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**From:** Michael Boll [/O=EXCHANGELABS/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=4811917E15054407B665FE16D12FF415-MICHAEL BOL]  
**Sent:** 2017-12-20 10:49:54 AM  
**To:** Peter Gregg [/o=ExchangeLabs/ou=Exchange Administrative Group (FYDIBOHF23SPDLT)/cn=Recipients/cn=eecb5b8abe1a4998a2ee7b2d68b31ccc-Peter Gregg]  
**Subject:** RE: Fair Hydro

Thank you, Peter.

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**From:** Peter Gregg  
**Sent:** December 20, 2017 10:32 AM  
**To:** Michael Boll  
**Cc:** Carole Workman; tim o'neill; Kim Marshall; John Rattray; Anthony Martinello; Jeannette Briggs  
**Subject:** Re: Fair Hydro

Thanks Michael. I have reviewed and I approve as well.

Thanks for all of your hard work on this.

Peter

Sent from my iPhone

On Dec 19, 2017, at 5:09 PM, Michael Boll <[Michael.Boll@ieso.ca](mailto:Michael.Boll@ieso.ca)> wrote:

Tim, Carole and Peter:

Thank you for your approvals of the changes circulated to you on December 17.

As alluded to in my email earlier today, **the purpose of this email is to obtain your approval to additional changes.** Also, given the (hopefully small) possibility of additional changes over the next day, I would ask that you please monitor your email tomorrow in case further changes need to be approved prior to closing on Thursday morning at 9 am.

Changes for Approval

DBRS requested further changes to the Master Transfer and Servicing Agreement, a draft of which we received late last night. In addition, the IESO took the opportunity to request one change to the MTSA and a couple conforming changes to the acknowledgement and indemnity.

Attached are blacklines of the MTSA and Acknowledgement and Indemnity agreements showing the changes to the drafts sent to you on December 17. We recommend these changes be approved and we do not believe any of the changes are material. There are no additional changes to the security agreement.

The changes to the Acknowledgement and Indemnity were proposed by the IESO and are in IESO's favour.

The changes to the MTSA are not material.

- The IESO proposed the change to the definition of Officer's Certificate to provide certainty over the requirements for the certificates being provided by IESO, including that they are provided without personal liability of the officer providing the certificate.
- Section 3.15 clarifies that the letter of credit to be provided by IESO must be provided by a bank that meets the requirements of the rating agencies.
- There are miscellaneous drafting clarifications and the insertion of dates.
- A new section 8.1 has been added to the MTSA, and while it is a dense provision it is not material due to the limited rights of the IESO to receive funds from the Fair Hydro Trust and due to it only being applicable in relation to funds owing by the Fair Hydro Trust to the IESO. A summary of the provision follows:
  - This new section provides that the IESO acknowledges and agrees that it is a Specified Creditor under the Indenture and that its rights under the Indenture as a Specified Creditor are subject to the terms of the Indenture.
  - The consequence of being a Specified Creditor is that IESO will benefit from the security granted by the Fair Hydro Trust, albeit with a priority ranking behind virtually every other creditor. This security will secure the rights of IESO under the agreements between the IESO and the Trust. These rights are very limited, but may include the right to receive certain servicing payments.
  - The purpose of the acknowledgement is for IESO to acknowledge its highly subordinated rights under the Indenture, including its deeply subordinated right or absence of rights to receive amounts in certain accounts established by the Trust.
  - In the event the IESO is a creditor of the Fair Hydro Trust, the IESO acknowledges its subordinated security position and its subordinate right to receive payments after an event of default.
  - The acknowledgement also provides that the IESO, as a Specified Creditor, acknowledges that the exercise of remedies under the Indenture is vested in "Controlling Class Creditors" and that individual Specified Creditors do not have the right to exercise individual remedies.
  - As well, there is an acknowledgement of the limited recourse nature of the obligations of the Trust vis-à-vis the IESO as a creditor.

#### Status Update

Moody's has completed the ratings process (although we do not know the rating) and therefore no further changes should be proposed by Moody's.

DBRS has its rating committee meeting tomorrow so it is possible it may request additional changes later today or tomorrow.

