thereof on its maturity;

1.1.48 "**Facility Payments**" has the meaning attributed to such term in section 2.3.2;

1.1.49 "**Fiscal Year**" means the fiscal year of the Borrower ending on December 31 of each calendar year;

1.1.50 "**GAAP**" means those accounting principles which are recognized as being generally accepted in Canada from time to time as set out in the handbook published by the Canadian Institute of Chartered Accountants;

1.1.51 "**Governmental Body**" means any government, parliament, legislature, or any regulatory authority, agency, commission or board of any government, parliament or legislature, or any court or (without limitation to the foregoing) any other law, regulation or rule-making entity (including, without limitation, any central bank, fiscal or monetary authority or authority regulating banks), having jurisdiction in the relevant circumstances, or any Person acting under the authority of any of the foregoing (including, without limitation, any arbitrator);

1.1.52 "**Hazardous Substance**" means any contaminants, pollutants, dangerous substances, liquid wastes, industrial wastes, toxic substances, hazardous wastes, hazardous materials or any other hazardous substance within the meaning of any Environmental Law;

1.1.53 "**IESO-Administered Markets**" has the meaning set forth in the Market Rules;

1.1.54 "**IESO-Controlled Grid**" has the meaning set forth in the Market Rules;

1.1.55 "**Interest Period**" means, with respect to each Bankers' Acceptance, the duration thereof selected by the Borrower and being a period of 30, 60, 90, 180 days or such other term in accordance with the provisions hereof and being of a duration of one, two, three or six months or such other period as the Agent (with the consent of all of the Lenders) may agree to from time to time, commencing on the Borrowing Date, Rollover Date or Conversion Date (as the case may be) of such Bankers' Acceptance;

1.1.56 "**Intellectual Property**" means:

1.1.56.1 trade-marks, design marks, service marks, certification marks, official marks, collective marks, trade names, business names, corporate names, trade dress, distinguishing guises, slogans, domain names, meta tags, and other characters, brand elements or other distinguishing features used in association with goods or services, whether or not registered or the subject of an application for registration and whether or not registrable ("**Marks**");

1.1.56.2 inventions, arts, processes, business methods, developments and improvements, whether or not patented or the subject of an application for patent and whether or not patentable ("**Inventions**");

1.1.56.3 (i) Software, documentation, marks, literary works, artistic works, pictorial works, graphic works, musical works, dramatic works, audio-visual works, performances, sound recordings and signals; and (ii) any compilations of any of the foregoing, whether or not registered or the subject of an application for registration and whether or not registrable ("**Works**"); and

1.1.56.4 all other intellectual and industrial property, including, without limitation, integrated circuit topographies and integrated circuit topography products, whether or not registered or the subject of an application for registration and whether or not registrable ("**Other IP**");

1.1.57 "**Lenders**" means, collectively, the financial institutions set forth on the signature pages hereof together with any financial institutions which become parties hereto pursuant to section 11.9 and their respective successors and permitted assigns, and, in the singular, any one of them;

1.1.58 "**Lien**" means any mortgage, lien, pledge, assignment, charge, security interest, lease intended as security, title retention agreement, right reserved in any Governmental Body, hypothec, levy, execution, seizure, attachment, garnishment or other similar encumbrance;

1.1.59 "**Loan**" means the principal amount of all Obligations then outstanding under the Default Facility pursuant to the same availment option, and, in the case of a Loan made through the issuance of BA Instruments, relating to all BA Instruments issued in respect of a single Borrowing Notice; and "Loans" means, at any time, all Loans then outstanding under the Default Facility at such time;

1.1.60 "**Loan Documents**" means this Agreement and the agency agreement with respect to the Default Facility between the Agent and the Borrower dated as of the date hereof, and "Loan Document" means any one of them;

1.1.61 "**Majority Lenders**" means, at any time, the Lenders which are owed principal amounts aggregating at least 66 2/3% of the Loans outstanding under the Default Facility or, if no Loans are then outstanding under the Default Facility, the Lenders having at least 66 2/3% of the Aggregate Commitment at such time;

1.1.62 "**Market Manual**" has the meaning set forth in the Market Rules;

1.1.63 "**Market Participant**" means a person who is authorized by the Market Rules to participate in the IESO-Administered Markets or to cause or permit electricity to be conveyed into, through, or out of the IESO-Controlled Grid;

1.1.64 "**Market Rules**" means the market rules for the Ontario electricity market constituting the market rules made under the authority and for the purposes of the Electricity Act and includes all Market Manuals;

1.1.65 "**Material Adverse Effect**" means (i) a material adverse effect on the business, property, financial condition or prospects of the Borrower, or (ii) a material adverse effect on the ability of the Borrower to perform its obligations under any Loan Document;

1.1.66 "**Maturity Date**" means the last day of a BA Period in respect of BA Instruments;

1.1.67 "**Obligations**" means all indebtedness (including any operating account debit balances in favour of any Lender), liabilities and other obligations of the Borrower to the Lenders or any of them hereunder and of the Borrower under any other Loan Document (including any amendments or supplements thereto) or under any other document (including any amendments or supplements thereto) delivered pursuant to, or arising from dealings between the Agent or any of the Lenders and any other Person contemplated by this Agreement, whether actual or contingent, direct or indirect, matured or not, now existing or arising hereafter;

1.1.68 "**OEB**" means the Ontario Energy Board and its successors and assigns;

1.1.69 "**Officers' Certificate**" means, in respect of the Borrower, a certificate signed by any one of the Chair of the Board, the President, the Chief Financial Officer or the Secretary of the Borrower;

1.1.70 "**Ontario Energy Board Act**" means the *Ontario Energy Board Act*, 1998, S.O. 1998, Chap. 15, Sch. B.;

1.1.71 "**Permitted Debt**" means:

1.1.71.1 trade and other accounts payable incurred in the ordinary course of business;

1.1.71.2 the Obligations;

1.1.71.3 the unsecured indebtedness in the amount of up to Cdn.$280,000,000 owed by the Borrower to Ontario Electricity Financial Corporation;

1.1.71.4 the unsecured indebtedness in the amount of Cdn$975,000,000 owed by the Borrower, as successor to Ontario Power Authority, to Ontario Financing Authority pursuant to a credit agreement dated January 1, 2005, as amended pursuant to the amending agreements dated February 14. 2005 (titled, Amending Agreement), October, 11, 2005 (titled, Amending Agreement No.3), September 27, 2006 (titled, Amending Agreement No.4), July 13, 2007 (titled, Amending Agreement No.5), November 9, 2010 (titled, Amending Agreement No.6), December 20, 2013 (titled, Amending Agreement No.7), December 19, 2014 (titled, Amending Agreement No.8) and November 30, 2016 (titled, Amending Agreement No. 9), as such agreement may be further amended, modified, extended, renewed, replaced, restated, supplemented or refinanced from time to time provided that the amount of such refinancing does not exceed Cdn.$975,000,000;

1.1.71.5 indebtedness under Capital Lease Obligations entered into by the Borrower from time to time in an aggregate amount not exceeding $10,000,000 at any time; and

1.1.71.6 indebtedness (and any replacement or renewal thereof) incurred other than under any of 1.1.71.1 to 1.1.71.5 for the purchase price of an asset not exceeding Cdn.$5,000,000 provided that the aggregate of such indebtedness shall not, at any time, exceed Cdn.$10,000,000.

1.1.72 "**Permitted Liens**" means:

1.1.72.1 Liens for taxes, assessments or governmental charges incurred in the ordinary course of business that are not yet due and payable or the validity of which is being actively and diligently contested in good faith by the Borrower and in respect of which the Borrower has established on its books reserves considered by it to be adequate therefor;

1.1.72.2 rights reserved to or vested in any Governmental Body by the terms of any lease, licence, franchise, grant or permit, or by any statutory provision, to terminate the same, to take action which results in an expropriation, to designate a purchaser of any real property of the Borrower or to require annual or other payments as a condition to the continuance thereof;

1.1.72.3 construction, mechanics', carriers', warehousemen's and materialmen's Liens and Liens in respect of vacation pay, workers' compensation, unemployment insurance or similar statutory obligations, provided the obligations secured by such Liens are not yet due and payable or the validity of which is being actively and diligently contested in good faith by the Borrower and in respect of which the Borrower has established in its books reserves considered by it to be adequate therefor;

1.1.72.4 Liens arising from court or arbitral proceedings, provided that the claims secured thereby are being contested in good faith by the Borrower; execution thereon has been stayed and continues to be stayed; and such Liens do not, in the aggregate, materially detract from the value of the assets of the Borrower or materially impair the use thereof in the business of the Borrower;

1.1.72.5 good faith deposits made in the ordinary course of business to secure the performance of bids, tenders, contracts (other than for the repayment of borrowed money), leases, surety, customs, performance bonds and other similar obligations;

1.1.72.6 deposits to secure public or statutory obligations or in connection with any matter giving rise to a Lien described in 1.1.72.3 above;

1.1.72.7 deposits of cash or securities in connection with any appeal, review or contestation of any Lien or any matter giving rise to a Lien described in 1.1.72.1 or 1.1.72.4 above;

1.1.72.8 zoning restrictions, easements, rights of way, leases or other similar encumbrances or privileges in respect of real property which in the aggregate do not materially impair the use of such property by the Borrower in the operation of its business;

1.1.72.9 reservations, limitations, provisos and conditions in any original grants from the Crown of any land or interest therein and statutory exceptions to title;

1.1.72.10 any Lien, other than a construction Lien, payment of which has been provided for by deposit with the Agent on behalf of the Lenders of an amount in cash, or the obtaining of a surety bond or letter of credit satisfactory to the Lenders, sufficient in either case to pay or discharge such Lien or upon other terms satisfactory to the Lenders;

1.1.72.11 Liens securing Capital Lease Obligations permitted by section 1.1.71.5;

1.1.72.12 any other Lien which the Lenders approve in writing as a Permitted Lien;

1.1.72.13 title defects or irregularities of title which are of a minor nature and in the aggregate do not and will not materially impair or materially adversely affect the usefulness of the Property;

1.1.72.14 Liens granted in the ordinary course of business to a public utility or any municipality or governmental or other public authority when required by such utility or municipality or governmental or other authority in connection with the operations of the Borrower;

1.1.72.15 Liens, charges, encumbrances and other security interest whatsoever in connection with indebtedness in respect of services rendered or to be rendered or goods or products provided or to be provided to the Borrower including, without limitation, rent or other payments under leases, including capital leases, contracts, hire-purchase agreements and agreements for sale;

1.1.72.16 plans of subdivision, site plans, municipal agreements or restrictive covenants affecting the use, to which lands may be put, provided that such covenants are complied with and do not materially detract from the value of the land concerned or materially impair its use in the operation of the business of the Borrower;

1.1.72.17 lis pendens that may be registered against any real property or interests therein of the Borrower in respect of any action or proceeding against the Borrower or in which it is a defendant, but with respect to which action or proceeding no judgment, award or attachment against the Borrower has been granted or made and which the Borrower is defending in good faith and in respect of which the Borrower has posted adequate security;

1.1.72.18 Liens given to secure indebtedness (and any replacement or renewal thereof) incurred for the purchase price of an asset not exceeding $5,000,000 provided that the aggregate of such Liens shall not, at any time exceed $10,000,000;

1.1.72.19 Liens listed in Schedule 1.1.72; and

1.1.72.20 obligations of the Borrower as a regulated entity to, from time to time, pay amounts to Market Participants or others by way of rebates of excess accumulated surpluses (including without limitation excess surplus amounts accrued in the Borrower's regulatory deferral account), or other similar obligations arising under Applicable Law or as a result of any order or direction of a Governmental Body;

1.1.73 "**Person**" means any individual, partnership, limited partnership, joint venture, syndicate, sole proprietorship, company or corporation with or without share capital, unincorporated association, trust, trustee, executor, administrator or other legal personal representative or Governmental Body;

1.1.74 "**Prime Rate**" means, at any time, the annual rate of interest equal to the greater of: (i) the rate which the Agent establishes at its principal office in Toronto as the reference rate of interest to determine interest rates it will charge on such day for commercial loans in Canadian dollars made to its customers in Canada and which it refers to as its "prime rate of interest", and (ii) the average rate for Canadian dollar Bankers' Acceptances having a term to maturity of thirty (30) days that appear on the Reuters Screen CDOR Page (or such other page as is a replacement therefor) at 10:00 a.m. (Toronto time) on such day plus 0.75% per annum, such rate to be adjusted automatically and without the necessity of any notice to the Borrower upon each change to such rate;

1.1.75 "**Prime Rate Loan**" means, at any time, any Loan which is outstanding at such time and in respect of which interest is to be calculated based on the Prime Rate and "**Prime Rate Loans**" means, at any time, all Prime Rate Loans at such time;

1.1.76 "**Property**" means all of the real and personal property owned by the Borrower (including, without limitation, leased premises and leasehold interests in real property);

1.1.77 "**Prudential Support Obligations**" has the meaning set forth in the Market Rules;

1.1.78 "**Rateable Portion**" means in respect of each Lender at any time, the proportion that its Commitment at such time bears to the Aggregate Commitment at such time and the terms "rateable" and "rateably" shall have the corresponding meanings;

1.1.79 "**Reference Discount Rate**" means, in respect of any Bankers' Acceptances or Drafts purchased pursuant to Article 4 by (i) any Lender that is a Schedule I bank, the average Bankers' Acceptance rate as quoted on the Reuters screen CDOR page determined at 10:00 a.m. (Toronto time) on such day for Bankers' Acceptances having an aggregate Face Amount equal to and with a term to maturity the same as the Bankers' Acceptances or Drafts to be purchased by such Lender on such Drawdown Date; and (ii) any other Lender, the lesser of (x) the amount calculated in (i) above plus .10%; and (y) such Lender's Bankers' Acceptance Discount Rate;

1.1.80 "**Rollover**" means, in respect of a BA Instrument, the continuation of such Loan or any portion thereof for a succeeding BA Period, in accordance with the provisions hereof;

1.1.81 "**Rollover Date**" means, in respect of a BA Instrument, a Banking Day on which a Rollover of all or a portion thereof is made;

1.1.82 "**Software**" means computer programs, operating systems, applications, interfaces, applets, software scripts, macros, firmware, development tools, and other instructions or sets of instructions, in object, source or other code;

1.1.83 "**Smart Metering Assets**" means the assets owned by the Borrower as at April 13, 2010 that are used solely in connection with the Smart Metering Program;

1.1.84 "**Smart Metering Program**" means the delivery framework to support the Government of Ontario's plan to create a conservation culture for small volume customers and includes tools for demand management based upon the Province-wide deployment of smart meters;

1.1.85 "**Smart Metering Subsidiary**" means the Organization For Smart Meter Services in Ontario, a not for profit, corporation without share capital of which the Borrower is the sole member;

1.1.86 "**Subsidiary**" means, with respect to the Borrower, (a) any corporation, partnership, joint venture, limited liability company, trust or estate of which (or in which) (i) the issued and outstanding shares having ordinary voting power to elect a majority of the board of directors of such entity (or other persons having similar functions) are directly or indirectly owned by the Borrower, irrespective of whether at the time shares of any other class or classes of such entity shall or might have voting power upon the occurrence of any contingency, or (ii) other ownership or participating interests which ordinarily constitute a majority voting interest in such entity, is at the time directly or indirectly owned or controlled by the Borrower, and (b) any non-share capital or other non-owned entity which is directly or indirectly controlled by the Borrower;

1.1.87 "**Swap Agreement**" means any agreement, whether in form of a future contract, swap or otherwise, for hedging of currency risk or for the hedging of interest on Debt;

1.1.88 "**Swing Line Commitment**" means the obligation of the Swing Line Lender to make Swing Line Loans available to the Borrower under the Default Facility up to the Swing Line Limit in accordance with section 3.4;

1.1.89 "**Swing Line Lender**" means The Toronto-Dominion Bank and its successors and assigns;

1.1.90 "**Swing Line Limit**" means, at any time, $20,000,000 as such amount may be reduced pursuant to the terms hereof;

1.1.91 "**Swing Line Loan**" means a Loan made by the Swing Line Lender in accordance with the provisions of section 3.4.1;

1.1.92 "**Taxes**" means all taxes of any kind or nature whatsoever including, without limitation, income taxes, sales or value-added taxes, levies, stamp taxes, royalties, duties, and all fees, deductions, compulsory loans and withholdings imposed, levied, collected, withheld or assessed as of the date hereof or at any time in the future, by any Governmental Body of or within Canada or any other jurisdiction whatsoever having power to tax, together with penalties, fines, additions to tax and interest thereon; and

1.1.93 "**Termination Date**" means April 30, 2020.

1.2 Gender and Number

Words importing the singular include the plural and vice versa and words importing gender include all genders.

1.3 Certificate of the Agent as to Rates, etc.

A certificate of the Agent on behalf of the Lenders certifying the amount of the Reference Discount Rate, the Bankers' Acceptance Discount Rate, the Prime Rate or the Drawing Fee, at any particular time in respect of any Loan made or maintained or to be made or maintained by the Lenders or any of them hereunder in respect of any calculation hereunder shall be binding and conclusive for all purposes, absent manifest error. No provision hereof shall be construed so as to require the Agent or any Lender to issue a certificate at any particular time.

