

June 22, 2022

The Municipality of Kincardine

1475 Concession 5, RR5
Kincardine, ON N2Z 2X6

Attention: Ms. Roxana Baumann, Chief Administrative Officer

Recitals:

- A. Bruce Power L.P. and the Municipality of Kincardine (the “Municipality”) entered into an agreement effective August 31, 2017, (the “Original Agreement”) pursuant to which the Municipality completed a portion of the work necessary to assess (the “Assessment”) the feasibility of the Municipality providing water and wastewater services (the “Water Services”) to the Bruce Nuclear Generating Station with Bruce Power funding certain of the Municipality’s consultant costs associated with the Assessment.**
- B. Bruce Power and the Municipality are entering into this Agreement in order for the Municipality to undertake the next phase of the work for the potential Water Services.**
- C. Bruce Power has required that the Municipality retain the same Consultants Stantec Consulting Ltd (“Stantec”) and B. M. Ross and Associates Limited (“BMROSS”) used in the first phase for the next phase of the work (the work to be performed by Stantec in the second phase is referred to as the “Stantec Work”, the work to be performed by BMROSS is referred to as the “BMROSS Work” and, collectively the BMROSS Work and the Stantec Work is referred to as the “Work”).**
- D. In accordance with such Bruce Power requirement, the Municipality has retained, or will retain, Stantec to perform the Stantec Work which includes the completion of a Schedule C Class Environmental Assessment for the Kincardine Water Supply System in accordance with the Municipal Class Environmental Assessment Planning and all of the work specified in Stantec’s Work Plan and Budget dated June 6, 2022 (the “Work Plan”) attached as Exhibit 1 to this Agreement.**
- E. In accordance with such Bruce Power requirement, the Municipality has retained, or will retain, BMROSS to perform the BMROSS Work which includes: 1. providing projected water demand information for system requirements beyond Bruce Power servicing; 2. work related to a potential servicing agreement between the Municipality and Bruce Power; 3. review of Stantec documents; 4. attendance at routine meetings with the Municipality, Bruce Power and Stantec; and 5. attendance at public meetings.**

F. Bruce Power has agreed fund the actual cost the Municipality incurs for i. Stantec to perform the Stantec Work, and ii. BMROSS to perform the BMROSS Work, all on the following terms.

Ladies and Gentlemen:

This letter agreement (the “**Agreement**”) is made effective as of the 22nd day of June, 2022 (the “**Effective Date**”) between Bruce Power and the Municipality (collectively, the “**Parties**” and individually, a “**Party**”).

This Agreement sets out the terms for Work to be performed by the Municipality and its subcontractors, Stantec and BMROSS, and the reimbursement by Bruce Power of the costs incurred by the Municipality for the services of Stantec and BMROSS.

Scope of Work & Schedule

The Municipality agrees that it shall cause Stantec to complete the Stantec Work including the work specified in the Work Plan using reasonable efforts to complete the Stantec Work in accordance with the work schedule that is specified in the Work Plan.

Provided that there is no incremental cost above the Stantec Cap, Bruce Power agrees that Stantec and the Municipality shall be permitted to, acting reasonably, make non-material changes to the scope of the Stantec Work, including to complete such other work that is necessarily ancillary to the Stantec Work, as Stantec and the Municipality determine is necessary. The Municipality shall not permit Stantec to proceed with any changes in the scope of Stantec Work that would result in an increase in the Stantec Cap or that would otherwise constitute a material change in the Stantec Work unless it has received Bruce Power’s prior written approval for such change in the Stantec Work.

The Municipality agrees that it shall cause BMROSS to complete the BMROSS Work using reasonable efforts to complete the BMROSS Work in accordance with a work schedule that supports the deliverables and timeline in the Stantec Work Plan.

Provided that there is no incremental cost above the BMROSS Cap, Bruce Power agrees that BMROSS and the Municipality shall be permitted to, acting reasonably, make non-material changes to the scope of the BMROSS Work, including to complete such other work that is necessarily ancillary to the BMROSS Work, as BMROSS and the Municipality determine is necessary. The Municipality shall not permit BMROSS to proceed with any changes in the scope of Work that would result in an increase in the BMROSS Cap or that would otherwise constitute a material change in the BMROSS Work unless it has received Bruce Power’s prior written approval for such change in the BMROSS Work.

Reimbursement

Municipality agrees that the Stantec Work shall be performed at a cost that shall not exceed, in the aggregate, **\$444,914.22** (plus HST) (the “**Stantec Cap**”, as may be amended by the written

agreement of the parties). Unless otherwise agreed in writing, Bruce Power shall not be liable for the cost of any Stantec Work in excess of the Stantec Cap.

