SERIES 2017-1 SENIOR NOTE

REGISTERED	MAXIMUM PURCHASER GROUP PRINCIPAL AMOUNT
No. R-1	$325,000,000

FAIR HYDRO TRUST

FLOATING RATE VARIABLE FUNDING SENIOR NOTE, SERIES 2017-1

Fair Hydro Trust (herein referred to as the "**Issuer**"), a trust governed by the laws of Ontario and established under a Declaration of Trust dated as of December 20, 2017 for value received, hereby promises to pay to Canadian Imperial Bank of Commerce, or registered assigns, subject to the following provisions, a principal sum of $325,000,000, or, if less, the aggregate unpaid principal amount shown on the schedule attached hereto (and any continuation thereof), which amount shall be payable in the amounts and at the times set forth in the Base Indenture and the Supplemental; provided, that, any Principal Payment Amount due and payable with respect to this Series 2017-1 Senior Note shall be due and payable on the related Principal Payment Date. The Issuer will pay interest on this Series 2017-1 Senior Note in accordance with Section 3.6 of the Supplemental on each Payment Date until the principal of this Series 2017-1 Senior Note is paid or made available for payment, to the extent funds are available in accordance with the terms of the Supplemental. Pursuant to Sections 3.3 and 3.4 of the Supplemental, the principal amount of this Series 2017-1 Senior Note shall be subject to Increases and Decreases on any Business Day during the period commencing on the Closing Date and ending on the Commitment Expiry Date (the "**Revolving Period**"), and accordingly, such principal amount is subject to prepayment in whole or in part at any time. During the Revolving Period, this Series 2017-1 Senior Note is subject to mandatory prepayment, to the extent funds have been allocated to the Principal Accumulation Account and are available therefor, in accordance with Sections 3.4 and Section 3.7 of the Supplemental. Beginning on the first Payment Date following the occurrence of a Series 2017-1 Event of Default or an Event of Default (collectively, a "**Default Event**"), subject to cure in accordance with the Base Indenture or the Supplemental, as applicable, the principal of this Series 2017-1 Senior Note shall be paid in installments on each subsequent Principal Payment Date to the extent of funds available for payment therefor pursuant to the Trust Indenture. Such principal of and interest on this Series 2017-1 Senior Note shall be paid in the manner specified on the reverse hereof.

The principal of and interest on this Series 2017-1 Senior Note are payable in Canadian Dollars. Except as otherwise provided in the Trust Indenture, payments made by the Issuer with respect to this Series 2017-1 Senior Note shall be applied first to interest due and payable on this Series 2017-1 Senior Note as provided above and then to the unpaid principal of this Series 2017-1 Senior Note.

Reference is made to the further provisions of this Series 2017-1 Senior Note set forth on the reverse hereof, which shall have the same effect as though fully set forth on the face of this Series 2017-1 Senior Note. Although a summary of certain provisions of the Trust Indenture is set forth below and on the reverse hereof and made a part hereof, this Series 2017-1 Senior Note does not purport to summarize the Trust Indenture and reference is made to the Trust Indenture for information with respect to the interests, rights, benefits, obligations, proceeds and duties evidenced hereby and the rights, duties and obligations of the Issuer and the Indenture Trustee. A copy of the Trust Indenture may be requested from the Indenture Trustee by writing to the Indenture Trustee at: BNY Trust Company of Canada, One York Street, 6th Floor, Toronto, Ontario M5J 0B6, Attention: Corporate Trust Administration.

Reference is made to the further provisions of this Note set forth on the reverse hereof, which shall have the same effect as though fully set forth on the face of this Note.

Unless the certificate of authentication hereon has been executed by or on behalf of the Indenture Trustee, by manual signature, this Note shall not be entitled to any benefit under the Trust Indenture referred to on the reverse hereof, or be valid for any purpose.

IN WITNESS WHEREOF, the Issuer has caused this Series 2017-1 Senior Note to be duly executed.

Dated: Dec. 21, 2017

By: **COMPUTERSHARE TRUST COMPANY OF CANADA, in its capacity as trustee of FAIR HYDRO TRUST**, as Issuer, by **ONTARIO POWER GENERATION INC., not in its individual capacity but solely as Manager**

By: K Hart
Name:
Title:

By: John Lee
Name:
Title:

INDENTURE TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This is one of the Series 2017-1 Senior Notes described in the within-mentioned Trust Indenture.