1.4 Interest Act

For purposes of the *Interest Act* (Canada), where in any Loan Document (i) a rate of interest is to be calculated on the basis of a year of 360 days, the yearly rate of interest to which the 360 day rate is equivalent is such rate multiplied by the number of days in the year for which such calculation is made and divided by 360, or (ii) an annual rate of interest is to be calculated during a leap year, the yearly rate of interest to which such rate is equivalent is such rate multiplied by 366 and divided by 365.

1.5 Invalidity, etc.

Each of the provisions contained in any Loan Document is distinct and severable and a declaration of invalidity, illegality or unenforceability of any such provision or part thereof by a court of competent jurisdiction shall not affect the validity or enforceability of any other provision of such Loan Document or of any other Loan Document. Without limiting the generality of the foregoing, if any amounts on account of interest or fees or otherwise payable by the Borrower to the Agent or the Lenders hereunder exceed the maximum amount recoverable under Applicable Law, the amounts so payable hereunder shall be reduced to the maximum amount recoverable under Applicable Law.

1.6 Headings, etc.

The division of a Loan Document into articles, sections and clauses, the inclusion of a table of contents and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of such Loan Document.

1.7 Governing Law

Except as otherwise specifically provided, the Loan Documents shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

1.8 Attornment

The parties hereto irrevocably submit and attorn to the non-exclusive jurisdiction of the courts of the Province of Ontario for all matters arising out of or in connection with this Agreement and the other Loan Documents.

1.9 References

Except as otherwise specifically provided, reference in any Loan Document to any contract, agreement or any other instrument (including, without limitation, any other Loan Document) shall be deemed to include references to the same as varied, amended, supplemented or replaced from time to time and reference in any Loan Document to any enactment, including without limitation, any statute, law, by-law, regulation, ordinance or order, shall be deemed to include references to such enactment as re-enacted, amended or extended from time to time.

1.10 Currency

Except as otherwise specifically provided herein, all monetary amounts in this Agreement are stated in Canadian dollars.

1.11 This Agreement to Govern

If there is any inconsistency between the terms of this Agreement and the terms of any other Loan Document, the provisions hereof shall prevail to the extent of the inconsistency.

1.12 Generally Accepted Accounting Principles

Except as otherwise specifically provided herein, all accounting terms shall be applied and construed in accordance with GAAP.

1.13 Determination of Amount of Loans

For the purpose of determining the amount of Loans or any Loan at any time, there shall be deemed to be outstanding and advanced in addition to amounts outstanding and directly advanced, without duplication and without affecting other provisions hereof regarding the basis for the calculation of interest or fees, the face amount of all Bankers' Acceptances then outstanding.

1.14 Computation of Time Periods

Except as otherwise specifically provided herein, in the computation of a period of time from a specified date to a later specified date, the word "**from**" means "**from and including**" and the words "**to**" and "**until**" each mean "**to but excluding**".

1.15 Actions on Days Other Than Banking Days

Except as otherwise specifically provided herein, where any payment is required to be made or any other action is required to be taken on a particular day and such day is not a Banking

Day and, as a result, such payment cannot be made or action cannot be taken on such day, then this Agreement shall be deemed to provide that such payment shall be made or such action shall be taken on the first Banking Day after such day; provided that if such deferral would cause such payment to be made or such action to be taken in the following calendar month, such payment shall be made or such action shall be taken on the next preceding Banking Day and interest and fees shall be calculated accordingly. If the payment of any amount is deferred for any period under this section, then such period shall, unless otherwise provided herein, be included for purposes of the computation of any interest or fees payable hereunder provided that in no event shall such period be double counted for purposes of the computation of any interest or fees payable hereunder.

1.16 Oral Instructions

Notwithstanding any other provision herein regarding the delivery of notices, including Borrowing Notices, by the Borrower, the Agent shall in its sole discretion be entitled to act upon the oral instructions of any Person reasonably believed by the Agent to be a Person the Borrower has identified in writing from time to time to the Agent as being a Person authorized by the Borrower to give instructions, regarding any request for an Advance, Rollover, Conversion, or completion and issuance of BA Instruments. All such oral instructions shall be at the risk of the Borrower and must be confirmed in writing by the Borrower on the same Banking Day as the verbal instruction is given. The Agent shall not be responsible for any error or omission in such instructions or in the performance thereof except in the case of negligence or wilful misconduct by the Agent.

1.17 Incorporation of Schedules

The schedules annexed hereto shall, for all purposes hereof, form part of this Agreement.

1.18 Effect of Amendment and Restatement of Amended and Restated Agreement

The Amended and Restated Agreement shall be amended and restated in its entirety as of the Effective Date upon satisfaction of the conditions precedent set forth in Section 8.1. The parties hereto acknowledge and agree that (a) this Agreement and the other agreements, documents and instruments executed and delivered in connection herewith do not constitute a novation, payment and reborrowing, or termination of the obligations under the Original Agreement or the Amended and Restated Agreement, (b) the obligations of the Borrower under the Original Agreement and the Amended and Restated Agreement are in all respects continuing (as amended and restated as contemplated hereby), and (c) upon the effectiveness of this Agreement, all outstanding Advances under the Amended and Restated Agreement will be deemed to be outstanding Advances hereunder on the terms and conditions set forth in this Agreement.

ARTICLE 2
DEFAULT FACILITY

2.1 Establishment of Default Facility

2.1.1 Subject to the terms and conditions of this Agreement, the Lenders hereby severally establish a revolving credit facility (the "**Default Facility**") in favour of the Borrower in accordance with their respective Commitments.

2.1.2 The Default Facility shall be available, at the option of the Borrower, by way of Advances of: (i) Prime Rate Loans in Canadian dollars; (ii) Bankers' Acceptance Loans in Canadian dollars; and (iii) Swing Line Loans in Canadian dollars.

2.1.3 Notwithstanding any other provision of this Agreement, no Lender shall be obligated to make its Rateable Portion of any Advance (and the Borrower shall not request any Advance to be made) to the extent that on any relevant Borrowing Date, after giving effect to any Advance requested: (i) the aggregate principal amount of such Lender's Rateable Portion of all Loans under the Default Facility would exceed its Commitment at such time; or (ii) the aggregate principal amount of all Loans under the Default Facility would exceed the Aggregate Commitment at such time.

2.1.4 The Borrower shall use the Default Facility to:

2.1.4.1 clear the IESO settlement clearing account on a given IESO payment date (as such terms are defined in the Market Rules) as contemplated in Chapter 9, section 6.14.4.1(a) of the Market Rules provided such amounts are recoverable by the Borrower in full by imposing Default Levies and realizing on payment security provided pursuant to the Prudential Support Obligations;

2.1.4.2 to provide interim funding for the period between the payment of taxes by the Borrower under Applicable Law of Canada or the Province of Ontario and the recovery of the corresponding amounts from the applicable government or governmental agency in accordance with section 7.1.25;

2.1.4.3 as interim funding to allow the Borrower to clear the settlement accounts (as such term is defined in the Market Rules) for funds that are recoverable at a future date by the Borrower from the Market Participants provided the use of such funding is in accordance with the Market Rules and this Agreement;

2.1.4.4 as interim funding to allow the Borrower use of funds until the maturity of the Borrower's investments;

2.1.4.5 as interim funding to allow the Borrower to manage timing differences between the receipt of payments in respect of energy procurement contracts that the Borrower has entered into pursuant to Part II.2 of the *Electricity Act, 1998* and the payment of such amounts by the Borrower under those procurement contracts;

2.1.4.6 as interim funding to allow the Borrower to establish regulated assets or liabilities in respect of which the Borrower has a right to collect from Market Participants through billings, including by way of example only, for the funding of temporary deficits under the Ontario Electricity Support Program of the OEB or in connection with the Regulated Price Plan established by the OEB from time to time, but excluding regulated assets established in connection with Ontario's Fair Hydro Plan;

2.1.4.7 as interim funding to allow the Borrower to provide energy support programs such as the Energy Partnerships Program and Aboriginal Community Energy Plan Program; and

2.1.4.8 as interim funding for the period between the payment of certain rebates by the Borrower on behalf of certain Government of Ontario and Government of Canada entities (including, without limitation, the Ministry of Northern Development and Mines pursuant to the Northern Industrial Electricity Rate Program) and the recovery by the Borrower of such amounts from certain Government of Ontario or Government of Canada entities.

2.1.5 The Advances outstanding: (i) owing to the Lenders and the Swing Line Lender in the aggregate shall not at any time exceed the Aggregate Commitment; and (ii) owing to the Lenders in respect of Prime Rate Loans and Bankers' Acceptance Loans in the aggregate shall not at any time exceed $150,000,000 less the aggregate amount of Swing Line Loans outstanding at that time; and (iii) owing to the Swing Line Lender in respect of Swing Line Loans shall not at any time exceed $20,000,000.

2.2 Revolving Nature of Default Facility

The Borrower may, until the Termination Date, increase or decrease the Obligations under the Default Facility by making drawdowns, repayments and further drawdowns up to the Aggregate Commitment from time to time.

2.3 Mandatory Repayment of the Default Facility

2.3.1 The Aggregate Commitment and each of the Commitments shall be reduced to nil on the Termination Date, and the Borrower shall repay to the Agent for the account of the Lenders on the Termination Date all amounts then outstanding under the Default Facility. The Borrower shall repay to the Agent for the account of the Lenders Bankers' Acceptance Loans under the Default Facility on the Maturity Date of the BA Period applicable thereto (and only on such Maturity Date), unless rolled over or converted to a Prime Rate Loan on such Maturity Date in accordance with the provisions of section 4.5.2 or prepaid in accordance with section 2.4. The Borrower shall repay each Swing Line Advance made pursuant to section 3.4.1(i) on the Termination Date, and each Swing Line Advance made pursuant to section 3.4.1(ii), on the next occurring Maturity Date and on the Termination Date. The Swing Line Commitment shall be permanently reduced from time to time on the date of each reduction of the Default Facility in accordance with section 2.5 by the amount, if any, by which the amount of the Swing Line Commitment exceeds the Aggregate Commitment after giving effect to any such reduction of the Default Facility.

2.3.2 The Borrower will use the following amounts to repay Obligations outstanding under the Default Facility in accordance with section 2.3.3:

2.3.2.1 all amounts collected by the Borrower from Market Participants pursuant to Chapter 9, section 6.14.5.1 or Chapter 2, section 8 of the Market Rules;

2.3.2.2 all amounts recovered, reimbursed or credited to the Borrower for taxes paid as contemplated in section 2.1.4.2 in respect of which an Advance is outstanding; and

2.3.2.3 all amounts recovered, reimbursed or credited to the Borrower for rebates paid as contemplated in section 2.1.4.8 in respect of which an Advance is outstanding.

(collectively, the "**Facility Payments**").

2.3.3 To the extent that Facility Payments are received by the Borrower on any date, they shall be used on such date: (i) firstly, to repay the Swing Line Loans made pursuant to section 3.4.1(i), (ii) secondly, to repay the Swing Line Loans made pursuant to section 3.4.1(ii) with a Maturity Date of such date, (iii) thirdly, to repay Prime Rate Loans, and (iv) fourthly, to repay the Bankers' Acceptance Loans with a Maturity Date of such date. To the extent any funds remain after making the foregoing payments, the Borrower shall deposit them into the Cash Account. The Borrower shall use the funds in the Cash Account: (i) firstly, to repay the Swing Line Loans made pursuant to Section 3.4.1(ii) on the next occurring Maturity Date, and (ii) secondly, to repay the Bankers' Acceptance Loans on the next occurring Maturity Date.

2.4 Voluntary Prepayment under Default Facility

The Borrower may from time to time (without premium or penalty) on any Banking Day repay to the Agent for the account of the Lenders Prime Rate Loans or portions thereof under the Default Facility provided that any such repayment (i) shall be in an amount of at least $100,000 and any greater amount shall be an integral multiple thereof, and (ii) shall only be effected on at least 1 Banking Days' notice in writing to the Agent which notice, once given, shall be irrevocable and binding upon the Borrower. The Borrower may from time to time prepay all or part of any Swing Line Loan made pursuant to section 3.4.1(i) without penalty or premium. The Borrower may prepay a Bankers' Acceptance Loan or all or part of any Swing Line Loan made pursuant to section 3.4.1(ii) prior to the applicable Maturity Date by depositing the full Face Amount of the maturing BA Instrument in an interest-bearing cash collateral account in the name of the Borrower maintained at a branch of The Toronto-Dominion Bank which shall be applied rateably by the Agent (or the Swing Line Lender in respect of Swing Line Loans made pursuant to section 3.4.1(ii)) against the amount of such maturing BA Instrument on the applicable Maturity Date.

2.5 Voluntary Reduction in Operating Commitment

The Borrower shall have the right at any time and from time to time, by giving at least 3 Banking Days' notice to the Agent which notice, once given, shall be irrevocable and binding upon the Borrower, to reduce the then applicable Aggregate Commitment to a lower amount which is not less than the principal amount of all Obligations outstanding under the Default Facility on the date such reduction is effective. Such notice shall specify the amount of the reduction, which shall be in an integral multiple of $1,000,000. The amount of any such reduction so made by the Borrower shall be permanent and irrevocable and each Lender's Commitment shall be reduced rateably.

ARTICLE 3
GENERAL PROVISIONS RELATING TO THE DEFAULT FACILITY

3.1 Advances

3.1.1 Each request by the Borrower for a Prime Rate Loan shall be made by the delivery of a duly completed and executed Borrowing Notice to the Agent at its Branch of Account not later than 10:00 a.m. (Toronto time) on the proposed Borrowing Date.

3.1.2 Each request by the Borrower for a Bankers' Acceptance Loan shall be made in accordance with section 4.1.

3.1.3 Any notice in respect of a proposed Advance shall be irrevocable and binding on the Borrower.

3.1.4 All Advances of a Prime Rate Loan shall be in an amount which is an integral multiple of $10,000.

3.1.5 All Advances will be deposited in an account of the Borrower maintained at a branch of The Toronto-Dominion Bank as advised by the Borrower to the Agent.

3.2 Selection of BA Periods

Notwithstanding any other provision hereof:

3.2.1 the Borrower may not select any BA Period in respect of a Loan with a Maturity Date which is later than the Termination Date; and

3.2.2 the number of BA Periods in effect at any time shall not exceed eight (8) in the aggregate.

3.3 Rollover and Conversion

3.3.1 Subject to the terms and conditions of this Agreement and provided that no declaration has been made by the Agent under section 9.2, the Borrower may from time to time request that a Loan (other than a Swing Line Loan) or any portion thereof be rolled over or converted to another form of Loan in accordance with the provisions hereof.

3.3.2 The Borrower shall repay to the Agent for the account of the Lenders the full amount of each Bankers' Acceptance Loan on the Maturity Date of the BA Period applicable thereto, in accordance with the provisions hereof governing repayment and prepayment, unless such Loan shall be rolled over or converted to a Prime Rate Loan on such Maturity Date in accordance with the provisions hereof.

3.3.3 Each request by the Borrower for a Rollover or Conversion shall be made by the delivery of a duly completed and executed Borrowing Notice to the Agent at the Branch of Account, and the provisions of section 3.1 shall apply to the Rollover or Conversion as if such Rollover or Conversion were an Advance.

3.3.4 Each Rollover or Conversion of a Bankers' Acceptance Loan shall be made effective as of the Maturity Date of the BA Period applicable thereto.

3.3.5 A Rollover or Conversion shall not constitute a repayment of the relevant Loan but shall result in a change in the basis of calculation of interest or fees (as the case may be) for such Loan in accordance with the provisions hereof.

3.4 Swing Line Loans

3.4.1 The Borrower may, subject to compliance with the provisions of this Agreement obtain an Advance of a Swing Line Loan from the Swing Line Lender by: (i) presenting a cheque for payment on, or debiting, the Borrower's bank account held by the Swing Line Lender, which cheque or debit results in an overdraft on such account in an amount up to the Swing Line Limit (the amount of the resulting overdraft being the amount of the Swing Line Loan). Any such Swing Line Loan shall be deemed to have been made by the close of business on the Banking Day on which such overdraft occurs; or (ii) by way of issuance of Bankers' Acceptance in accordance with the provisions of Article 4 (provided that for purposes of this section only, any references in Article 4 to Agent or Lender shall be deemed to mean "Swing Line Lender"), including the procedure for Drawing set forth in section 4.2. Swing Line Loans shall be made by the Swing Line Lender alone, without assignment to or participation by any other Lender. The making of each Swing Line Loan under the Default Facility shall constitute a Loan, the unpaid balance of which shall form part of the indebtedness under the Default Facility.

3.4.2 All interest payments and principal repayments in respect of each Swing Line Loan shall be made to the sole account of the Swing Line Lender.

3.4.3 The availability of the Swing Line Commitment shall end on the Termination Date.

3.4.4 Nothing in this section 3.4 shall require the Swing Line Lender to make a Swing Line Loan where (i) either (A) the indebtedness of all Swing Line Loans then exceeds the Swing Line Limit or (B) the aggregate amount of all indebtedness then exceeds the Aggregate Commitment, or (ii) the making of the requested Swing Line Loan would result in either of the circumstances set out in items (i)(A) and (i)(B) of this section 3.4.5.