Municipality agrees that the BMROSS Work shall be performed at a cost that shall not exceed, in the aggregate, \$**100,000** (plus HST) (the “**BMROSS Cap**”, as may be amended by the written agreement of the parties). Unless otherwise agreed in writing, Bruce Power shall not be liable for the cost of any BMROSS Work in excess of the BMROSS Cap.

The aggregate of the Stantec Cap and the BMROSS Cap of \$544,914.22 (plus HST) is referred to in this Agreement as the Cap.

Bruce Power shall reimburse Municipality for the reasonable subcontractor costs of BMROSS and Stantec for expenses actually incurred by Municipality during the Term of this Agreement in connection with the Work up to an aggregate of the Cap all in accordance with the terms and conditions of this Agreement. Unless otherwise agreed in writing, Bruce Power shall not be liable for any amount in excess of the Cap.

Additional Terms

The Parties agree to comply with the terms set out in Schedule A of this Agreement.

- balance of page intentionally blank -

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the date first set forth above.

BRUCE POWER L.P. BY ITS GENERAL PARTNER BRUCE POWER INC.

By: _____

Name: _____

Title _____

By: _____

Name: _____

Title _____

THE MUNICIPALITY OF KINCARDINE

By: _____

Name: _____

Title _____

By: _____

Name: _____

Title _____

SCHEDULE A – TERMS AND CONDITIONS

1. **Term & Termination.** The term (the “**Term**”) of this Agreement commences on the Effective Date and ends on the earlier of:
 - a. the completion of the Work; and
 - b. the issuance by Bruce Power of notice to immediately terminate this Agreement which Bruce Power may issue to the Municipality in its sole discretion.

2. **Performance Standards.** Municipality shall and shall cause its subcontractors to perform the Work having regard to the best interests of both Municipality and Bruce Power and in accordance with applicable law, using suitably qualified individuals and with the care and skill normally exercised by professionals providing similar services under similar circumstances. Municipality agrees to use and to cause its subcontractors to use commercially reasonable efforts to promptly complete all of the Work as soon as practical.

3. **Deficiencies.** Municipality agrees that it shall cause its subcontractors to correct any deficiencies in the Work at no additional cost to Bruce Power.

4. **Invoicing.** Municipality shall submit monthly statements to Bruce Power on or about the 10th day of each month detailing the actual costs incurred for the Stantec Work and the BMROSS Work during the previous month (collectively, the “**Monthly Statements**”, individually, a “**Monthly Statement**”). Municipality shall include in each **Monthly Statement** all subcontractor invoiced cost received by Municipality during the statement period. Provided that Municipality has complied with the terms of this Agreement in all material respects and has invoiced Bruce Power for such costs, Bruce Power shall reimburse Municipality for these actual costs within 30 days of Bruce Power receiving such invoice. Municipality shall not invoice Bruce Power and agrees that Bruce Power is not liable for any amount that, in the aggregate of all amounts paid or to be paid to Municipality by Bruce Power, exceeds, as applicable, the BMROSS Cap or the Stantec Cap. Municipality shall provide and shall cause its subcontractors to provide any documentation reasonably requested by Bruce Power to verify **Monthly Statements**. Municipality agrees to provide Bruce Power with the hourly rate of each subcontractor personnel that will have time billed to Bruce Power. For certainty, Bruce Power shall not be liable to reimburse any amount to Municipality that cannot be verified with the documentation reasonably requested by Bruce Power or that is incurred after the date of termination of this Agreement.

5. **Costs.** Except as may be agreed to herein, each Party agrees to individually bear its own costs in connection with the Work, including, without limitation, in connection with the preparation and/or review of any definitive agreements for the provision of the Water Services and for any negotiations relating thereto (“**Definitive Agreements**”).

6. **Subcontracting.** The Municipality will not subcontract any other component of the Work to any party other than Stantec or BMROSS without Bruce Power’s prior written consent, such consent not to be unreasonably withheld or delayed (any third party, undertaking any portion of the Work is referred to as a “**subcontractor**” and collectively the “**subcontractors**”).

The Municipality will require that each subcontractor comply with the terms and conditions of this Agreement.