IESO has put its signature pages into escrow and they will only be released from escrow when the IESO has instructed our external counsel to release them on Thursday morning. Your approvals to the above changes are required in order for us to release the agreements from escrow.

I will forward you an email just received outlining the proposed closing mechanics for your information.

Thank you for your patience with these multiple approval steps.

Regards,  
Michael

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**From:** Carole Workman [REDACTED]  
**Sent:** December 19, 2017 1:22 PM  
**To:** Michael Boll

**Cc:** tim o'neill; Peter Gregg; Kim Marshall; John Rattray  
**Subject:** Re: Fair Hydro

Thank you, Michael. I approve

Sent from my iPad

On Dec 19, 2017, at 7:15 AM, Michael Boll <[Michael.Boll@ieso.ca](mailto:Michael.Boll@ieso.ca)> wrote:

Thank you Tim.

At 10:30 last night we received an email with a few additional rating agency requested changes to the MTSA. Once that language is settled this morning I will need to send you a further note with the changes for your approval. Sorry about this. This is not an ideal process.

Sent from my iPhone

On Dec 18, 2017, at 10:20 PM, tim o'neill <[REDACTED]> wrote:

Michael,  
My apologies. I meant to respond earlier. I approve the changes.

Tim

On Mon, Dec 18, 2017 at 9:12 PM, Michael Boll  
<[Michael.Boll@ieso.ca](mailto:Michael.Boll@ieso.ca)> wrote:

This email is to follow up on my email (below) sent yesterday to make sure you received it. It had large attachments so hopefully it did not get stuck in your firewall or spam filters. If you did not receive it, please let me know and I can resend in separate emails.

Please confirm whether you approve the changes to the three agreements, or if you would like to have a call to discuss.

It now appears we are targeting Thursday the 21<sup>st</sup> for the closing but OPG is requesting all signature pages be sent to their lawyers tomorrow to be held in escrow.

Regards,

Michael

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**From:** Michael Boll  
**Sent:** December 17, 2017 1:02 PM  
**To:** [REDACTED]; [REDACTED] Peter Gregg  
**Cc:** Dianne Hayes; Kim Marshall; Anthony Martinello; Jeannette Briggs;  
John Rattray; Reena Goyal  
**Subject:** RE: Fair Hydro

Tim, Carole and Peter,

Following OPG's receipt of rating agency comments last week, there have been a small number of additional changes made to the Fair Hydro Agreements. Attached is a memorandum summarizing the changes together with blacklines showing changes since the update we provided you on December 5.

**If possible, please let me know that you approve these changes by end of day tomorrow, Monday December 18.** I am happy to organize a call if you have questions.

All agreements (including OPG and lending agreements to which IESO is not a party) are being considered by the rating agencies' committees and ratings are to be provided by mid-week. We hope no further changes come out of the ratings process.

The intent of OPG, IESO and the banks is to close the financing entity's bank financing, and the purchase of the IESO's regulatory asset, on December 20 (or possibly 21<sup>st</sup>). OPG has requested that we provide them with IESO signature pages to the three agreements tomorrow if possible to be held in escrow until the closing.

If you approve the changes in the attached agreements we will provide the signature pages to be held in escrow on the condition no further changes are made.

Finally, I do not believe we need you to sign any other documents. Electronic copies of your signatures on the certificate of incumbency should be sufficient.

Regards,

Michael

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**From:** Michael Boll  
**Sent:** December 05, 2017 5:31 PM  
**To:** [REDACTED] Peter Gregg  
**Cc:** Dianne Hayes; Kim Marshall; Anthony Martinello; Jeannette Briggs  
**Subject:** Fair Hydro

Tim, Carole and Peter,

In advance of meeting tomorrow, attached is a memo summarizing the changes to the three Fair Hydro agreements together with blacklines showing changes to the versions provided for the November 22 special Board meeting.

Regards,

**Michael Boll** | Associate General Counsel

Independent Electricity System Operator (IESO) | T: (416) 969-6023

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[REDACTED]  
[REDACTED]

<Compare\_MTSA\_Torys 171214 vs Torys 171219.pdf>

<Compare\_Indemnity\_Torys 171214 vs Torys 171219.pdf>