3.4.5 The Borrower shall at all times cause the indebtedness of all Swing Line Loans to be no greater than the lesser of the Swing Line Limit and the amounts described in section

8.2.4. If, on any Banking Day, the indebtedness of all Swing Line Loans exceeds the lesser of the Swing Line Limit and the amounts described in section 8.2.4, then the Borrower shall on that Banking Day repay to the Swing Line Lender Swing Line Loans so that the aggregate indebtedness of all Swing Line Loans does not exceed the lesser of the Swing Line Limit and the amounts described in section 8.2.4.

3.4.6 No Swing Line Loan shall be made by the Swing Line Lender if it has received notice that an Event of Default has occurred and is continuing.

3.4.7 Notwithstanding any other provision of this Agreement, the minimum notice requirements and minimum amounts and required multiples for Advances and repayments hereunder shall not apply to Swing Line Loans made pursuant to section 3.4.1(i).

3.5 Payments Generally

All payments in respect of the Default Facility (in respect of principal, interest, fees or otherwise) shall be made by the Borrower to the Agent no later than 10:00 a.m. (Toronto time) on the due date thereof to the account specified therefor by the Agent at its Branch of Account or to such other accounts as may be specified by the Agent to the Borrower from time to time. Any payments received after such time shall be considered by the Agent as having been made on the next following Banking Day unless the Agent otherwise agrees in writing, provided that any payment received by the Agent before 4:00 p.m. (Toronto time) on the due date thereof will not cause an Event of Default under section 9.1.1.

3.6 Payments - No Deduction

3.6.1 All payments made by the Borrower to the Agent or any of the Lenders under this Agreement shall be made in full, without set-off or counterclaim, and free of and without deduction or withholding for or on account of any present or future Canadian Taxes (other than Excluded Taxes) provided that, if the Borrower shall be required by law to deduct or withhold any Canadian Taxes (other than Excluded Taxes) from or in respect of any payment or sum payable to the Agent or the Lenders, the payment or sum payable shall be increased as may be necessary so that after making all required deductions or withholdings (including deductions or withholdings applicable to additional amounts paid under this section 3.6) the Agent or the Lenders receive an amount equal to the sum they would have received if no deduction or withholding to the relevant taxation or other authority were required in accordance with Applicable Law.

3.6.2 The Borrower shall indemnify the Agent and the Lenders (any of the same being an "**Indemnified Person**") in respect of:

3.6.2.1 the full amount of Canadian Taxes (other than Excluded Taxes) imposed or levied upon any such Indemnified Person in respect of any payment received or receivable by it hereunder from or on behalf of the Borrower, whether or not such Canadian Taxes (other than Excluded Taxes) were correctly or legally asserted; and

3.6.2.2 any net Taxes (other than Taxes of general application to the overall capital or income of such Indemnified Person) imposed by any jurisdiction on any increased amounts payable under section 3.6.1 after taking into account any refund, credit, allowance, remission or deduction from income otherwise determined or tax otherwise payable available to such Indemnified Person in respect of the Taxes deducted or withheld as contemplated by section 3.6.1 (whether or not claimed by such Indemnified Person).

Payment under this indemnification shall be made within ten days from the date the relevant Indemnified Person makes written demand therefor accompanied by a certificate of the relevant Indemnified Person stating the amount of the relevant Taxes and the calculation thereof. If any Indemnified Person receives an assessment or reassessment or a demand or claim for payment of Taxes in respect of which such Indemnified Person is entitled to assert a claim under this indemnity (collectively, an "**assessment**") such Indemnified Person shall deliver a copy of (or in the case of any assessment not made in writing, notice of) the assessment to the Borrower as soon as practicable after receipt of the assessment by the relevant Indemnified Person and the relevant Indemnified Person shall use reasonable efforts to deliver the same no less than fifteen (15) Banking Days prior to the last date on which objection to or contestation of the assessment may validly be made.

3.7 Change in Circumstances

If, after the date of execution hereof, the introduction of or any change in any Applicable Law or any applicable rules, by-laws, directives, orders, judgments, decrees, policies or guidelines of Governmental Bodies, whether or not having the force of law relating to any Lender, or any change in the interpretation or application thereof by any Governmental Body or compliance by any Lender with any request or direction of any Governmental Body:

3.7.1 subjects such Lender to, or causes the withdrawal or termination of a previously granted exemption with respect to, any Taxes or changes the basis of taxation of payments due to such Lender or increases any existing Taxes on payments of the Obligations (other than Excluded Taxes and Taxes of general application to the overall capital or income of such Lender);

3.7.2 imposes, modifies or deems applicable any reserve, liquidity, cash margin, capital, special deposit, deposit insurance or assessment, or any other regulatory or similar requirement against assets held by, or deposits in or for the account of, or loans by, or any other acquisition of funds for loans by, such Lender;

3.7.3 imposes any Taxes on reserves or deemed reserves in respect of the undrawn portion of such Lender's Rateable Portion of the Default Facility (other than Excluded Taxes and Taxes of general application to the overall capital or income of such Lender);

3.7.4 imposes on such Lender or requires there to be maintained by such Lender any capital adequacy or additional capital requirement (including, without limitation, a requirement which affects such Lender's allocation of capital resources to its obligations) in respect of such Lender's obligations hereunder or imposes any other condition or requirement with respect to the maintenance by such Lender of a contingent liability with respect to any Bankers' Acceptance issued by it hereunder; or

3.7.5 imposes on such Lender any other condition or requirement with respect to this Agreement or the Default Facility (other than Excluded Taxes and Taxes of general application to the overall capital or income of such Lender);

and such occurrence has the effect of:

3.7.6 increasing the cost to such Lender of agreeing to make or making, maintaining or funding the Default Facility, any Advance, any Loan or any portion thereof;

3.7.7 reducing the amount of the Obligations;

3.7.8 directly or indirectly reducing the effective return to such Lender under this Agreement or on its overall capital as a result of entering into this Agreement or as a result of any of the transactions or obligations contemplated by this Agreement (other than a reduction resulting from a higher rate of Excluded Taxes or Taxes of general application to the overall capital or income of such Lender, being imposed on such Lender); or

3.7.9 causing such Lender to make any payment or to forego any interest, fees or other return on or calculated by reference to any sum received or receivable by such Lender hereunder;

then such Lender shall so advise the Agent, and the Agent shall in each case forthwith advise the Borrower accordingly and the Borrower shall promptly upon demand by the Agent pay or cause to be paid to the Agent on behalf of such Lender such additional amounts as shall be sufficient to fully indemnify such Lender for such additional cost, reduction, payment, foregone interest or other return. A certificate of such Lender documenting the relevant calculations and submitted to the Borrower by the Agent shall be conclusive and binding for all purposes, absent manifest error.

3.8 Illegality

If the introduction of or change to any present or future Applicable Law or any change in the interpretation or application thereof by any Governmental Body, shall make it unlawful for any Lender to make or maintain any Loan or any relevant portion thereof or to give effect to its obligations in respect of such Loan as contemplated hereby, such Lender may, by notice to the Borrower and to the Agent, declare that its obligations hereunder in respect of such Loan shall be terminated, and thereupon the Borrower shall prepay to such Lender forthwith (or at the end of such period to which the Lender shall in its discretion have agreed) all of the Obligations to such Lender in respect of such Loan including all amounts payable in connection with such prepayment pursuant to section 3.9. Such Lender's Commitment so required to be prepaid shall be correspondingly permanently reduced or terminated (as the case may be) on the giving of such notice (and, for greater certainty, no other Lender shall be responsible therefor) and the Aggregate Commitment shall be reduced by the amount and at the time of any prepayments so required to be made. If there are any types of Loans hereunder that are not so affected, the Borrower may convert the Loans which are affected into one of the types of Loans that are not affected.

3.9 Indemnity

The Borrower shall indemnify each Lender for all losses (including lost profits), costs, expenses, damages and liabilities (including, without limitation, any loss, cost, expense, damage or liability sustained by such Lender in connection with the liquidation or re-employment in whole or in part of deposits or funds borrowed or acquired by it to make its Rateable Portion of any Loan, but excluding any costs, expenses, damages or liabilities attributable to the negligence, wilful misconduct, fraud or illegal act of any Lender), which such Lender may sustain or incur: (i) if for any reason a utilization does not occur on a date specified therefor in any Borrowing Notice, (ii) if the Borrower fails to give any notice required to be given by it hereunder, in the manner and at the time specified herein, (iii) if for any reason any payment of any Bankers' Acceptance Loan, or any portion thereof, occurs on a date which is not a Maturity Date in respect thereof, provided, for greater certainty, that this section 3.9(iii) shall not apply to any deposit into a cash collateral account pursuant to section 2.4 which is to be used to prepay a maturing Bankers' Acceptance Loan on the Maturity Date thereof, or (iv) as a consequence of any other default by the Borrower under this Agreement. A certificate of the relevant Lender setting forth the amounts necessary to indemnify such Lender in respect of such losses, costs, expenses, damages or liabilities shall be prima facie evidence, in the absence of manifest error, of the amounts owing under this section 3.9. The Borrower shall pay such Lender the amount shown on such certificate within three (3) Banking Days of receipt thereof.

3.10 Evidence of Indebtedness

The Agent shall maintain and keep, at its Branch of Account, accounts showing the amount of all Loans advanced by each of the Lenders, including all Bankers' Acceptance Loans made by each of the Lenders, and all Swing Line Loans made by the Swing Line Lender from time to time and the dates thereof and the interest, fees and other charges accrued thereon or applicable thereto from time to time, and all payments of principal (including prepayments), interest and fees and other payments made by the Borrower to the Agent from time to time under the Default Facility. Such accounts maintained by the Agent on behalf of itself and each of the Lenders shall, at all times and for all purposes, constitute prima facie evidence, in the absence of manifest error, of the matters recorded therein.

3.11 Several Obligations

The obligations of each Lender under this Agreement are several. No Lender shall be responsible for any failure or alleged failure on the part of any other Lender to duly perform its obligations under the terms of this Agreement, nor shall the obligations of the Borrower to any Lender be diminished or affected by any failure or alleged failure on the part of any other Lender to duly perform its obligations under the terms of this Agreement.

ARTICLE 4
BANKERS' ACCEPTANCES

4.1 Acceptance Commitment

4.1.1 Each Lender severally agrees, on the terms and conditions of this Agreement and from time to time on any Banking Day,

(a) in the case of a Lender which is able to accept Drafts, to create acceptances ("**Bankers' Acceptances**") by accepting Drafts and to purchase such Bankers' Acceptances; or

(b) in the case of a Lender which is unable to accept Drafts, to purchase completed Drafts (which have not and will not be accepted by such Lender or any other Lender or Person),

in each case prior to the Termination Date.

4.1.2 Each Drawing hereunder shall be in an aggregate Face Amount of not less than \$300,000 and in integral multiples of \$100,000 and shall consist of the creation and purchase of Bankers' Acceptances or the purchase of Drafts on the same day by the Lenders pursuant to section 4.4.

4.1.3 The aggregate Face Amount of Bankers' Acceptances to be accepted or Drafts to be purchased by any Lender shall be determined by the Agent rateably in accordance with such Lenders' Commitment, provided that, if the Face Amount of a Bankers' Acceptance or Draft would not be equal to an integral multiple of \$100,000, the Face Amount shall be increased or reduced by the Agent in its sole discretion, provided that in no case will a Lender's Commitment be exceeded.

4.2 Procedure for Drawing

Each Drawing shall be made on a Borrowing Notice given by the Borrower to the Agent not later than 11:00 a.m. (Toronto time), at one (1) Banking Days prior to the date of Drawing. The Agent will notify each Lender promptly (and in any event no later than 4:00 p.m. (Toronto time) on the day notice is required to be given by the Borrower) upon receipt of each such Borrowing Notice and shall advise each Lender of its portion thereof in accordance with section 4.1.3.

4.3 Form of Drafts

4.3.1 Each Draft presented by or on behalf of the Borrower shall (i) be in an integral multiple of \$1,000; (ii) be dated the date of the Drawing; (iii) mature and be payable by the Borrower (in common with all other Drafts presented in connection with such Drawing) on a Banking Day which occurs approximately one, two or three months after the Drawing Date or such other period of time as the Borrower may request and all of the Lenders may, in their sole discretion, agree to; and (iv) be in a form satisfactory to the relevant Lender provided that the provisions of this Agreement and not the provisions of the Lender's form shall govern the relationship between the Borrower and the Lender.

4.3.2 The Borrower hereby renounces, and shall not claim, any days of grace for the payment of any BA Instruments.

4.4 Acceptance and Purchase of Drafts

4.4.1 Not later than 1:00 p.m. (Toronto time) on an applicable Drawing Date, subject to section 4.7, each Lender shall complete one or more Drafts in accordance with the Borrowing Notice and either accept such Drafts and purchase the Bankers' Acceptances thereby created or purchase such Drafts for the Bankers' Acceptance Price.

4.4.2 Each Lender shall, before 1:00 p.m. (Toronto time) on the applicable Drawing Date, credit or cause to be credited to the Agent's Branch of Account, the Bankers' Acceptance Price in respect of any Drafts or Bankers' Acceptances which such Lender has purchased pursuant to section 4.4.1.

4.4.3 Bankers' Acceptances purchased by a Lender hereunder may be held by it for its own account until maturity or sold by it at any time prior thereto in any relevant market therefor in Canada, in its sole discretion.

4.4.4 The Borrower shall, at the request of a Lender, issue one or more non-interest bearing promissory notes each of which shall be subject to the terms of this Agreement (each a "**BA Equivalent Note**"), in such form as such Lender may specify, in a principal amount equal to the Face Amount of, maturing on the same date as, and in exchange for, any unaccepted Drafts which such Lender has purchased in accordance with section 4.4.1.

4.5 Payment at Maturity

4.5.1 The Borrower shall pay to the Agent and there shall become due and payable at 1:00 p.m. (Toronto time) on the maturity date for each BA Instrument, an amount in Canadian Dollars in same day funds equal to the Face Amount of such BA Instrument (notwithstanding that a Lender may be the holder thereof at maturity). The Borrower's payment in accordance with this section 4.5 shall satisfy the Borrower's obligations under any BA Instruments to which it relates and, in the case of Bankers' Acceptances, the Lender which has accepted such Bankers' Acceptances shall thereafter be solely responsible for the payment of such Bankers' Acceptances.

4.5.2 If the Borrower shall fail to make a payment pursuant to section 4.5.1 in respect of any BA Instrument, the Borrower shall be deemed to have issued a Borrowing Notice in respect of a Prime Rate Loan to be made on the related Maturity Date for an amount equivalent to the unpaid amount due and payable in respect of such BA Instrument.

4.5.3 Except as required by Article 9, no repayment of a BA Instrument shall be made by the Borrower to a Lender prior to the Maturity Date thereof. If any such repayment is made pursuant to Article 9, then (unless such repayment has been rescinded or otherwise is required to be returned by such Lender to the Borrower for any reason), as between the Borrower and such Lender, such Lender shall thereafter be solely responsible for the payment of the Face Amount of such BA Instrument to the holder or holders thereof in accordance with the terms thereof.

4.6 Execution and Safekeeping of Drafts

4.6.1 In order to facilitate the issuance of Bankers' Acceptances pursuant to this Agreement, the Borrower hereby appoints each Lender from time to time as the attorney-in-fact of the Borrower to complete, sign and endorse Drafts on its behalf in handwritten form or by facsimile or mechanical signature or otherwise and, once so completed, signed and endorsed and negotiated on behalf of the Borrower by the Lender, such Drafts shall bind the Borrower as fully and effectively as if those acts were performed by an authorized officer of the Borrower.

4.6.2 Any executed Drafts to be used for Bankers' Acceptances which are held by a Lender shall be held in safekeeping with the same degree of care as if they were the Lender's own similar property and the Lender was keeping them at the place at which they are to be held. The Borrower shall, by written notice to the Agent, designate the Persons authorized to give the Lenders instructions regarding the manner in which Bankers' Acceptances are to be completed and the times at which they are to be issued and the Lenders shall only complete Bankers' Acceptances under this section 4.6 in accordance with such instructions. Neither the Lenders nor any of their directors, officers, employees or representatives shall be liable for any action taken or omitted to be taken by any of them under this section 4.6 except for their own negligence, wilful misconduct or fraud.

4.7 Circumstances Making Bankers' Acceptances Unavailable

4.7.1 If the Agent in consultation with the Lenders determines in good faith and notifies the Borrower and each of the Lenders that by reason of circumstances affecting the money market there is no market for Bankers' Acceptances; then, (i) the right of the Borrower to request a Drawing shall be suspended until the Agent determines that the circumstances causing such suspension no longer exist and the Agent so notifies the Borrower and each of the Lenders; and (ii) any Borrowing Notice for a Bankers' Acceptance which is outstanding shall be deemed to be a Borrowing Notice for a Prime Rate Loan.

4.7.2 The Agent shall notify the Borrower and each of the Lenders of such suspension of the Borrower's right to request a Drawing and of the termination of any such suspension, in each case, within one Banking Day thereof; provided, however, that the failure by the Agent to deliver such notice shall in no way obviate the effect of section 4.7.1.

