

ONTARIO POWER GENERATION INC.

DECLARATION OF THE SOLE SHAREHOLDER REGARDING THE BRUCE POWER L.P. LEASE AGREEMENT made this 14th day of October, 2005.

WHEREAS HER MAJESTY THE QUEEN IN RIGHT OF THE PROVINCE OF ONTARIO AS REPRESENTED BY THE MINISTER OF ENERGY (the “**Shareholder**”) is the registered and beneficial owner of all the issued and outstanding shares of Ontario Power Generation Inc. (the “**Corporation**”).

AND WHEREAS the Shareholder has instituted an initiative to increase the long-term supply of electricity generating capacity within the Province of Ontario by facilitating, at the Bruce nuclear power generation facilities, the refurbishment and restart of Bruce A Units 1 and 2, the refurbishment of Bruce A Unit 3, and the replacement of the steam generators of Bruce A Unit 4 (the “**Refurbishment Project**”).

AND WHEREAS the Shareholder wishes to assume the decision making power regarding discrete aspects of the amended and restated lease agreement between the Corporation and Bruce Power L.P. (and certain other parties) dated May 12, 2001, as amended by the First Amendment to the Amended and Restated Lease Agreement between the Corporation and Bruce Power L.P. (and certain other parties) made as of the 1st day of January, 2002, and as amended by the Second Amendment to the Amended and Restated Lease Agreement between the Corporation and Bruce Power L.P. (and certain other parties) dated as of February 14, 2003 (as so amended, the “**Lease Agreement**”), and discrete aspects of the used fuel waste and cobalt 60 agreement between the Corporation and Bruce Power L.P. dated as of May 11, 2001, as amended (as so amended, the “**Used Fuel Agreement**”), in order to facilitate the Refurbishment Project.

AND WHEREAS the Shareholder makes the following declaration pursuant to subsection 108(3) of the *Business Corporations Act* (Ontario) (the “**Act**”) intending the same to be deemed to be a unanimous shareholder agreement within the meaning of the Act.

NOW THEREFORE it is hereby declared that:

1. The rights, powers and duties of the directors (the “**Directors**”) of the Corporation to manage, or supervise the management of, the business and affairs of the Corporation, whether such rights, powers or duties arise under the Act, the articles of amalgamation of the Corporation or the by-laws of the Corporation, or otherwise, are forthwith restricted insofar as they relate to any decision to (i) amend sections 11.3 and 11.5.2.1, and add section 11.5.3 of the Lease Agreement; (ii) add section 11.6 for the assignment of Ancillary Agreements (defined in the Lease Agreement) in the Lease Agreement; (iii) amend section 3.1.3.2 of Schedule 3.1 of the Lease Agreement; (iv) amend sections 5.3.6 and 5.3.7 and add section 5.3.8 of the Used

Fuel Agreement; and (v) amend or add definitions, as necessary, to the Lease Agreement or Used Fuel Agreement to reflect the foregoing amendments (collectively, the “**Restricted Powers**”).

2. The Directors are relieved of all their rights, powers, duties, obligations and liabilities imposed upon them as directors of the Corporation whether arising under the Act or otherwise to the extent the Restricted Powers restrict their powers, duties and obligations.
3. The Shareholder assumes all the rights, powers, duties, obligations and liabilities of the Directors to manage or supervise the management of the business and affairs of the Corporation in connection with the Restricted Powers and, pursuant to subsection 108(5) of the *Business Corporations Act* (Ontario), the directors are thereby relieved of their duties and liabilities, including any liabilities under section 131, to the same extent.
4. The rights, powers and duties vested in the Shareholder pursuant to the provisions of this Declaration may be exercised by or pursuant to a written instrument signed by the Shareholder, in addition to any other method permitted by law.
5. This declaration shall be governed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

IN WITNESS WHEREOF, the Shareholder has duly executed this Declaration as a unanimous shareholder agreement pursuant to subsections 108(2) and 108(3) of the Act.

**HER MAJESTY THE QUEEN IN THE
RIGHT OF THE PROVINCE OF
ONTARIO AS REPRESENTED BY
THE MINISTER OF ENERGY**

Original signed by:

By: _____

Donna Cansfield
Minister of Energy

ONTARIO POWER GENERATION INC.

RESOLUTION OF THE SOLE SHAREHOLDER

Bruce Power L.P. Lease Agreement

WHEREAS Her Majesty the Queen in Right of the Province of Ontario as Represented by the Minister of Energy (the "**Shareholder**") executed a sole shareholder declaration (the "**Shareholder Declaration**") dated October 14, 2005, regarding Ontario Power Generation Inc. (the "**Corporation**").

AND WHEREAS paragraph 1 of the Shareholder Declaration removed from the directors of the Corporation all of their rights, powers and duties in relation to amending: (i) specific sections of the amended and restated lease agreement (the "**Lease Agreement**") between the Corporation and Bruce Power L.P. (and certain other parties) dated May 12, 2001, as amended, and (ii) specific sections of the used fuel waste and cobalt 60 agreement (the "**Used Fuel Agreement**") between the Corporation and Bruce Power L.P. dated as of May 11, 2001, as amended.

AND WHEREAS the Shareholder wishes to exercise its rights and powers under paragraph 1 of the Shareholder Declaration to approve and authorize the amendment of the provisions of the Lease Agreement and the Used Fuel Agreement as further provided below.

NOW THEREFORE BE IT RESOLVED AS A RESOLUTION OF THE SOLE SHAREHOLDER OF THE CORPORATION THAT:

1. the Corporation enter into the third amendment to amended and restated lease agreement (the "**Third Amendment**"), attached hereto at Schedule A, providing for certain amendments to the Lease Agreement and the Used Fuel Agreement;
2. any officer or director of the Corporation is authorized to execute and deliver the Third Amendment in the name and on behalf of the Corporation and under its corporate seal or otherwise; and
3. any officer or director of the Corporation be and is hereby authorized and directed to execute and deliver in the name and on behalf of the Corporation and under its corporate seal or otherwise all such certificates, documents and agreements, and to do and perform all such other acts and things as may be necessary or desirable in order to give effect to and implement the foregoing resolution.

The foregoing resolution is hereby consented to by the sole shareholder of the Corporation pursuant to the provisions of the *Business Corporations Act* (Ontario) this 14th day of October, 2005.

Original signed by Donna Cansfield

Her Majesty the Queen in Right of the
Province of Ontario, as represented by
the Minister of Energy

Schedule A

Third Amendment to Amended and Restated Lease Agreement