BNY TRUST COMPANY OF CANADA, as Indenture Trustee

By: ______________________
Authorized Signatory

Ahmad Adam
Vice-President

FAIR HYDRO TRUST

SERIES 2017-1 FLOATING RATE ASSET BACKED NOTE

Summary of Terms and Conditions

This Series 2017-1 Senior Note is one of a duly authorized issue of Notes of the Issuer, designated as the Floating Rate Variable Funding Senior Note, Series 2017-1 (the "**Series 2017-1 Senior Notes**"), issued under a Trust Indenture, dated as of December 21, 2017 (as may be amended, supplemented, restated, replaced or otherwise modified from time to time, the "**Base Indenture**"), between the Issuer and BNY Trust Company of Canada, as indenture trustee (the "**Indenture Trustee**," which term includes any successor Indenture Trustee under the Base Indenture), as supplemented by the Warehouse Senior Series 2017-1 Supplemental Indenture, dated as of December 21, 2017 (the "**Supplemental**"), and representing the right to receive certain payments from the Issuer. The term "**Trust Indenture**," unless the context otherwise requires, refers to the Base Indenture as supplemented by the Supplemental. Except as set forth in the Supplemental, the Series 2017-1 Senior Note is subject to all of the terms of the Base Indenture. All terms used in this Series 2017-1 Senior Note that are defined in the Supplemental shall have the meanings assigned to them in or pursuant to the Supplemental.

The Series 2017-1 Senior Note is and will be equally and ratably secured by the Collateral pledged as security therefor as provided in the Trust Indenture.

"**Payment Date**" means the 15th day of each calendar month, or, if any such date is not a Business Day, the next succeeding Business Day, commencing January 15, 2018.

As described above, any Principal Payment Amount payable with respect to this Series 2017-1 Senior Note shall be due and payable on the related Principal Payment Date, in accordance with Section 3.7 of the Supplemental. All principal payments of the Series 2017-1 Senior Note shall be made to the Series 2017-1 Senior Noteholders.

Payments of interest on this Series 2017-1 Senior Note are due and payable on each Payment Date or such other date as may be specified in the Supplemental, together with the installment of principal then due, if any, and any payments of principal made on any Business Day in respect of any Decreases, to the extent not in full payment of this Series 2017-1 Senior Note, shall be made by wire transfer to the holder of record of this Series 2017-1 Senior Note (or one or more predecessor Series 2017-1 Senior Notes) on the Note Register as of the close of business on each Record Date. Any reduction in the principal amount of this Series 2017-1 Senior Note (or one or more predecessor Series 2017-1 Senior Notes) effected by any payments made on any Payment Date shall be binding upon all future holders of this Series 2017-1 Senior Note and of any Series 2017-1 Senior Note issued upon the registration of transfer hereof or in exchange hereof or in lieu hereof, whether or not noted thereon.

The Issuer shall pay interest on Monthly Interest Shortfalls at the rate specified in the definition thereof, to the extent lawful.

Subject to the terms of the Trust Indenture, the holder of any Series 2017-1 Senior Note may transfer the same in whole or in part, in an amount equivalent to an authorized denomination, by surrendering such Series 2017-1 Senior Note at the office maintained by the Note Registrar for such purpose pursuant to Section 4.05(c) of the Base Indenture, with the form of transfer endorsed on it duly completed and executed by, or accompanied by a written instrument of transfer in form satisfactory to the Issuer and the Note Registrar by, the holder thereof. In exchange for any Series 2017-1 Senior Note properly presented for transfer, the Issuer shall execute and promptly authenticate and deliver or cause to be authenticated and delivered in compliance with applicable law, to the transferee at such office, or send by mail (at the risk of the transferee) to such address as the transferee may request, Series 2017-1 Senior Notes for the same aggregate principal amount as was transferred. In the case of the transfer of any Series 2017-1 Senior Note in part, the Issuer shall execute and promptly authenticate and deliver or cause to be authenticated and delivered to the transferor at such office, or send by mail (at the risk of the transferor) to such address as the transferor may request, Series 2017-1 Senior Notes for the aggregate principal amount that was not transferred. No transfer of any Series 2017-1 Senior Note shall be made unless the request for such transfer is made by the Series 2017-1 Senior Noteholder at such office. Upon the issuance of transferred Series 2017-1 Senior Notes, the Indenture Trustee shall recognize the holders of such Series 2017-1 Senior Note as Series 2017-1 Senior Noteholders.