ARTICLE 5
INTEREST AND FEES

5.1 Interest Rates

Prime Rate Loans and Swing Line Loans made pursuant to section 3.4.1(i) shall bear interest at the Prime Rate.

5.2 Calculation and Payment of Interest

5.2.1 Interest on Prime Rate Loans and Swing Line Loans made pursuant to section 3.4.1(i) shall accrue from day to day, shall be calculated on the basis of the actual number of days elapsed and on the basis of a year of 365 or 366 days, as applicable, and shall be compounded and payable to the Agent for the account of the Lenders in Canadian dollars in arrears on the first Banking Day of each calendar month. For greater certainty, where the rate applicable to a Prime Rate Loan or a Swing Line Loan made pursuant to section 3.4.1(i) is changed, interest shall be charged for the day on which such change is effective on the basis of the new rate.

5.2.2 At least one (1) Banking Day prior to any date on which interest is payable in respect of any Prime Rate Loan outstanding hereunder, the Agent shall notify the Borrower of the amount of interest payable on such date assuming that there is no change in the Prime Rate in the intervening period between the date of such notice and the date on which such interest becomes payable. If there is any change in the Prime Rate in such intervening period, then the Agent shall notify the Borrower, on the date on which such interest becomes payable, of the adjustment in the amount thereof as previously notified by the Agent as a result of such change in the Prime Rate.

5.2.3 Interest payable in respect of Swing Line Loans made pursuant to section 3.4.1(i) shall be automatically deducted, without notice to the Borrower, from the Cash Account on a monthly basis.

5.3 Commitment Fee

Commencing upon the execution of this Agreement, the Borrower shall pay a commitment fee to the Agent for the account of the Lenders on the third Banking Day following the end of each calendar quarter, in arrears, equal to eight (8) basis points per annum, in each case calculated daily (and based on a year of 365 or 366 days, if applicable), on the amount by which the Aggregate Commitment exceeds the Loans outstanding under the Default Facility on each day in such quarter.

5.4 Payment of Costs and Expenses

Whether or not the Borrower takes advantage of any of the Default Facility, the Borrower shall pay the following costs and expenses:

5.4.1 on execution by all the parties thereto, all reasonable legal fees and disbursements of the Agent in connection with the preparation, negotiation and execution of this Agreement, any amendment or modification thereto or any waiver thereunder and all instruments supplemental or ancillary thereto;

5.4.2 provided no Default or Event of Default has occurred which is continuing, within 3 Banking Days of demand therefor, all reasonable legal fees and disbursements incurred by the Agent in connection with obtaining advice as to the rights and responsibilities of the Agent and the Lenders under the Loan Documents; and

5.4.3 during the continuation of a Default or Event of Default, within 3 Banking Days of demand therefor, all costs and out-of-pocket expenses of the Agent and the Lenders, including any receiver or receiver-manager appointed by any of them or by a court in connection with the Loan Documents, in connection with the defence, establishment, protection or enforcement of any of the rights or remedies of the Agent or any of the Lenders under any of the Loan Documents including, without limitation, all costs and expenses of establishing the validity and enforceability of, or of collection of amounts owing under, any of the Loan Documents,

including, without limitation, all of the reasonable fees, expenses and disbursements of counsel on a solicitor and client basis, incurred in connection therewith, and including all sales or value-added taxes payable (whether refundable or not) on all such costs and expenses.

5.5 Interest on Overdue Amounts

5.5.1 If any Obligations are not paid when due or an Event of Default has occurred and is continuing, all amounts owing or deemed to be owing hereunder, whether in respect of principal, interest, fees, expenses or otherwise, both before and after judgment, and in the case of expenses from the dates such expenses are incurred, shall bear interest at a rate per annum determined on a daily basis that is equal to the Prime Rate calculated on the basis of the actual number of days elapsed in a year of 365 or 366 days, as applicable. Such interest shall accrue from day to day, be payable in arrears on demand and shall be compounded monthly on the last Banking Day of each calendar month.

5.5.2 In addition to the interest described in section 5.5.1, if any Obligations are not paid when due or an Event of Default has occurred and is continuing, all amounts owing or deemed to be owing hereunder, whether in respect of principal, interest, fees, expenses or otherwise, both before and after judgment, and in the case of expenses from the dates such expenses are incurred, shall bear additional interest at 2% per annum calculated on the basis of the actual number of days elapsed in a year of 365 or 366 days, as applicable. Such interest shall accrue from day to day, be payable in arrears on demand and shall be compounded monthly on the last Banking Day of each calendar month.

ARTICLE 6
REPRESENTATIONS AND WARRANTIES

6.1 Representations and Warranties

The Borrower represents and warrants to the Agent and each of the Lenders as follows:

6.1.1 **Incorporation and Status**. The Borrower is duly incorporated and organized and validly existing as a not-for-profit corporation without share capital under Part II of the *Electricity Act* and is in good standing and is up to date in all material filings required under the laws of Ontario;

6.1.2 **Qualification to Carry on Business**. The Borrower is duly licensed or otherwise qualified to carry on its businesses and own its Property and is in good standing in each of the jurisdictions in which the nature of such businesses transacted by it or the character of the properties and assets owned or leased by it in connection with such businesses require such licensing or qualification and it has full corporate power and capacity to own its Property and to conduct its business as presently conducted, and the Borrower has full corporate power and capacity to execute, deliver and perform its obligations under this Agreement and the Loan Documents and to incur the Obligations. The Borrower does not carry on any business other than; (a) the regulation and administration of the IESO-Administered Markets and the direction of the operation of the IESO-Controlled Grid; and (b) as otherwise permitted and contemplated by the *Electricity Act* on the date hereof.

6.1.3 **Actions and Authorization**. All acts, conditions and things required to be done, performed and to have happened prior to the execution, delivery and performance of this Agreement and the Loan Documents to constitute each a valid and legally binding obligation of the Borrower enforceable in accordance with its terms, subject only to the qualifications set out in the opinion of the Borrower's counsel delivered pursuant to section 8.1.3.2, have been done, performed and have happened in due compliance with all Applicable Law in effect at the time or times this representation and warranty was made.

6.1.4 **No Contravention**. The execution, delivery and performance by the Borrower of this Agreement and the Loan Documents have been duly authorized by all necessary corporate action and do not in any material respect:

(a) conflict with, violate, result in a breach of, or constitute a default under, any provision of any Applicable Law, or any provision of the constating documents of the Borrower;

(b) conflict with, violate, result in a breach of, or constitute a default under, or result in the creation of any Lien on any part of the Property of the Borrower under any agreement or instrument to which the Borrower is a party or by which the Borrower or any of its Property may be bound or affected; or

(c) conflict with, violate, result in a breach of, constitute a default under, or result in the acceleration of the maturity of any indebtedness under, any loan agreement, indenture, trust deed or any other agreement or instrument to which the Borrower is a party or by which its Property is bound.

6.1.5 **No Consents Required**. No notices, orders, consents, licenses, approvals, permits, authorizations, exemptions, filings or registrations of, from or with, any Person (including any Governmental Body) is required in connection with the execution, delivery or performance of this Agreement by the Borrower or any of the other Loan Documents by the Borrower in any jurisdiction where the Borrower carries on business, other than the resolution which has been passed by the board of directors of the Borrower.

6.1.6 **Enforceability**. Each of the Loan Documents constitutes, or upon execution and delivery will constitute, a valid and binding obligation of the Borrower enforceable against it in accordance with its terms, subject only to the qualifications set out in the opinion of the Borrower's counsel delivered pursuant to section 8.1.3.2.

6.1.7 **Title**. The Borrower has good freehold or leasehold title to the Property free and clear of any Liens (other than Permitted Liens).

6.1.8 **<u>Financial Statements</u>**. The audited financial statements of the Borrower dated as of and for each fiscal year and the unaudited financial statements of the Borrower for each fiscal quarter have been or will have been prepared in accordance with GAAP and in all material respects fairly, completely and accurately present the financial condition of the Borrower and the financial information presented therein for the period and as at the date thereof. The notes to such financial statements do not contain any misstatement of a material fact nor do they omit to state a material fact required to make any statement contained therein not untrue or misleading. Since the date of the last financial statements delivered to the Agent, there has been no development which has had or would reasonably be expected to have a Material Adverse Effect.

6.1.9 **<u>No Litigation</u>**. There is no court, administrative, regulatory or similar proceeding (whether civil, quasi-criminal, or criminal); arbitration or other dispute settlement procedure; investigation or enquiry by any Governmental Body; or any similar matter or proceeding (collectively "**proceedings**") against or involving the Borrower (whether in progress or threatened) which, if determined adversely to the Borrower would reasonably be expected to have a Material Adverse Effect or which purports to affect the legality, validity and enforceability of any Loan Document; and there is no judgment, decree, injunction, rule, award or order of any Governmental Body outstanding against the Borrower which has had or would reasonably be expected to have a Material Adverse Effect.

6.1.10 **<u>No Default</u>**. No Default or Event of Default has occurred. There has not occurred any default or breach under or in respect of any material agreement or instrument to which the Borrower is a party or to which it or its Property may be subject which has had or would reasonably be expected to have a Material Adverse Effect.

6.1.11 **<u>Compliance with Other Instruments</u>**. The Borrower is not in violation of any term of its incorporating documents, or of its by-laws or of any Lien, trust deed, franchise, licence, contract, agreement, judgment, decree, order, statute, rule or regulation which has had or would reasonably be expected to have a Material Adverse Effect.

6.1.12 **<u>Pension Plans</u>**. The only pension plans (the "**plans**") provided by the Borrower are those referred to in Schedule 6.1.12. Except as set out in Schedule 6.1.12 the plans are registered under, and are in compliance, in all material respects, with, the *Income Tax Act* (Canada), the *Pension Benefits Act* (Ontario) and all other Applicable Law and all reports, returns and filings required to be made thereunder have been made. The plans have been at all times administered, in all material respects, in accordance with their terms and the provisions of all Applicable Law. Except as set out in Schedule 6.1.12 there are no unfunded liabilities under the plans as of January 1, 2014 or January 1, 2016, as applicable, and, without limiting the generality of the foregoing, there is no going concern unfunded actuarial liability or past service unfunded actuarial liability as of January 1, 2014 or January 1, 2016, as applicable. The Borrower has not received any payment of surplus from any of the plans, other than payments received after January 1, 1988 with the approval of all necessary pension regulatory and taxation authorities.

6.1.13 **<u>All Material Information Supplied</u>**. All material information provided by the Borrower to the Agent or available on the Borrower's internet website is true, accurate and complete in all material respects and omits no material fact necessary to make such information not misleading. All financial projections provided by the Borrower to the Agent or available on the Borrower's internet website were prepared in good faith, on the basis of all known facts and using reasonable assumptions and the Borrower believes such projections to be fair and reasonable.

6.1.14 **Liabilities**. The Borrower has no debts, liabilities or obligations to any Person, whether direct or indirect, absolute or contingent, matured or not, or other obligations for the payment of money which according to GAAP would be material to the Borrower and which are not reflected on the financial statements (or in the notes thereto) of the Borrower last delivered to the Agent, other than with respect to debts, liabilities and obligations incurred hereunder or in the ordinary course of business after the date of such statements or that have been consented to by the Agent in writing.

6.1.15 **Remittances**. The Borrower has delivered or caused to be delivered all necessary income tax returns, sales and value-added tax returns and other tax returns to the appropriate Governmental Body and all Taxes, employee source deductions (including with respect to income taxes, employment insurance and Canada pension plan), and worker's compensation dues which are due and payable are currently paid and up to date other than any amount, the payment of which is being contested in good faith, and for which adequate reserves have been set aside for payment.

6.1.16 **Compliance with Law**. The Borrower is in compliance with all Applicable Law, including without limiting the generality of the foregoing all Environmental Laws, except to the extent non-compliance would not reasonably be expected to have a Material Adverse Effect.

6.1.17 **Subsidiaries**. The Borrower has no Subsidiaries other than the Smart Metering Subsidiary. The Smart Metering Subsidiary is a not-for-profit corporation without share capital. The Borrower is the sole member of the Smart Metering Subsidiary.

6.1.18 **Environment**. To the knowledge of the Borrower, the Property and all parts thereof are in compliance with all Environmental Laws, except to the extent non-compliance would not reasonably be expected to have a Material Adverse Effect and none of the Property or any part thereof is subject to any written remedial or control, direction or order or to the knowledge of the Borrower, other actions or investigation by any regulatory authority having jurisdiction over matters involving the application of Environmental Laws in respect of the Property which would reasonably be expected to have a Material Adverse Effect on the Borrower nor to the knowledge of the Borrower is there any factual basis for such actions, direction or orders or investigations to be commenced. In addition, to the knowledge of the Borrower, there is no Hazardous Substance on the Property or any part thereof except such Hazardous Substances as are in compliance with all Environmental Laws.

6.1.19 **Binding Nature of Market Rules**. The following provisions are applicable to all Market Participants:

(a) section 32 of the *Electricity Act* authorized the Borrower to make the Market Rules;

(b) section 57 of the *Ontario Energy Board Act*, requires all Market Participants to be licensed by the Ontario Energy Board;

(c) section 70 of the *Ontario Energy Board Act*, provides that every such licence shall be deemed to contain a condition that every Market Participant comply with the Market Rules applicable to that Market Participant;

(d) Chapter 2, Section 1.2.2.3 of the Market Rules requires each Market Participant to have entered into a participation agreement with the Borrower prior to participating in the wholesale electricity market administered by the Borrower under which each Market Participant and the Borrower agree to perform and observe the Market Rules so far as they are applicable to each Market Participant and the Borrower as provided for in the Market Rules, their respective licenses and Applicable Law, which agreement has the effect of a contract between each Market Participant and the Borrower; and

(e) if the Borrower has deferred compliance by any Market Participant in entering into a participation agreement with the Borrower and permits such Market Participant to participate in the wholesale electricity markets administered by the Borrower on or after the Closing Date, then each such Market Participant will be in breach of the Market Rules, its licence and the *Ontario Energy Board Act*, and the Borrower shall still be entitled to enforce the Market Rules against each such Market Participant including, without limitation the Prudential Support Obligations and the Default Levy.

6.1.20 **Market Rules**. The Market Rules allow the Borrower to impose Prudential Support Obligations on each Market Participant, and impose a Default Levy on each non defaulting Market Participant that participated in the real time market or the energy forward market to which the default relates;

6.1.21 **Insurance**. As of the date of this Agreement, the Borrower maintains insurance coverage in compliance with the requirements of section 7.1.14.

6.1.22 **Intellectual Property**. Except to the extent that a breach of any of the following would not reasonably be expected to have a Material Adverse Effect (a) the Borrower has all rights to the Intellectual Property used in its business necessary for the conduct of the Borrower's business as presently conducted or as currently contemplated to be conducted in the future, and to operate such business after the date hereof; (b) the conduct by the Borrower of its business has not infringed or otherwise conflicted with, and does not and will not infringe or otherwise conflict with, any Intellectual Property right of any Person; (c) to the actual knowledge of the Borrower on the date hereof, no Person has infringed or misappropriated, or is infringing or misappropriating, any Intellectual Property right of the Borrower; and (d) the Borrower has lawfully acquired the right(s) to use the Intellectual Property which it uses under license in the manner in which it has been used and is currently being used by the Borrower and in the manner currently contemplated to be used in the future;

6.1.23 **No Immunity**. The Borrower does not have any immunity in respect of its liabilities and obligations under the Loan Documents in its jurisdiction of incorporation and in each jurisdiction in which it owns or leases Property or in which it conducts its business.

6.1.24 **Tax Payments**. In the case of an Advance for the payment of taxes contemplated in section 2.1.4.2, the Borrower has filed or will file for, has all documentation required to obtain, and is entitled to recover, the taxes from the applicable government or government agency in an amount at least equal to such Advance and such filings will be made within a reasonable time after such Advance.

6.1.25 **Use of Proceeds**. The Borrowers will use the proceeds of the Default Facility, including the Swing Line Loans, solely for the purposes set out in section 2.1.4.

6.2 Survival of Representations and Warranties

The Borrower covenants that the representations and warranties made by it in this Article 6 shall be true and correct on each day that this Agreement or any of the Loan Documents remain in force and effect, including, for greater certainty, on each day that an Advance is made by way of a Swing Line Loan, with the same effect as if such representations and warranties had been made and given on and as of such day, notwithstanding any investigation made at any time by or on behalf of the Agent or any of the Lenders; except that if any such representation and warranty is specifically given in respect of a particular date or particular period of time and relates only to such date or period of time, then such representation and warranty shall continue to be given as at such date or for such period of time.

ARTICLE 7
COVENANTS

7.1 Affirmative Covenants

So long as any Obligations remain outstanding or so long as the Borrower has the right to utilize the Default Facility, the Borrower covenants and agrees to and in favour of the Agent and each of the Lenders that:

7.1.1 **Punctual Payment**. The Borrower will duly and punctually pay all amounts owing hereunder and will perform all other Obligations to be performed under any Loan Document at the times and places and in the manner provided for herein.