7. **Reporting.** The Municipality agrees that it shall provide full and complete disclosure to Bruce Power of the Work and all of its components, including all drawings, invoices and reports prepared by Municipality or its subcontractors (including Stantec and BMROSS) and such other related information reasonably requested by Bruce Power. The Municipality shall, and shall cause Stantec and BMROSS, to meet with Bruce Power from time to time to discuss the status of the Work and shall provide cost and schedule reporting in each case as is reasonably requested by Bruce Power. Bruce Power agrees that if such reporting and meetings is outside the scope of the Work, the Cap shall be adjusted to account for the increase reporting and/or meetings above those contemplated in the Work.

8. **Limitation of Liability.** In the event of breach of this Agreement by either Party it is agreed that the remedy of the non-breaching Party shall be limited to the recovery of its direct costs and applicable overhead expended in performing its obligations under this Agreement and there shall be no liability for loss of present or prospective profits or any other incidental, consequential, or special damages for or in respect of such breach whether arising in contract, warranty, tort or otherwise. Municipality and Bruce Power each agree that the other's liability under this agreement shall not exceed the costs and expenses reasonably incurred by Municipality for the subcontractors in connection with the Work and, in any event, shall not, in the aggregate, exceed the Cap.

9. **Point of Contact.**

Each Party will designate in writing one or more individuals within its organization as its point of contact for the purposes of this Agreement. Initially, the designated points of contact are:

To: Bruce Power L.P.
Name: Jennifer Edey
Senior Vice-President, Operational Services and Business
Title: Development
Address: 177 Tie Road, Tiverton, ON
E-mail: JENNIFER.EDEY@brucepower.com

To: Municipality of Kincardine
Name: Adam Weishar
Title: Director of Infrastructure & Development
Address: 1475 Concession 5, R.R.#5, Kincardine ON, N2Z 2X6,
E-mail: aweishar@kincardine.ca

A Party may change its point of contact at any time by notice in writing of such change to the other Parties in writing. Any notice or other communication to be given in connection with this Agreement must be given in writing and will be given by personal delivery or by electronic means of communication addressed to the recipient's point of contact identified in accordance with the provisions of this Section.

10. **Legal Commitment.** The Parties acknowledge and agree with each other that until one or more Definitive Agreements have been executed, the Parties will not be under any legal obligation to pursue or consummate the Water Services or enter into any Definitive Agreements by virtue of this Agreement. Entering into any one or more Definitive Agreements shall be at the sole and unfettered discretion of each Party.

11. **Miscellaneous.**

- a. This Agreement and the Original Agreement constitute the entire agreement between the Parties with respect to the subject matter hereof and supersedes any previous understandings, commitments, or agreements, oral or written with respect to the subject matter hereof. No changes may be made in this Agreement without the written agreement of duly authorized representatives of each of the Parties. Each Party represents and warrants to the other that there is no agreement between it and any other person, firm, or corporation which would cause this Agreement not to have full force and effect.
- b. Paragraph headings herein are for convenience only and shall not limit in any way the scope or interpretation of any provision of this Agreement.
- c. This Agreement is governed by and will be construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein. All Parties hereby attorn to the non-exclusive jurisdiction of the courts of the Province of Ontario in respect of any dispute arising out of this Agreement.
- d. No Party may assign its interest in this Agreement to any other party without the prior written consent of the other Party.
- e. This Agreement may be executed in any numbers of counterparts, each of which will be deemed to be an original and all of which taken together will be deemed to constitute one and the same instrument.
- f. Delivery of an executed signature page of this Agreement by a Party by electronic transmission will be as effective as delivery of a manually executed copy of the Agreement by such Party.
- g. If any provision of this Agreement is held to be invalid or unenforceable in whole or in part, such invalidity or unenforceability will attach only to such provision or part thereof and the remaining part of such provision and all other provisions hereof will continue in full force and effect.
- h. No failure or delay by a Party in exercising any right, power or privilege under this Agreement or otherwise will operate as a waiver thereof, nor will any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege hereunder or otherwise.
- i. Unless otherwise specified, all references to money amounts are to the lawful currency of Canada.

- j. The Parties shall with reasonable diligence do all such things and provide all such reasonable assurances as may be required to consummate the transactions contemplated by this Agreement, and each Party shall provide such further documents or instruments required by any other Party as may be reasonably necessary or desirable to effect the purpose of this Agreement and carry out its provisions.
- k. Neither Party has the authority to act as agent for the other Party nor shall either Party have the right to enter into any binding legal obligation on behalf of the other party.
- l. All continuing rights, obligations and provisions intended to survive under this Agreement will survive the termination or expiry of the Term and of this Agreement.

Exhibit 1 – Stantec Work Plan