Each Series 2017-1 Senior Noteholder, by acceptance of a Series 2017-1 Senior Note, hereby acknowledges and agrees in favour of the Indenture Trustee that it is a Specified Creditor under the Base Indenture and its entitlements as a Specified Creditor are subject to the provisions applicable to Specified Creditors under the Base Indenture including, without limitation, Section 7.12 (Payments To Be Held in Trust), Section 8.11 (Control by Controlling Class Creditors), Section 8.12 (Limitation on Suits), Sections 7.04 through 7.11 and 8.13 (Payment Priorities), Section 8.14 (Limited Recourse), Article IX (Indenture Trustee) (including all limitations of liability thereunder), Section 9.14 (Communications to Specified Creditors) and Section 16.01 (No Petition).

Prior to the due presentment for registration of transfer of this Series 2017-1 Senior Note, the Issuer, the Indenture Trustee and any agent of the Issuer or the Indenture Trustee may treat the Person in whose name this Series 2017-1 Senior Note (as of the day of determination or as of such other date as may be specified in the Trust Indenture) is registered as the owner hereof for all purposes, whether or not this Series 2017-1 Senior Note shall be overdue, and neither the Issuer, the Indenture Trustee nor any such agent shall be affected by notice to the contrary.

The Trust Indenture permits, with certain exceptions as therein provided, the amendment thereof and the modification of the rights and obligations of the Issuer and the rights of the holder of the Series 2017-1 Senior Notes under the Trust Indenture at any time by the Issuer with the consent of the applicable Person(s) specified therein. The Trust Indenture also contains provisions permitting the applicable Person(s) specified therein to waive compliance by the Issuer with certain provisions of the Trust Indenture and certain past defaults under the Trust Indenture and their consequences with respect to the Series 2017-1 Senior Notes. Any such consent or waiver by such Person(s) shall be conclusive and binding upon the Series 2017-1 Senior Noteholders and upon all future holders of this Series 2017-1 Senior Note and of any Series 2017-1 Senior Note issued upon the registration of transfer hereof or in exchange hereof or in lieu hereof whether or not notation of such consent or waiver is made upon this Series 2017-1 Senior Note. The Trust Indenture also permits the Issuer and the Indenture Trustee to amend or waive certain terms and conditions set forth in the Trust Indenture without the consent of any other Person.

The term "the Issuer" as used in this Series 2017-1 Senior Note includes any successor to the Issuer under the Trust Indenture.

The Series 2017-1 Senior Note is issuable only in registered form in denominations as provided in the Trust Indenture, subject to certain limitations set forth therein.

This Series 2017-1 Senior Note and the Trust Indenture, and all matters arising out of or relating to this Series 2017-1 Senior Note or the Trust Indenture, shall be governed by, and construed and interpreted in accordance with, the laws of the Province of Ontario and the federal laws applicable therein, and the obligations, rights and remedies of the parties hereto shall be determined in accordance with such laws.

No reference herein to the Trust Indenture and no provision of this Series 2017-1 Senior Note or of the Trust Indenture shall alter or impair the obligation of the Issuer, which is absolute and unconditional, to pay the principal of and interest on this Series 2017-1 Senior Note at the times, place and rate, and in the coin or currency herein prescribed, subject to any duty of the Issuer to deduct or withhold any amounts as required by law, including any applicable Taxes.

INCREASES AND DECREASES

Date	Unpaid Principal Amount	Increase	Decrease	Total	Notation Made By
12/21/17	$0	$244,274,062.50	-	$244,274,062.50	[illegible]
2/9/18	$244,274,062.50	—	$203,125,000	$41,149,062.50	[illegible]

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto

____
(name and address of assignee)

the within certificate and all rights thereunder, and hereby irrevocably constitutes and appoints, __________________, attorney, to transfer said certificate on the books kept for registration thereof, with full power of substitution in the premises.

Dated: ________________ ____[1]

Signature Guaranteed:

REGISTRATION PANEL

(No writing on this panel except
by the Note Registrar)

Date of Registration	In Whose Name Registered	Signature of Note Registrar
December 21, 2017	Canadian Imperial Bank of Commerce	Ahmad Adam Vice-President

1 NOTE: The signature to this assignment must correspond with the name of the registered owner as it appears on the face of the within Note in every particular, without alteration, enlargement or any change whatsoever.