7.1.2 **Status of Borrower**. The Borrower will remain a not-for-profit corporation without share capital established under the *Electricity Act* and will maintain such existence in good standing and qualify and remain qualified in any other jurisdiction in which such qualification is material and required and, subject to its obligations under Applicable Law, will carry on its business in a prudent manner. The Borrower will not have any share capital or provide any Person with any ownership interest in it.

7.1.3 **Compliance with Applicable Law and Contracts**. The Borrower will comply in all respects with all Applicable Laws except to the extent non-compliance would not result in a Material Adverse Effect and will not violate any term of its incorporating documents, its by-laws or any mortgage, hypothec, trust deed, franchise, license, judgment, decree or order, which violation would reasonably be expected to have a Material Adverse Effect.

7.1.4 **Accounting Methods and Financial Records**. The Borrower shall maintain a system of accounting which is established and administered in accordance with GAAP, keep adequate records and books of account in which accurate and complete entries shall be made in accordance with such accounting principles reflecting all transactions required to be reflected by such accounting principles and keep accurate and complete records of any property owned by it. The Borrower shall make such records and books of account available for inspection by the Agent and each of the Lenders and their respective employees at all reasonable times upon request.

7.1.5 **Payment of Taxes and Claims**. The Borrower shall:

7.1.5.1 pay and discharge all lawful claims due and payable for labour, material and supplies;

7.1.5.2 pay and discharge all Taxes due and payable by it;

7.1.5.3 withhold and collect all Taxes required to be withheld and collected by it and remit such Taxes to the appropriate Governmental Body at the time and in the manner required; and

7.1.5.4 pay and discharge all obligations incidental to any trust imposed upon it by statute which, if unpaid, might become a Lien upon any of the Property,

except that no such claim, Taxes (other than Taxes required to be withheld and remitted pursuant to the *Income Tax Act* (Canada) or any provincial income tax legislation) or obligations need be paid, collected or remitted if (i) it is being actively and diligently contested in good faith by appropriate proceedings, (ii) reserves considered adequate by the Borrower, shall have been set aside therefor on its books, (iii) such claim, Taxes, or obligation shall not have resulted in a Lien other than a Permitted Lien, and (iv) (A) all enforcement proceedings in respect thereof shall have been stayed and appropriate security shall have been given, if required, to prevent the commencement or continuation of proceedings, or (B) prepayment shall have been made pending settlement or contestation.

7.1.6 **Inspections**. The Borrower shall permit the Agent and each of the Lenders and their authorized employees, representatives and agents, upon giving at least twenty-four (24) hours' prior notice, to (i) annually, and at any time during the continuance of an Event of Default, visit and inspect its properties during normal business hours, (ii) inspect and make extracts from and copies of its books and records during normal business hours, and (iii) discuss with senior management of the Borrower, its businesses, property, financial condition and prospects during normal business hours, provided that such access will not permit the Agent or any of the Lenders to access confidential information which the Borrower is prohibited from disclosing. The Borrower shall forthwith reimburse the Agent and the Lenders for their reasonable out-of-pocket expenses incurred in connection with such inspections.

7.1.7 **Notice of Litigation and Other Matters**. The Borrower shall, as soon as practicable after it shall become aware of the same, give notice to the Agent and the Lenders of the following events:

7.1.7.1 the commencement of any action, proceeding, arbitration or investigation against or in any other way relating adversely to the Borrower or any of its Property or businesses which, if adversely determined, would, individually or when aggregated with all other such actions, proceedings, arbitrations and investigations, reasonably be expected to have a Material Adverse Effect;

7.1.7.2 any insurance claim made by the Borrower in excess of $1,000,000;

7.1.7.3 any amendment of its by-laws, constating documents or other organizational documents;

7.1.7.4 any development which has had or would reasonably be expected to have a Material Adverse Effect; and

7.1.7.5 any Default or Event of Default, or the occurrence or non-occurrence of any event which constitutes, or which with the passage of time or giving of notice or both would constitute, a default under any other agreement to which the Borrower is a party or by which it or any of its Property may be bound which has had or would reasonably be expected to have a Material Adverse Effect, giving in each case the details thereof and specifying the action proposed to be taken with respect thereto.

7.1.8 **Quarterly Financial Reports**. The Borrower shall, as soon as practicable and in any event within 60 days after the end of the first three fiscal quarters of the Borrower, deliver to the Agent and the Lenders, in hard copy, the unaudited quarterly financial statements of the Borrower, including a balance sheet, income statement and a statement of cash flows, together with comparative figures for the corresponding period in the previous Fiscal Year.

7.1.9 **Annual Financial Statements**. The Borrower shall, as soon as practicable and in any event within 90 days after the end of each Fiscal Year, deliver to the Agent and the Lenders, in hard copy, the annual audited financial statements of the Borrower, including a balance sheet, income statement and a statement of cash flows, together with comparative figures for the previous Fiscal Year, and the report of the independent auditors of the Borrower.

7.1.10 **Officers' Certificate**. The Borrower shall deliver or cause to be delivered to the Agent and the Lenders, together with the financial statements in sections 7.1.8 and 7.1.9, an Officers' Certificate of the Borrower in substantially the form attached hereto as Schedule 7.1.10 certifying (i) that such financial statements were prepared in accordance with GAAP (subject to normal year-end adjustments in the case of interim unaudited financial statements) and in all material respects fairly, completely and accurately present the financial condition of the Borrower and the financial information presented therein for the period and as at the date thereof (ii) that no Default or Event of Default has occurred hereunder or, if any Default or Event of Default has occurred, specifying the relevant particulars and the period of existence thereof and the action taken or proposed to be taken by the Borrower with respect thereto and (iii) the relevant particulars with respect to any decision by the Borrower to not impose a Default Levy in accordance with Section 7.1.19 of this Agreement.

7.1.11 **Annual Business Plan**. The Borrower will furnish to the Agent and the Lenders at least thirty (30) days prior to the end of each Fiscal Year, an annual business plan for the ensuing Fiscal Year, including an income statement, balance sheet, statement of changes in financial position, and a capital expenditure schedule.

7.1.12 **OEB Approved Statement of Revenues and Expenditures**. Each year the Borrower will obtain OEB approval to the statement of proposed revenues and expenditures submitted to the OEB pursuant to section 25 of the *Electricity Act* and furnish to the Agent and the Lenders a copy of each OEB approval of such statements of proposed revenues and expenditures, together with any changes to such statements of proposed revenues and expenditures which are required by the OEB, as soon as practicable.

7.1.13 **Other Financial Information**. As soon as practicable following a request therefor from the Agent, the Borrower shall furnish to the Agent and each of the Lenders such other financial and other relevant information as the Agent on behalf of the Lenders may reasonably request from time to time.

7.1.14 **Insurance**. The Borrower shall maintain or cause to be maintained, for so long as any amounts are outstanding hereunder or the Borrower has the right to utilize the Default Facility, (i) such insurance policies, in such form and amounts, with such deductibles and against such risks as are usually carried by prudent owners of similar businesses and properties located in the same general geographical areas, and (ii) such other insurance as the Borrower may be required to maintain by any Applicable Law or any contract by which the Borrower is bound.

7.1.15 **Expropriation**. The Borrower shall forthwith or in any event within ten (10) Banking Days of receipt thereof provide the Agent with a copy of any notice of expropriation received by the Borrower in relation to any property forming part of the Property having a book value in excess of $1,000,000.

7.1.16 **Pari Passu**. The Borrower shall ensure that the Obligations hereunder shall, at all times, rank pari passu with all of the Borrower's other Debt including Permitted Debt, except Debt that is secured by or is the subject of a Permitted Lien.

7.1.17 **Enforcement of Market Rules**. It is the Borrower's intention and the Borrower will make every reasonable effort to ensure that each Market Participant has entered into a participation agreement with the Borrower on or before the Closing Date under which each Market Participant and the Borrower agree to perform and observe the Market Rules so far as they are applicable to each Market Participant and the Borrower as provided for in the Market Rules, their respective licenses and Applicable Law, which agreement has the effect of a contract between each Market Participant and the Borrower. If any Market Participant has not so entered into a participation agreement with the Borrower, the Borrower shall not waive compliance with such requirement but shall only defer compliance therewith, the Borrower shall pursue such remedies available to it under the Market Rules and at law in respect of such default as it considers reasonable under the circumstances and, notwithstanding the absence of such participation agreement, the Borrower shall be entitled to enforce the Market Rules or have the Market Rules enforced against each such Market Participant.

7.1.18 **Prudential Support Obligations**. The Borrower will ensure that it and all other Market Participants comply, in all material respects, with the Prudential Support Obligations and, where a Market Participant fails to do so, the Borrower shall pursue such remedies available to it under the Market Rules as a consequence thereof as it considers reasonable under the circumstances.

7.1.19 **Default Levy**. The Borrower will, upon the occurrence of a default by a Market Participant under its participation agreement or the Market Rules, impose a Default Levy in accordance with the Market Rules, except where not imposing a Default Levy would not reasonably be expected to have a Material Adverse Effect.

7.1.20 **List of Market Participants**. The Borrower shall, upon request of the Agent, provide to the Agent a list of Market Participants and each Market Participant's Prudential Support Obligation (showing how much has been provided under each item in Chapter 2, section 5.7.2 of the Market Rules), Maximum Net Exposure, Trading Limit and Actual Exposure (all as defined in the Market Rules) provided that if any such information is not permitted to be disclosed by the Borrower for each Market Participant pursuant to confidentiality restrictions in the Market Rules then such information will be provided on an aggregate basis for all Market Participants.

7.1.21 **Allocation of Default Levy**. The Borrower will allocate amounts received from the imposition of a Default Levy first in accordance with Chapter 2, section 8.7 of the Market Rules.

7.1.22 **Borrower to Comply with Market Rules**. The Borrower will comply in all material respects with the Market Rules other than through inadvertence. If the Borrower inadvertently fails to comply in all material respects with the Market Rules, it will, upon becoming aware of such non-compliance, bring itself back into compliance with the Market Rules and if such non-compliance is in respect of the imposition of Prudential Support Obligations, Default Levies or Chapter 9, section 6.14.5.1 or section 6.14.8, it will notify the Agent of such non-compliance.

7.1.23 **Notice of Default by Market Participant**.

7.1.23.1 except for such information which the Borrower is prohibited from disclosing pursuant to confidentiality restrictions in the Market Rules the Borrower will, upon the occurrence of a financial default above $25 million by a Market Participant under the Market Rules which on its own or in connection with other defaults or events is reasonably expected to have a Material Adverse Effect upon the Borrower, send to the Agent a copy of the default notice issued to the Market Participant, and keep the Agent fully informed of all steps taken by the Borrower to make a claim upon any Prudential Support held in respect of the obligations of the Market Participant and to provide a Default Levy to other Market Participants;

7.1.23.2 the Borrower will provide along with the Quarterly Financial Reports and the Annual Financial Reports to be provided pursuant to sections 7.1.8 and 7.1.9 of this Agreement, a report which lists the number and aggregate amount of financial defaults above $25 million by the Market Participants for the previously completed fiscal quarter and which describes a summary of actions taken by the Borrower in respect of such defaults and which also lists details of the suspension or termination of Market Participants in the IESO-Administered Markets during such prior period.

7.1.24 **Maintenance Test**. Each of the annual applications that the Borrower submits to the OEB during the term of this Agreement pursuant to Section 25 of the *Electricity Act* for approval of the Borrower's statement of proposed revenues and expenditures for the next ensuing year (the "**Ensuing Year**") shall include as an expenditure, an amount equal to the amount of any deficiency in revenues over expenditures (including realized losses on investments) from its previous fiscal year and fiscal years previous to that fiscal year if such deficiency was not recovered in the previous fiscal year (such deficiency being the "**Deficit**"), so that, once approval is granted, the expected revenues of the Borrower for the Ensuing Year shall be at least equal to 100% of (a) all of the Borrower's expected costs and expenses for such Ensuing Year including, without limitation, Debt Service payments, *plus* (b) any Deficit, and *less* (c), if applicable, an amount equal to all or part, as determined by the Borrower, of the amount of any surplus of revenues over expenditures from its previous fiscal year and fiscal years previous to that fiscal year.

7.1.25 **Tax Payments**. In the case of an Advance for the payment of taxes contemplated in section 2.1.4.2, the Borrower will file for, and obtain all documentation required to obtain, the recovery, reimbursement or credit of such taxes from the applicable government or government agency in an amount at least equal to such Advance within a reasonable period of time.

7.1.26 **Cash Account**. On or prior to the Closing Date, the Borrower shall establish and for the term of this Agreement shall maintain an interest-bearing account with a branch of The Toronto-Dominion Bank (the "**Cash Account**") which shall be funded and used in accordance with section 2.3.3. Any interest earned on the Cash Account shall accrue for the benefit of the Borrower.

7.1.27 **Intellectual Property**. Except to the extent that a breach of any of the following would not reasonably be expected to have a Material Adverse Effect (a) the Borrower will maintain rights to the Intellectual Property used in its business necessary for the conduct of the Borrower's business; (b) the Borrower will file all applications for registration of Intellectual Property in a timely manner, and will maintain same in good standing and will record same in the name of the Borrower in the appropriate offices to preserve the rights thereto; (c) the Borrower will conduct its business in a manner that does not, to its knowledge, infringe or otherwise conflict with, any Intellectual Property right of any Person; and (d) the Borrower will lawfully acquire the right(s) to use the Intellectual Property which it, at any time, uses under license.

7.1.28 **Smart Metering Subsidiary.** The Borrower will ensure that (i) the Smart Metering Subsidiary will not conduct any business or activity other than with respect to the Smart Metering Program and (ii) the Borrower shall remain the sole member of the Smart Metering Subsidiary.

7.2 Lenders Entitled to Perform Covenants

If the Borrower fails to perform in any material respect any covenant contained in section 7.1, or in any other provision of any Loan Document, the Agent or any Lender may, in its discretion, perform any such covenant capable of being performed by it and if any such covenant requires the payment of money it may make such payment. All reasonable sums so expended by the Agent or any Lender shall be deemed to be a Prime Rate Loan payable by the Borrower on demand. No such performance, payment or expenditure shall be deemed to cure any Default or Event of Default.

7.3 Negative Covenants

So long as any Obligations remain outstanding or so long as the Borrower has the right to utilize the Default Facility, the Borrower covenants and agrees to and in favour of the Agent and each of the Lenders that it shall not:

7.3.1 **Encumber Property.** create, grant, assume or suffer to exist or permit the Smart Metering Subsidiary to create, grant, assume or suffer to exist any Lien upon any of its Property, other than Permitted Liens;

7.3.2 **Change in Nature of Business**. engage directly or indirectly in any business activity, or purchase or otherwise acquire any properties or assets, in each case unrelated to or unnecessary for the conduct of its present business or make any material change in the nature of its undertaking and business, other than as permitted under and contemplated by the *Electricity Act* on the date hereof;

7.3.3 **Amalgamations, etc.** enter into any transaction (including by way of reorganization, consolidation, amalgamation, liquidation, transfer, sale or otherwise) whereby all or any material portion of the undertaking or Property of the Borrower would become the property of any other Person;

7.3.4 **Fiscal Year**. change its Fiscal Year;

7.3.5 **No Additional Debt**. create, incur, assume or suffer to be created, incurred or assumed, or otherwise become directly or indirectly liable upon or in respect of, any Debt other than Permitted Debt;

7.3.6 **Disposition of Assets.** Sell, lease, consign or otherwise dispose of, or agree to sell, lease, consign or dispose of, any of the Property of the Borrower outside of the ordinary course of business (whether now owned or hereafter acquired); provided however that there is no restriction on the sale, lease, consignment or disposal of the Smart Metering Assets;

7.3.7 **Non-Arm's Length Transactions**. repay any indebtedness or liabilities owed to, or transfer assets to, or purchase assets from or otherwise enter into any transaction or agreement with, any Affiliate (or any Person which, after the transaction in question becomes effective, would become an Affiliate) except for Permitted Debt referred to in sections 1.1.71.3 and 1.1.71.4 and any transaction or agreement contemplated by and in compliance with the Market Rules or *Electricity Act* or *Ontario Energy Board Act* as applicable;

7.3.8 **No Subsidiaries**. have any Subsidiaries other than the Smart Metering Subsidiary;

7.3.9 **Hedging**. speculate in hedging contracts, Swap Agreements, commodity options, spot, future, forward or other derivative agreements and shall not use Swap Agreements except in the ordinary course of business to manage in a commercially reasonable manner financial risks internal to the business of the Borrower; and

7.3.10 **No Immunity**. claim immunity regarding any of its obligations under any Loan Document.

7.4 Environmental Matters

7.4.1 The Borrower shall comply, in all respects with all Environmental Laws (including, but not limited to, obtaining any Environmental Permits) relating to the business of the Borrower except where non-compliance would not reasonably be expected to result in a Material Adverse Effect.

7.4.2 If the Borrower (a) receives notice that any material violation of any Environmental Law may have been committed or is about to be committed by it, (b) receives notice that any administrative or judicial complaint or order (including an Environmental Order) has been filed or is about to be filed against it alleging violations of any Environmental Law or requiring it to take any action in connection with the release of Hazardous Substances into the environment, or (c) receives any notice from a Governmental Body or other Person alleging that the Borrower may be liable or responsible for costs associated with a response to or clean-up of a release, spill, leak, escape, emission or other discharge of a Hazardous Substance into the environment or any damages caused thereby which, in any of the foregoing cases, would reasonably be expected to have a Material Adverse Effect, then the Borrower shall provide the Agent and the Lenders with written details and a copy of such notice promptly, and in no event later than ten days after the Borrower's receipt thereof.

ARTICLE 8
CONDITIONS PRECEDENT

8.1 Conditions Precedent to Closing

This amendment and restatement of the Amended and Restated Agreement shall not become effective until the date on which each of the following conditions precedent is satisfied, which conditions precedent are for the sole and exclusive benefit of the Lenders and may be waived in writing by the Agent (at the direction of the Lenders in their sole discretion):

8.1.1 the representations and warranties set out in Article 6 shall be true and correct on the Effective Date;

8.1.2 no Default or Event of Default shall have occurred and be continuing nor shall it be reasonably anticipated that there will be any Default or Event of Default after the Effective Date;

8.1.3 the Agent shall have received the following in form and substance satisfactory to the Lenders:

8.1.3.1 an Officers' Certificate or Officers' Certificates dated the Effective Date certifying that attached thereto are true and correct copies of the following documents, and that such documents are in full force and effect, unamended:

8.1.3.1.1. the by-laws or other organizational documents of the Borrower;

8.1.3.1.2. a certificate of incumbency including sample signatures of officers and directors of the Borrower, who have executed any of the Loan Documents or any other document delivered to the Agent or the Lenders under this Article 8; and

8.1.3.1.3. the resolutions or other documentation evidencing that all necessary action, corporate or otherwise, has been taken by the Borrower to authorize the execution, delivery and performance of the Loan Documents;

8.1.3.2 an opinion of Borrower's counsel as to matters relating to the Borrower dated the Effective Date, in form satisfactory to the Lenders and Lender counsel; and

8.1.3.3 except for information which the Borrower is prohibited from disclosing pursuant to confidentiality restrictions in the Market Rules, such other documentation or information as the Agent shall have reasonably requested; and

8.1.4 the Agent shall have received payment in full of all fees payable by the Borrower on or prior to the Effective Date hereunder or under any other Loan Document including payment of an upfront fee equal to 12 basis points of the Aggregate Commitment.

8.2 Conditions Precedent to Advances

The obligation of the Lenders to make any Advances under the Default Facility is subject to compliance, on or before the relevant Borrowing Date, with each of the following conditions precedent, which conditions precedent are for the sole and exclusive benefit of the Lenders and may be waived in writing by the Agent (at the direction of the Lenders in their sole discretion):

8.2.1 the representations and warranties set out in Article 6 shall be true and correct on the relevant Borrowing Date as if made on and as of such date;

8.2.2 no Default or Event of Default shall have occurred and be continuing nor shall it be reasonably anticipated that there will be any Default or Event of Default after giving effect to the proposed Advance;

8.2.3 the Agent shall have received a Borrowing Notice as required hereunder; and

8.2.4 the principal amount of the requested Advance shall not, after giving effect to such Advance, cause the aggregate principal amount of all Loans under the Default Facility to exceed the Aggregate Commitment as such time.

ARTICLE 9
EVENTS OF DEFAULT AND REMEDIES

9.1 Events of Default

The occurrence of any of the following events shall constitute an Event of Default:

9.1.1 default by the Borrower in the payment when due of:

9.1.1.1 principal owing under the Loan Documents; or

9.1.1.2 any other Obligations which require the payment of money to the Agent or any Lender unless such default is remedied within 3 Banking Days;

9.1.2 any representation or warranty made by the Borrower herein or in any Officers' Certificate or other document delivered to the Agent or any Lender pursuant hereto or in connection with any Loan Document is found to be false or incorrect in any material respect when made or deemed to have been made;

9.1.3 default or failure by the Borrower in the performance or observance of any covenant, condition or obligation contained in any Loan Document to which it is a party that does not require the payment of money by the Borrower to the Agent or any Lender unless such default is remedied within 30 Banking Days from the earlier of (i) the time the Borrower learns of the default or failure and (ii) the time the Agent notifies the Borrower of the default or failure;

9.1.4 there occurs a default in any indenture, instrument, Swap Agreement or other agreement, each in respect of Debt which exceeds $5,000,000 and such default is not cured or waived within any applicable grace period;

9.1.5 the Borrower admits its inability to pay its debts generally as they become due or otherwise acknowledges its insolvency;

9.1.6 the Borrower institutes any proceeding or takes any corporate action or executes any agreement to authorize its participation in or commencement of any proceeding:

9.1.6.1 seeking to adjudicate it a bankrupt or insolvent, or

9.1.6.2 seeking liquidation, dissolution, winding up, reorganization, arrangement, protection, relief or composition of it or any of its property or debt or making a proposal with respect to it under any law relating to bankruptcy, insolvency, reorganization or compromise of debts or other similar laws (including, without limitation, any application under the *Companies' Creditors Arrangement Act* (Canada) or proposal under the *Bankruptcy and Insolvency Act* (Canada) or any reorganization, arrangement or compromise of debt under the laws of its jurisdiction of incorporation);

9.1.7 any proceeding is commenced against or affecting the Borrower:

9.1.7.1 seeking to adjudicate it a bankrupt or insolvent;

9.1.7.2 seeking liquidation, dissolution, winding up, reorganization, arrangement, protection, relief or composition of it or any of its property or debt or making a proposal with respect to it under any law relating to bankruptcy, insolvency, reorganization or compromise of debts or other similar laws (including, without limitation, any reorganization, arrangement or compromise of debt under the *Bankruptcy and Insolvency Act* (Canada) or the laws of its jurisdiction of incorporation); or

9.1.7.3 seeking appointment of a receiver, trustee, agent, custodian or other similar official for it or for any substantial part of its properties and assets;

and such proceeding is not being contested in good faith by appropriate proceedings or, if so contested remains outstanding, undismissed and unstayed more than 60 days from the institution of such first mentioned proceeding;

9.1.8 any creditor of the Borrower or any other Person, shall privately appoint a receiver, trustee or similar official for any substantial part of the Property of the Borrower, and such appointment is not being contested in good faith and by appropriate proceedings or, if so contested, such appointment continues for more than 60 days;

9.1.9 there shall be an action, suit, inquiry, claim or proceeding against or affecting the Borrower before any Governmental Body or court or before any private arbitrator, mediator or referee which in any case or in the aggregate would reasonably be expected to involve a payment by the Borrower of more than $5,000,000 and to result in a Material Adverse Effect;

9.1.10 a writ, execution or attachment or similar process is issued or levied against all or a substantial portion of the Property of the Borrower in connection with any judgment or claim against it in any amount which materially affects its assets taken as a whole and the validity of such writ, execution or attachment is not being diligently contested in good faith at the time by it, by proper legal proceedings which effectively postpone enforcement of same or remains unsatisfied for a period of thirty (30) days after its respective entry, commencement or levy;

9.1.11 any Person pursuant to any Lien, whether permitted or otherwise, takes possession of any substantial part of the Property or if execution or other similar process is enforced against any part of the Property;

9.1.12 if, at any time after execution and delivery thereof, any Loan Document ceases to be in full force and effect (unless within five (5) Banking Days of notice of the same being given by the Agent to the Borrower such Loan Document again has full force and effect as if it had always had full force and effect) or if any Loan Document is declared by a court or tribunal of competent jurisdiction to be null and void or the validity or enforceability thereof is contested by the Borrower or the Borrower denies in writing that it has any or further liability or obligations under any Loan Document;

9.1.13 any change in Applicable Law (or if any such change is proposed or pending) including without limitation, any change in the *Electricity Act* and the Market Rules, which change may, in the sole opinion of the Lenders, acting reasonably, have a materially negative effect on the Lenders' risk incurred in connection with the Default Facility, including, without limitation, any change which has a material negative effect on the Borrower's ability to:

(i) meet its obligations hereunder,

(ii) issue to Market Participants Default Notices, Suspension Orders, Termination Orders, or Default Levies (as defined in the Market Rules).

(iii) calculate and impose Prudential Support Obligations on Market Participants,

(iv) collect the funds contemplated by Chapter 9, section 6.14.5.1 of the Market Rules.

9.1.14 there exists a voluntary, involuntary or threatened suspension of business of the Borrower; or

9.1.15 the Borrower makes any claim of, or repudiates in any way its covenant not to claim, immunity regarding any of its obligations under this Agreement.

9.2 Remedies Upon Default

Upon the occurrence and during the continuance of any Event of Default, the Agent may, and at the direction of the Lenders shall, by notice given to the Borrower:

9.2.1 declare the unutilized portion (if any) of the Aggregate Commitment to be terminated (whereupon the Lenders shall not be required to make any further Advances);

9.2.2 declare all Obligations to be immediately due and payable;

9.2.3 demand that funds in the aggregate face amounts of all outstanding Bankers' Acceptance Loans be forthwith deposited by the Borrower into a cash collateral account established with the Agent on behalf of the Lenders on terms and conditions satisfactory to the Agent; and

9.2.4 take such actions and commence such proceedings as may be permitted at law or in equity at such times and in such manner as the Agent (at the direction of the Lenders in their sole discretion) may consider expedient,

all without, except as may be required by Applicable Law, any additional notice, presentment, demand, protest, notice of protest, dishonour or any other action. The rights and remedies of the Agent and the Lenders hereunder are cumulative and are in addition to and not in substitution for any other rights or remedies provided by Applicable Law.

9.3 Set-Off

Upon the occurrence of an Event of Default and a declaration by the Agent pursuant to section 9.2, each Lender is hereby authorized by the Borrower at any time and from time to time without notice to the Borrower to combine, consolidate and merge all or any of the Borrower's accounts (other than any accounts which are trust accounts and which the Agent has been advised by the Borrower are trust accounts, and any accounts in which the Borrower does not have any beneficial interest) with, and liabilities to, such Lender and to set off, appropriate and apply any and all deposits by or for the benefit of the Borrower with any branch of such Lender, general or special, matured or unmatured, and any other indebtedness and liability of such Lender to the Borrower, matured or unmatured, against and on account of the Obligations when due, notwithstanding that the balances of the accounts, deposits or Obligations may or may not be expressed in the same currency.

ARTICLE 10
THE AGENT AND THE ADMINISTRATION OF THE DEFAULT FACILITY

10.1 Appointment and Authorization

10.1.1 Each Lender hereby irrevocably appoints and authorizes the Agent to be its attorney in its name and on its behalf to exercise such rights or powers granted to such Lender under this Agreement and the other Loan Documents on the terms hereof and thereof, together with such powers as are reasonably incidental thereto. Each Lender hereby authorizes the Agent to execute, as agent for and on its behalf, any of the other Loan Documents wherein it is expressly stipulated that the Agent is acting in such capacity, and each Lender agrees to be bound thereby as principal.

10.1.2 As to any matters not expressly provided for by this Agreement or the Loan Documents (including, without limitation, enforcement thereof), the Agent shall not be required to exercise any discretion or take any action, but shall be required to act or to refrain from acting (and shall be fully protected in so acting or refraining from acting) upon the instructions of the Majority Lenders, and such instructions shall be binding upon all of the Lenders. The Agent shall not be required to take any action which exposes the Agent to liability in such capacity, which could result in the Agent's incurring any costs and expenses not contemplated by this Agreement or which is contrary to this Agreement, Applicable Law or any applicable rules, by-laws, directives, orders, judgments, decrees and policies or guidelines of Governmental Bodies whether or not having the force of law.

10.1.3 The Agent shall have no duties or obligations other than as expressed herein, which duties are solely of a mechanical and administrative nature. Without limiting the generality of the foregoing, the Agent does not undertake, and the Lenders relieve the Agent from, any implied duties, responsibilities, obligations or functions and there shall not be construed against the Agent any implied covenants or terms, whether in respect of matters arising prior to, on, or following the date of this Agreement. The relationship between the Agent and the Lenders is that of agent and principal only, and the Agent shall not have by reason of this Agreement a fiduciary relationship in respect of any Lender.

10.2 Duties and Obligations of Agent

Neither the Agent nor any of its directors, officers, agents or employees (and, for purposes hereof, the Agent shall be deemed to be contracting as agent for and on behalf of such Persons) shall be liable to any Lender for any action taken or omitted to be taken by it or them under or in connection with this Agreement or any of the other Loan Documents (whether before, on or after the date of this Agreement) except for its or their own gross negligence or wilful misconduct. Without limiting the generality of the foregoing, the Agent:

(a) may assume that there has been no assignment or transfer by any Lender of its rights hereunder unless and until all of the requirements of section 11.9 have been complied with;

(b) may consult with legal counsel, independent public accountants and other experts selected by it and shall not be liable for any action taken or omitted to be taken in good faith by it in accordance with the advice of such counsel, accountants or experts;

(c) shall incur no liability under or in respect of this Agreement or any of the other Loan Documents by acting upon any notice, consent, certificate or other instrument or writing (which may be by telegram, cable, facsimile or other means of electronic communication) believed by it to be genuine and signed or sent by the proper party or parties or by acting upon any representation or warranty of the Borrower made or deemed to be made hereunder or thereunder;

(d) may assume that no Default or Event of Default has occurred and is continuing unless it has actual knowledge to the contrary;

(e) may rely as to any matters of fact which might reasonably be expected to be within the knowledge of any Person upon a certificate signed by or on behalf of such Person;

(f) does not make any warranty or representation to any Lender nor shall it be responsible to any Lender for the accuracy or completeness of the data made available to any of the Lenders in connection with the negotiation of this

Agreement, or for any statements, warranties or representations (whether written or oral) made in or in connection with this Agreement;

(g) shall not have any duty to ascertain or to enquire as to the performance or observance of any of the terms, covenants or conditions of this Agreement or any of the other Loan Documents on the part of the Borrower or to inspect the Property (including the books and records) of the Borrower;

(h) shall be fully justified in failing or refusing to take any action under this Agreement unless it shall first receive such advice or concurrence of the Majority Lenders as it deems appropriate or it shall first be indemnified to its satisfaction by the Lenders against any and all liability and expense which may be incurred by it by reason of taking or continuing to take such action; and

(i) shall not be responsible to any Lender for the due execution, legality, validity, enforceability, genuineness, sufficiency or value of this Agreement or any of the other Loan Documents or any instrument or document furnished pursuant hereto or thereto or for any failure of the Borrower to perform its obligations hereunder.

10.3 Prompt Notice to the Lenders

The Agent shall provide to the Lenders copies of all information, notices and reports given to the Agent by the Borrower as soon as practicable after receipt of the same, except information, notices and reports (i) relating solely to the role of Agent hereunder, (ii) distributed directly by the Borrower to the Lenders pursuant to this Agreement, or (iii) otherwise considered by the Agent to be irrelevant or immaterial to the Lenders or to any particular category or group thereof.

10.4 Agent's Authority to Deal with Borrower

With respect to its own participation in the Default Facility, the Agent as Lender shall have the same rights and powers under this Agreement as any other Lender and may exercise the same as though it were not the Agent. The Agent may accept deposits from, lend money to, and generally engage in any kind of business with the Borrower as if the Agent were not the Agent hereunder and without any duties to account therefor to the Lenders or to any other Person.

10.5 Dealings by Borrower with Agent

Unless otherwise specifically provided herein, the Borrower shall deal with the Agent in lieu of the Lenders for all purposes of this Agreement. The Borrower may rely, and shall be fully protected in so relying, without any obligation to inquire into the correctness thereof, upon any action taken, notice, direction, waiver, consent, determination, communication or agreement by the Agent purporting to be on behalf of the Majority Lenders or the Lenders hereunder, as the case may be, any of which shall, as regards the Borrower, be deemed to be an action, notice, direction, waiver, consent, determination, communication or agreement of the Majority Lenders or the Lenders, as applicable.

10.6 Independent Credit Decisions

Each Lender acknowledges that it has itself been, and will continue to be, solely responsible for making its own independent appraisal of and investigations into the financial condition, creditworthiness, condition, affairs, status and nature of the Borrower. Accordingly, each Lender confirms with the Agent that it has not relied, and will not hereafter rely, on the Agent (i) to check or enquire on its behalf into the adequacy, accuracy or completeness of any information provided by the Borrower or any other Person under or in connection with this Agreement or the transactions herein contemplated (whether or not such information has been or is hereafter distributed to such Lender by the Agent), or (ii) to assess or keep under review on its behalf the financial condition, creditworthiness, condition, affairs, status or nature of the Borrower. Except for notices, reports and other documents expressly required to be furnished to the Lenders by the Agent hereunder, the Agent shall not have any duty or responsibility to provide any Lender with any credit or other information concerning the business, operations, property, condition (financial or otherwise), prospects or creditworthiness of the Borrower which may come into the possession of the Agent or any of its officers, directors, employees or agents. Each Lender acknowledges that a copy of this Agreement and each of the other Loan Documents has been made available to it for review and each Lender acknowledges that it is satisfied with the form and substance of the same.

10.7 Indemnification

Each Lender hereby agrees to indemnify the Agent (to the extent not reimbursed by the Borrower), in accordance with its Rateable Portion, from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever which may be imposed on, incurred by, or asserted against the Agent at any time (including, without limitation, at any time following repayment in full of all Obligations) in any way relating to or arising out of this Agreement or any of the other Loan Documents or any action taken or omitted by the Agent hereunder or thereunder or in respect hereof or thereof; provided that no Lender shall be liable for any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements resulting from the Agent's gross negligence or wilful misconduct. Without limiting the generality of the foregoing, each Lender agrees to reimburse the Agent promptly upon demand for its Rateable Portion of any out-of-pocket expenses (including counsel fees) incurred by the Agent in connection with the preservation of any rights of the Agent or the Lenders as against the Borrower under, or the enforcement of, or legal advice in respect of rights or responsibilities under, this Agreement and the other Loan Documents, to the extent that the Agent is not reimbursed for such expenses by the Borrower. The indemnity in this section 10.7 shall survive the payment and satisfaction of all Obligations and the termination of this Agreement.

10.8 Successor Agent

The Agent may, as hereinafter provided, resign at any time by giving written notice thereof to the Lenders and the Borrower. Upon any such resignation, the Lenders shall have the right to appoint a successor agent (the "**Successor Agent**") which shall be one of the Lenders. If no Successor Agent shall have been so appointed by the Lenders and shall have accepted such appointment within 30 days after the retiring Agent's giving of notice of resignation, then the retiring Agent may, on behalf of the Lenders, appoint a Successor Agent from among the Lenders acceptable to the Borrower acting reasonably. Upon the acceptance of any appointment as Agent hereunder by a Successor Agent, such Successor Agent shall thereupon succeed to and become vested with all the rights, powers, privileges and duties of the retiring Agent, and the retiring Agent shall thereupon be discharged from its further duties and obligations as Agent under this Agreement. The retiring Agent shall cooperate with the Successor Agent in the performance of its duties for a reasonable period of time after such resignation. After any retiring Agent's resignation hereunder as Agent, the provisions of this Article 10 shall continue to enure to its benefit as to any actions taken or omitted to be taken by it while it was Agent hereunder.

10.9 Action by and Consent of Lenders; Waiver and Amendments

10.9.1 Subject to section 10.9.3, where the terms of this Agreement or any of the other Loan Documents refer to any action to be taken hereunder or thereunder by the Lenders or to any such action that requires the consent or other determination of the Lenders, the action taken by and the consent or other determination given or made by the Majority Lenders shall, except to the extent that this Agreement expressly provides to the contrary, constitute the action or consent or other determination of the Lenders herein or therein referred to, and the Agent may exercise its powers under section 10.1 based upon such action, consent or other determination.

10.9.2 Subject to section 10.9.3, this Agreement and any other Loan Document may be amended only if the Borrower and the Majority Lenders so agree in writing, any consent under this Agreement or any other Loan Document shall be given only by the Agent (at the direction of the Majority Lenders) in writing, and any Event of Default may be waived before or after it occurs only if the Agent (at the direction of the Majority Lenders) so agrees in writing. Any amendment, consent or waiver so made shall be binding upon all of the Lenders.

10.9.3 Any amendment or waiver which changes or relates to:

(a) an increase in the amount or the term or currency of the Loans available hereunder or any Lender's Commitment;

(b) a decrease in the amount or the dates of payment of principal, interest or fees;

(c) the notice period required for any Advance;

(d) the currency of any payment;

(e) the definition of "**Majority Lenders**"; or

(f) this section 10.9,

shall require the agreement of all of the Lenders and also (in the case of an amendment) of the Borrower. An amendment or waiver which changes or relates to the rights and/or obligations of the Agent shall also require the agreement of the Agent thereto.

10.9.4 Any waiver and any consent by the Agent or any Lender under any provision of this Agreement or any other Loan Document may be given subject to any conditions thought fit by the Person giving that waiver or consent. Any waiver or consent shall be effective only in the instance and for the purpose for which it is given.

10.10 Funding of Advances

10.10.1 Upon receipt of a Borrowing Notice, the Agent shall forthwith notify each Lender of the proposed Borrowing Date, Rollover Date or Conversion Date, as the case may be, the principal amount of the relevant Advance, Rollover or Conversion, as the case may be, such Lender's Rateable Portion of any Advance, the account of the Agent to be credited by such Lender (if applicable) and all other relevant particulars thereof (including, in the case of an issuance of Bankers' Acceptances, the face amount of the draft to be accepted by such Lender and the BA Period in respect of the draft to be accepted by it).

10.10.2 Each Lender shall, not later than 11:00 a.m. (Toronto time) on the relevant Borrowing Date, credit the Agent's account specified in the Agent's notice given under this section with such Lender's Rateable Portion of each Advance in immediately available funds. The Agent will, as soon as reasonably practicable after receiving such funds from the Lenders and upon fulfilment of all applicable conditions set forth in this Agreement, make the full amount of such funds available to the Borrower by crediting the Borrower's account maintained with the Agent at the Branch of Account (or causing such account to be credited).

10.10.3 Unless the Agent has been notified by a Lender by 10:00 a.m. (Toronto time) on the proposed Borrowing Date of any Loan requested by the Borrower that such Lender will not make available to the Agent its Rateable Portion of such Loan, the Agent may assume that such Lender has made such portion of the Loan available to the Agent on the Borrowing Date in accordance with the provisions hereof and the Agent may, in reliance upon such assumption, make available to the Borrower on such date a corresponding amount. If and to the extent such Lender shall not have so made its Rateable Portion of a Loan available to the Agent, such Lender agrees to pay to the Agent forthwith on demand such Lender's Rateable Portion of the Loan and all reasonable costs and expenses incurred by the Agent in connection therewith together with interest thereon (at the rate payable hereunder by the Borrower in respect of such Loan) for each day from the date such amount is made available to the Borrower until the date such amount is paid to the Agent, provided, however, that notwithstanding such obligation if such Lender fails to so pay, the Borrower shall, without prejudice to any rights the Borrower may have against such Lender, repay such amount to the Agent forthwith after demand therefor by the Agent. The amount payable to the Agent pursuant hereto shall be as set forth in a certificate delivered by the Agent to such Lender and the Borrower (which certificate shall contain reasonable details of how the amount payable is calculated) and shall be conclusive and binding for all purposes, absent manifest error. If such Lender makes the payment to the Agent required herein, the amount so paid (otherwise than in respect of interest and such costs, charges and expenses of the Agent) shall constitute such Lender's Rateable Portion of the Loan for purposes of this Agreement. If the Agent has been notified by a Lender that such Lender will not make available to the Agent its Rateable Portion of any Loan, the Agent shall have no obligation to make available such amount to the Borrower under any provision of this Agreement.

10.10.4 The failure of any Lender to funds its Rateable Portion of a Loan shall not relieve any other Lender of its obligation, if any, hereunder to fund its Rateable Portion of the Loan on the relevant Borrowing Date.

10.11 Remittance of Payments

10.11.1 As soon as practicable after receipt of any notice of payment by the Borrower hereunder, the Agent shall give notice to each Lender of the amount of the payment to be made to it on such day and all other relevant particulars of such payment. Subject to sections 3.6, 3.7, 3.8, 3.9 and 10.15, as soon as practicable after receipt of any repayment or prepayment of any Loans under the Default Facility or any payment of interest or any other amount payable by the Borrower hereunder, the Agent shall remit to each Lender its Rateable Portion of such payment or prepayment and its respective entitlement, if any, to any other amount payable by the Borrower hereunder.

10.11.2 If the Agent, on the assumption that it will receive on any particular date a payment of principal, interest or fees hereunder, remits any amount to the relevant Lenders and the Borrower fails to make such payment, each such Lender agrees to repay to the Agent forthwith on demand the amount so received by it together with all reasonable costs and expenses incurred by the Agent in connection therewith (to the extent not reimbursed by the Borrower) and interest thereon at the rate and calculated in the manner applicable to the Loan in respect of which such payment was made for each day from the date such amount is remitted to the relevant Lender. The amount payable to the Agent pursuant hereto shall be as set forth in a certificate delivered by the Agent to each such Lender, which certificate shall be conclusive and binding for all purposes, absent manifest error.

10.12 Redistribution of Payments

Except as otherwise expressly contemplated in this Agreement, a Lender (a "**Remitting Lender**") which obtains any payment (whether voluntary, involuntary, by way of set-off or otherwise) on account of its portion of a Loan which has not been repaid to the other Lenders in accordance with their respective Rateable Portions shall, and the Borrower hereby irrevocably authorizes any such Lender to, remit such payment or portion thereof to the Agent for redistribution to the Lenders in accordance with their respective Rateable Portions. In any such case, the Remitting Lender, upon such payment by it to the Agent, shall be deemed for all purposes not to have received from the Borrower that payment so remitted to the Agent, and the Lender or Lenders (the "**Receiving Lenders**") receiving such payment or portions thereof upon a redistribution thereof by the Agent shall be deemed for the purposes hereof to have received such payment or portion thereof (as the case may be) from the Borrower. If all or part of any such payment made by such Remitting Lender shall be recovered by the Borrower from such Remitting Lender, such amount so paid by such Remitting Lender to the Agent shall forthwith be repaid by the Receiving Lenders to the Agent (for the benefit of the Remitting Lender).

10.13 Notification of Default

Each Lender shall promptly notify the Agent, and the Agent shall promptly notify each of the Lenders, of any event of which it has actual notice which constitutes a Default or an

Event of Default. The Agent shall not be deemed to have actual notice of the occurrence of a Default or Event of Default unless the Agent has received notice from any of the Lenders or the Borrower referring to this Agreement, describing the default and stating that the notice is a "Notice of Default".

10.14 Taking and Enforcement of Remedies

10.14.1 Each of the Lenders hereby acknowledges that, to the extent permitted by Applicable Law, the remedies provided hereunder and under the other Loan Documents to the Lenders are for the benefit of the Lenders collectively and acting together and not severally and further acknowledges that its rights hereunder and thereunder are to be exercised collectively by the Agent upon the instructions of the Majority Lenders. Accordingly, notwithstanding any of the provisions contained herein or therein, each of the Lenders hereby covenants and agrees that it shall not be entitled to take any action with respect to the Default Facility, including, without limitation, any election of remedies in respect of an Event of Default hereunder, but that any such action shall be taken only by the Agent upon the instructions of the Majority Lenders as provided herein. Notwithstanding the foregoing, in the absence of instructions from the Majority Lenders (or, to the extent section 10.9.3 is applicable, all of the Lenders) where the Agent has requested instructions and in its sole opinion the exigencies of the situation warrant such action, the Agent may without notice to or consent of the Lenders take such action on behalf of the Lenders as it deems appropriate or desirable in the interests of the Lenders. Each of the Lenders further covenants and agrees, that, upon any such instructions being given to the Agent by the Majority Lenders, it shall cooperate fully with the Agent to the extent requested by the Agent in any remedial action hereunder. Each Lender covenants and agrees to do all acts and things and to make, execute and deliver all agreements and other instruments, so as to fully carry out the intent and purposes of this section 10.14.1.

10.14.2 Each Lender hereby covenants and agrees that it has not heretofore sought, taken, accepted or received and shall not hereafter seek, take, accept or receive any security for any of the obligations and liabilities of the Borrower hereunder or under the other Loan Documents or under any other document, instrument, writing or agreement ancillary hereto or thereto and shall not enter into any agreement with any of the parties hereto or thereto relating in any manner whatsoever to the Default Facility, unless all of the Lenders shall at the same time obtain the benefit of any such security or agreement.

10.14.3 Each of the Lenders and the Borrower further covenants and agrees that all proceeds from the exercise of the rights and remedies provided to the Agents or Lenders hereunder and under the Loan Documents, to the extent permitted by Applicable Law, are held for the benefit of all of the Lenders and, after deduction therefrom of all costs of realization, shall be shared among the Lenders proportionately based upon the respective aggregate amounts of the Obligations which are outstanding to each of the Lenders at the relevant time or times of sharing. To the extent any Lender receives or is entitled to receive any amount hereunder in excess of the amount of the Obligations owed to it hereunder it shall hold such excess in trust on behalf of and for the benefit of the other Lenders entitled thereto.

10.14.4 Each of the Lenders agrees with each of the other Lenders that if it exercises any right of set-off in accordance with section 9.3 hereof in connection with any Obligations, it shall promptly so advise the Agent and each of the other Lenders and, to the extent permitted by Applicable Law, the Lenders shall share all such set-offs in accordance with the provisions of section 10.14.3 hereof, provided that none of the Lenders shall be liable hereunder to any of the other Lenders by reason of failure to exercise or validly exercise any right of set-off or by reason of any restriction upon any such sharing.

10.15 Adjustments to Reflect Rateable Portions

All Loans outstanding shall be maintained as between the Lenders according to their respective Rateable Portions, except to the extent that the Agent deems any variations therefrom to be immaterial. The Agent shall determine all adjustments to amounts required to be advanced by the Lenders or to amounts of payments to which the respective Lenders are entitled to reflect as nearly as practicable the respective Rateable Portions of the Lenders under the Default Facility.

10.16 No Partnership

Nothing contained in this Agreement and no action taken by the Lenders pursuant hereto shall be deemed to constitute the Lenders a partnership, association, joint venture or other collective entity.

ARTICLE 11
GENERAL

11.1 Reliance and Non-Merger

All covenants, agreements, representations and warranties of the Borrower made herein or in any other Loan Document or in any certificate or other document signed by any of its directors or officers and delivered by or on behalf of either of them pursuant hereto or thereto are material, shall be deemed to have been relied upon by the Agent and each Lender notwithstanding any investigation heretofore or hereafter made by the Agent, the Lenders or Lender Counsel or any employee or other representative of any of them and shall survive the execution and delivery of this Agreement and the other Loan Documents until the Borrower shall have satisfied and performed all of its obligations hereunder and Lenders shall have no further obligation to make Advances hereunder.

11.2 Credit Information

Neither the Agent nor any Lender shall disclose any information concerning the financial position or the operations of the Borrower to any other Person except (i) to another Lender, (ii) as required by Applicable Law and any applicable rules, by-laws, directives, orders, judgments, decrees and policies or guidelines of Governmental Bodies whether or not having the force of law, (iii) to its advisors in connection with the transactions contemplated hereunder, (iv) to the extent such information shall otherwise have been disclosed to the public, or (v) as permitted under section 11.10.

11.3 No Set-Off by the Borrower

The amounts payable by the Borrower hereunder shall not be subject to any deduction, withholding, set-off or counterclaim by the Borrower for any reason whatsoever.

11.4 Employment of Experts

The Agent and each of the Lenders may, at any time and from time to time, retain and employ legal counsel and other experts in connection with the enforcement of its rights and powers under this Agreement or the other Loan Documents. The Borrower shall pay to the Agent and each Lender on demand all proper and reasonable compensation paid or payable to such counsel retained or employed pursuant to this provision.

11.5 Reliance by the Lenders

The Agent and the Lenders shall be entitled to rely upon any schedule, certificate, statement, report, notice or other document or written communication (including any facsimile or other means of electronic communication) believed by them to be genuine and correct, and upon the advice and statements of agents, legal counsel, accountants, appraisers, consultants and other experts selected by them.

11.6 Notices

11.6.1 Subject to 1.16, any notice or other communication required or permitted to be given hereunder shall be in writing and shall be given by registered mail, by facsimile or by hand-delivery as hereinafter provided. Subject to section 11.6.2, any such notice, if mailed by registered mail at any time other than during or within three (3) Banking Days prior to a general discontinuance of postal service due to strike, lockout or otherwise, shall be deemed to have been received on the fourth (4th) Banking Day after the post-marked date thereof, or if sent by facsimile, shall be deemed to have been received on the Banking Day next following the day of sending, or if delivered by hand shall be deemed to have been received at the time it is delivered to the applicable address noted below, provided in each case that if such day is not a Banking Day such notice shall be deemed to have been received on the next succeeding Banking Day. Notice of change of address shall also be governed by this section. In the event of a general discontinuance of postal service due to strike, lock-out or otherwise, notices or other communications shall be delivered by hand or sent by facsimile and shall be deemed to have been received in accordance with this section. Notices and other communications shall be addressed as follows:

(a) if to the Borrower:

Independent Electricity System Operator
120 Adelaide Street West
Suite 1600
Toronto, Ontario, M5H 1T1

Attention: Chief Financial Officer
Facsimile number: (905) 403-6913

(b) if to the Agent:

The Toronto-Dominion Bank
TD Bank Tower, TD Centre
8th Floor
Toronto, Ontario
M5K 1A2

Attention: Managing Director, Corporate Credit
Facsimile number: (416) 944-5630

11.6.2 Any notice or other communication required or permitted to be given by the Borrower hereunder (including without limitation, a Borrowing Notice) shall be given by 10:00 a.m. (Toronto time) on the date stipulated therefor in order to be considered effective on such date, unless the Agent otherwise agrees or unless otherwise expressly provided herein. Any notice actually given after that time will be deemed to be given on the immediately following Banking Day.

11.7 Time

Time is of the essence of the Loan Documents.

11.8 Further Assurances

Whether before or after the happening of an Event of Default, the Borrower shall at its own expense do, make, execute or deliver, or cause to be done, made, executed or delivered by other Persons, all such further acts, documents and things in connection with the Default Facility and the Loan Documents as the Agent may reasonably require from time to time for the purpose of giving effect to the Loan Documents, all as soon as practicable upon the request of the Agent.

11.9 Assignment

11.9.1 This Agreement and the other Loan Documents shall enure to the benefit of and be binding on the parties hereto and thereto, their respective successors and any assignee or transferee of some or all of the parties' rights or obligations under this Agreement and the other Loan Documents as permitted under this section 11.9.

11.9.2 The Borrower shall not assign or transfer all or any part of its rights or obligations under this Agreement or any of the other Loan Documents without the prior written consent of all of the Lenders, with consent may be arbitrarily withheld.

11.9.3 Any Lender (a "**Grantor**") may grant participations in all or part of its rights and obligations in respect of the Default Facility and the Loan Documents to any other Person (a "**Participant**"), at such times and upon such terms as it may deem fit, without any obligation to obtain any consent of the Borrower, provided in each case that:

(a) the Grantor shall remain fully liable for all of its obligations and responsibilities hereunder to the same extent as if such participation had not been granted; and

(b) the Grantor shall administer the participation of the Participant and neither the Participant nor the Borrower shall have any rights against or obligations to, or deal directly with, each other in respect of the participation of the Participant.

(c) such participations shall not result in greater amounts being owed by the Borrower hereunder than would be owed if such participation had not been granted.

11.9.4 Any Lender (an "**Assignor**") may assign or transfer all or part of its rights in respect of the Default Facility and the Loan Documents to, and may have its corresponding obligations in respect thereof assumed by, (a) any other Person which is a financial institution and is not a non-resident of Canada for purposes of the *Income Tax Act* (Canada), at such times and upon such terms as it may deem fit, without any obligation to obtain any consent of the Borrower, or (b) any other Person (i) except during the continuance of an Event of Default, with the prior written consent of the Borrower which consent shall not be unreasonably withheld or delayed and shall be provided as soon as practicable (provided that the Borrower will be deemed to be acting reasonably in declining its consent to an assignment to a non-resident of Canada), and (ii) without the Borrower's consent if an Event of Default has occurred and is continuing, provided in each case that:

(a) any such assignment or transfer shall be not less than $10,000,000 of such Lender's Commitment;

(b) the Assignor and the assignee or transferee (the "**Assignee**") shall enter into an assignment and assumption agreement (the "**Assignment Agreement**") substantially in the form of Schedule 11.9.4, or otherwise in form and substance satisfactory to the Agent and the Assignor, whereby *inter alia* the Assignee agrees to be bound by this Agreement and all Loan Documents relating to the obligations of the Lenders in the place and stead of the Assignor to the extent that the rights and obligations of the Assignor shall have been assigned to and assumed by the Assignee, and shall deliver a copy of the Assignment Agreement so executed to the Agent;

(c) the Assignor shall pay an assignment fee of $3,500 to the Agent;

(d) the Agent shall execute the Assignment Agreement and shall notify the Borrower of the proposed Assignee and the rights and obligations to be assigned or transferred to the Assignee. Subject to the required consent (if any) of the Borrower to the assignment or transfer, the Agent and the Borrower shall execute and deliver the Assignment Agreement, and the Agent shall then deliver a copy of the executed Assignment Agreement to the Assignee and the Assignor. The Borrower shall execute and deliver such other assurances as may be reasonably requested by the Agent to confirm the release and discharge provided for in clause (e) below; and

(e) upon execution of the Assignment Agreement by the Assignor, the Assignee, the Agent and (if the consent of the Borrower is required) the Borrower, the assignment or transfer to the Assignee shall be effective upon the date provided in the Assignment Agreement, and the Assignee shall thereafter be and be treated as a Lender for all purposes of this Agreement and the other Loan Documents and shall be entitled to the full benefit hereof and thereof to the extent of such benefits as are transferred to it by the Assignor and subject to the obligations of the Assignor to the same extent as if the Assignee were an original party in respect of the rights and obligations transferred to and assumed by it, and the Assignor in respect of such assignment shall be released and discharged from all its obligations hereunder in respect of the period from and after the date the assignment or transfer is effective;

(f) as soon as practicable after the assignment or transfer shall have become effective the Agent shall prepare and distribute to the Lenders and to the Borrower an amendment to Schedule 1.1.27 reflecting the adjustments to the Commitments after such transfer or assignment, to which amendment the Borrower hereby agrees.

11.9.5 any assignment, transfer or grant by a Lender as contemplated by this section 11.9 will not constitute a repayment by the Borrower to the Grantor or Assignor, as the case may be, of the assigned or participated portion of the Default Facility, nor an Advance to the Borrower by the Assignee or Participant, as the case may be, and the parties acknowledge that the Borrower's obligations hereunder with respect to the assigned, transferred or participated portion of Loans will continue and not constitute new obligations.

11.10 Exchange of Information

Each Lender may provide to any proposed assignee or participant such information concerning the financial position and the operations of the Borrower as, in the opinion of such Lender, may be relevant or useful in connection with the Default Facility or any portion thereof proposed to be acquired by such assignee or participant, provided that each recipient of such information agrees not to disclose such information to any other Person.

11.11 Counterparts

This Agreement may be signed in any number of counterparts, each of which shall be deemed to be an original, but all such separate counterparts shall together constitute one and the same instrument.

11.12 Entire Agreement

The Loan Documents constitute the entire agreement between the parties hereto pertaining to the matters therein set forth and supercede and replace any prior understandings or arrangements pertaining to the Default Facility. There are no warranties, representations or agreements between the parties in connection with such matters except as specifically set forth or referred to in the Loan Documents.

IN WITNESS WHEREOF this Agreement has been executed by the parties hereto as of the date first written above.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

By: K Marshall

Name: Kimberly Marshall
Title: Vice-President, Corporate Services, Chief Financial Officer and Treasurer

THE TORONTO-DOMINION BANK,
as administration agent

By: ______________________________
Name:
Title:

By: ______________________________
Name:
Title:

THE TORONTO-DOMINION BANK,
as lender

By: ______________________________
Name:
Title:

By: ______________________________
Name:
Title:

IN WITNESS WHEREOF this Agreement has been executed by the parties hereto as of the date first written above.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

By: ______________________________

Name: Kimberly Marshall
Title: Vice-President, Corporate Services, Chief Financial Officer and Treasurer

THE TORONTO-DOMINION BANK,
as administration agent

By: ______________________________

Name: Emilia Casado
Title: Vice President, Loan Syndications-Agency

By: ______________________________

Name:
Title:

THE TORONTO-DOMINION BANK,
as lender

By: ______________________________

Name: Hassan Abbas
Title: Vice President

By: ______________________________

Name: Brendon D'Mello
Title: Director

SCHEDULE 1.1.27

COMMITMENT

Lender		**Commitment**
The Toronto-Dominion Bank	$	150,000,000
Aggregate Commitment	$	150,000,000

SCHEDULE 3.1

BORROWING NOTICE

TO: **THE TORONTO-DOMINION BANK**, as Agent (the "**Agent**")

Re: **Independent Electricity System Operator**

Reference is made to an amended and restated default facility agreement (the "**Default Facility Agreement**") dated as of April 28, 2017 between the Independent Electricity System Operator, as Borrower, the Lenders and the Agent. All terms used in this Borrowing Notice which are defined in the Loan Agreement have the meanings attributed thereto in the Default Facility Agreement.

The Borrower hereby requests a Loan as follows:

1. Type of Loan: ______________________

2. Amount of Loan: ______________________

3. Borrowing Date: ______________________

4. BA Period, if applicable: ______________________

5. Payment instructions (if any): ______________________

____

6. If Rollover or Conversion of another Loan, provide details of other Loan:

   (a) Type: ______________________

   (b) Amount: ______________________

   (c) Maturity Date: ______________________

7. The amount of the Advance attributable to:

   (a) Section 2.1.4.1 defaults is: $ ______________________

   (b) Section 2.1.4.2 interim tax funding is: $ ______________________

   (c) Section 2.1.4.3 clearing the settlement accounts is: $ ______________________

   (d) Section 2.1.4.4 interim funding until maturity of Borrower's investments is: $ ______________________

(e)	Section 2.1.4.5 timing differences with procurement contracts is:	$ __________
(f)	Section 2.1.4.6 establish regulated assets or liabilities is:	$ __________
(g)	Section 2.1.4.7 provide energy sypport programs is:	$ __________
(h)	Section 2.1.4.8 timing differences re: rebates is:	$ __________

All of the representations and warranties of the Borrower in Article 6 of the Loan Agreement are true and correct on the date hereof as if made on and as of the date hereof.

No Default or Event of Default has occurred and is continuing nor is it reasonably anticipated that any Default or Event of Default will occur after giving effect to the aforementioned Loan.

DATED this ________ day of _____________, ____________________

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

By: ______________________________
Name:
Title:

By: ______________________________
Name:
Title:

SCHEDULE 6.1.12

PENSION PLAN

Pension Plan Name	**Ontario Registration Number**
Independent Electricity System Operator Pension Plan	1059112

In addition to benefits provided under the Registered Pension Plan above, the Borrower provides retirement benefits to some employees, which are in excess of those payable from the Registered Pension Plan. These benefits are provided in the form of a registered "Supplementary Employee Retirement Plan", and are funded on a "Pay-As-You-Go Basis". There was an unfunded going concern liability of $28 million under the Registered Pension Plan as of January 1, 2014. There was an unfunded going concern liability of $30.5 million under the Supplementary Employment Retirement Plan as of January 1, 2016.

SCHEDULE 7.1.10

COMPLIANCE CERTIFICATE

TO: THE TORONTO-DOMINION BANK, as agent (the "Agent")

DATE: [■]

This compliance certificate is delivered to you in connection with a second amended and restated default facility agreement (the "**Default Facility Agreement**") dated as of April 28, 2017 between the Independent Electricity System Operator, as Borrower, the Lenders and the Agent (as amended from time to time). All capitalized terms used in this Compliance Certificate have the meanings attributed thereto in the Default Facility Agreement.

I am the duly appointed Chief Financial Officer of the Borrower and as such have knowledge of the matters hereafter expressed, and I hereby certify on behalf of the Borrower and without personal liability that:

1. I am familiar with and have examined the provisions of the Default Facility Agreement.

2. All of the covenants of the Borrower contained in the Default Facility Agreement, together with all of the conditions contained in the Default Facility Agreement have been fully complied with in all material respects to the date hereof.

3. The financial statements attached hereto were prepared in accordance with GAAP (subject to normal year-end adjustments in the case of interim unaudited financial statements) and in all material respects fairly, completely and accurately present the financial condition of the Borrower and the financial information presented therein for the period and as at the date thereof.

4. No Default or Event of Default has occurred. **[If any Default or Event of Default has occurred, please specify the relevant particulars and the period of existence thereof and the action taken or proposed to be taken by the Borrower with respect thereto]**.

____

Name:
Title:

SCHEDULE 11.9.4

ASSIGNMENT AND ASSUMPTION AGREEMENT

ASSIGNMENT AND ASSUMPTION AGREEMENT

as Assignor

- and -

as Assignee

- and -

THE TORONTO-DOMINION BANK

as Agent

- and -

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

as Borrower

ASSIGNMENT AND ASSUMPTION AGREEMENT

Dated as of ________________

ASSIGNMENT AND ASSUMPTION AGREEMENT

This Assignment and Assumption Agreement is made as of ■ (the "**Assignment Date**") among ■ (the "**Assignor**"), a Lender under the Loan Agreement referred to and defined hereafter, ■ (the "**Assignee**"), The Toronto-Dominion Bank (the "**Agent**") and the Independent Electricity System Operator (the "**Borrower**").

RECITALS:

A. Pursuant to a second amended and restated default facility credit agreement dated as of April 28, 2017 (as amended, supplemented and restated from time to time, the "**Loan Agreement**") among the Borrower, the Agent and the financial institutions specified therein as Lenders (collectively, the "**Lenders**"), the Lenders have provided certain credit facilities to the Borrower;

B. The Assignor has agreed to assign and sell to the Assignee [■]% of its right, title and interest in and to the Default Facility, including without limitation [■]% of the Loans outstanding thereunder (the "**Assigned Interest**"), being an aggregate amount of $[■] and the Assignee has agreed to accept and purchase the Assigned Interest and to assume all liabilities and obligations of the Assignor in respect of the Assigned Interest, all effective as of the Assignment Date;

C. The Borrower has requested that the Assignee enter into an agreement pursuant to section 11.9.4 of the Loan Agreement and the Borrower has agreed to acknowledge the release and assumption of the Assigned Interest hereunder.

NOW THEREFORE, in consideration of the foregoing premises, the sum of $10.00 now paid by the Assignor to the Assignee and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Definitions. All terms defined in the Loan Agreement which appear herein without definition shall have the meanings attributed thereto in the Loan Agreement.

2. Conveyance of Assigned Interest. The Assignor hereby assigns, sells, conveys and transfers to the Assignee all of its undivided interest in and to the Assigned Interest, effective as of the Assignment Date, without recourse, representation or warranty of any kind except as expressly set forth in section 4.1 hereof.

3. Assumption. The Assignee hereby accepts and purchases the Assigned Interest, effective as of the Assignment Date, and the Assignee hereby agrees to be bound by the terms and conditions of the Loan Agreement and the other Loan Documents as if it was an original Lender and acknowledges and expressly assumes in the name, place and stead of the Assignor all obligations and liabilities attaching to the Assigned Interest and agrees to perform the terms, conditions and agreements on its part to be performed as a Lender in respect thereof under the Loan Agreement and the other Loan Documents.

4. Representations of Assignor.

4.1 The Assignor hereby represents and warrants and the Borrower hereby acknowledges that:

(a) as of the Assignment Date, the outstanding principal amount under the Assigned Interest and interest and fees accrued and unpaid in respect thereof are as set forth on Schedule "A" hereto; and

(b) as of the Assignment Date, there are no outstanding Borrowing Notices **[except as follows: ■]**. **[Note: This Agreement may need to be modified if the Assignment Date occurs during a BA Period.]**

4.2 The Assignor hereby represents and warrants to the Assignee that:

(a) the Assignor has full power and authority and has taken all action necessary to execute and deliver, to perform its obligations under and to consummate the transactions contemplated by this assignment and assumption agreement and any and all other documents and instruments to be delivered by it in connection with this assignment and assumption agreement; and

(b) the Assignor is the sole legal and beneficial owner of the Assigned Interest, and the Assigned Interest is free and clear of any Liens created by the Assignor in respect of the Assigned Interest.

4.3 It is understood and agreed that, except for the representations and warranties set forth herein, the assignment and assumption made hereunder are without recourse to the Assignor and the Assignor makes no further representations or warranties whatsoever, express or implied.

5. Representation of Borrower. The Borrower hereby represents and warrants that, as of the Assignment Date, no Default or Event of Default has occurred and is continuing.

6. Release by the Borrower. The Borrower hereby acknowledges the release of the Assignor from all obligations and liabilities relating to the Assigned Interest in respect of the period from and after the Assignment Date and acknowledges the assumption of all such liabilities and obligations by the Assignee, effective as of the Assignment Date.

7. Assignor's and Assignee's Commitment. As of and from the Assignment Date, and after giving effect to the increase in the Commitment of the Assignee, the Commitments of the Assignor and Assignee and the Loans outstanding thereunder shall be as set forth in Schedule "B" hereto.

8. Assignee's Acknowledgement. The Assignee hereby acknowledges that it has received a copy of the Loan Agreement, the other Loan Documents and such other documents and information as it has deemed appropriate to make its own credit analysis and determination to enter into this assignment and assumption agreement.

9. **Recognition as Lender**. The parties hereto acknowledge that the Assignee is, by virtue of compliance with the provisions of section 11.9.4 of the Loan Agreement, as of and from the Assignment Date, a Lender under and as defined in the Loan Agreement for the purposes thereof and for the purposes of all other Loan Documents.

10. **Notice**. The Assignee's address for notice is as follows: ■.

11. **Governing Law**. This assignment and assumption agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

12. **Enurement**. This assignment and assumption agreement shall enure to the benefit of and be binding upon the parties hereto and their respective successors and permitted assigns.

13. **Counterparts**. This assignment and assumption agreement may be signed in any number of counterparts, each of which shall be deemed an original, but all such separate counterparts shall constitute one and the same instrument.

IN WITNESS WHEREOF the parties have executed this assignment and assumption agreement under the hands of their proper officers duly authorized in that behalf as of the date first above written.

[ASSIGNOR], as Assignor

By: ________________________________
Name:
Title:

By: ________________________________
Name:
Title:

[ASSIGNEE], as Assignee

By: ________________________________
Name:
Title:

By: ________________________________
Name:
Title:

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

By: ________________________________
Name:
Title:

By: ________________________________
Name:
Title:

THE TORONTO-DOMINION BANK, as agent

By: ______________________________
Name:
Title:

By: ______________________________
Name:
Title:

SCHEDULE "A"

Default Facility	**[insert type of Borrowing outstanding and interest/fees in relation thereto]**

SCHEDULE “B”

<u>**Assignor’s Commitments and Loans**</u>	<u>**Commitments**</u>	<u>**Loans**</u>
Commitment	Cdn. $■	Cdn. $■

Assignee’s Commitments and Loans	**Commitments**	**Loans**
Commitment	Cdn. $■	Cdn. $■