

November 30, 2023

The Municipality of Kincardine
1475 Concession 5, RR5
Kincardine, ON N2Z 2X6

Attention: Ms. Jillene Bellchamber-Glazier, Chief Administrative Officer

Recitals:

- A. Bruce Power L.P. and the Municipality of Kincardine (the “Municipality” or “Kincardine”) 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 feasibility of the Municipality providing water and wastewater services (the “Water Services”) to the Bruce Nuclear Generating Station.**
- B. Bruce Power and the Municipality entered into an agreement effective June 22, 2022 (the “2022 Funding Agreement”) pursuant to which Kincardine agreed to undertake the next phase of the work to assess the feasibility of Kincardine providing Water Services to the Bruce Site; such work 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 process (the “Schedule C Class EA”), with Bruce Power funding the actual work to be performed by each of Kincardine’s consultants B.M. Ross and Associates Limited (“BMROSS”) and Stantec Consulting Ltd. (“Stantec”), in each case up to a not-to-exceed cap.**
- C. Bruce Power and the Municipality entered into an agreement effective October 16, 2023 (the “Water Supply Agreement”) pursuant to which Bruce Power and Kincardine agreed to terms relating to the purchase and sale and supply of Drinking Water to the Bruce Site.**
- D. Bruce Power and the Municipality now wish to enter into this Agreement to document the completion of the Phase 1 Scope of Work, as such term is defined in the Water Supply Agreement, and the Parties’ agreement to execute the Phase 2 Scope of Work, as defined in the Water Supply Agreement, and set a cost cap for the Municipality to execute the Phase 2 Scope of Work.**
- E. Bruce Power has required that the Municipality retain Stantec and BMROSS to execute the Phase 2 Scope of Work.**
- F. In accordance with such Bruce Power requirement, the Municipality has retained, or will retain, Stantec to perform certain portions of the Phase 2 Scope of Work, which includes the completion of design and tender for upgrades to the water treatment plant and the Physical Facilities for the Kincardine Drinking Water System and all of the work specified in Stantec’s work plan dated November 24, 2023 (the “Work Plan”) attached as Schedule C to this Agreement (such work is referred to herein as the “Stantec Work”).**

G. In accordance with such Bruce Power requirement, the Municipality has retained, or will retain, BMROSS to perform certain portions of the Phase 2 Scope of Work, which consists of: 1. work related to the Water Supply Agreement; 2. review of Stantec documents; and 3. attendance at routine meetings with the Municipality, Bruce Power and Stantec (collectively, such work is referred to herein as the “BMROSS Work” and the Stantec Work and the BMROSS Work are collectively referred to herein as the “Work”).

H. Bruce Power will fund the actual cost for i. Stantec to perform the Stantec Work, and ii. BMROSS to perform the BMROSS Work, subject to the terms of this Agreement.

This letter agreement (the “**Agreement**”) is made effective as of the 13 day of December, 2023 (the “**Effective Date**”) between Bruce Power and the Municipality (collectively, the “**Parties**” and individually, a “**Party**”). Capitalized terms used but not defined in this Agreement have the meaning set out in the Water Supply Agreement.

The Municipality of Kincardine and Bruce Power L.P. hereby agree as follows:

Phase 1 Completion

The Parties confirm that the Phase 1 Scope of Work has been completed, subject to and in accordance with the following:

1. All of the work contemplated by the 2022 Funding Agreement, entailing four sub-phases comprised of (i) public consultation, (ii) environmental/archeological/geotechnical studies (including completion of the Schedule C Class EA), (iii) technical analysis and (iv) preliminary design and drawings is complete, except for the Ministry of Environment, Conservation and Parks and public Notice of Completion periods required as part of the Class EA completion.
2. All of the work required to identify and agree on general location and size of the property, if any, required pursuant to Subsection 3.3.2 of the Water Supply Agreement for purposes of constructing the primary booster pumping station is complete, and Bruce Power has informed the Municipality of the need to enter into an option to purchase the land for a booster pumping station.
3. The Parties have agreed that the facilities listed in Schedule C to the Water Supply Agreement are the facilities required to be constructed up to the Connection Point in order to provide the Bruce Site with Drinking water from the Kincardine Drinking Water System, excluding the Drinking Water storage facility, which the Parties hereby agree is not required.
4. The Proportionate Share for each of the Physical Facilities and the design cost for the expansion of the WTP shall be as follows:
 - i) for the design cost of the expansion of the Water Treatment Plant: 42.47% Municipality and 57.53% Bruce Power; and
 - ii) for the Physical Facilities: 100% Bruce Power.
5. The Phase 1 All-In Estimate shall be set at \$13,341,764 and shall be as set out in Schedule B to this Agreement. The Parties agree that the Phase 1 All-In Estimate is not a Class 3 Estimate, as required in the Water Supply Agreement, but is a mix of Class 3 and 4 estimates.

Phase 2 Approval

The Parties wish to execute Phase 2 of the Project pursuant to the Water Supply Agreement and the Phase 2 Scope of Work which consists of the following:

(a) the work required to finalize the design, prepare the “for construction” drawings, facilitate the issuance of the Tender for the construction and commissioning of the Physical Facilities and the expansion of the WTP by the Municipality and receipt of bids from the bidders; and

(b) the work required to finalize an agreed price for purchase of the property, if any, required pursuant to Subsection 3.3.2 of the Water Supply Agreement for purposes of constructing the primary booster pumping station, and,

(c) by the end of the foregoing requirements, the Municipality shall deliver a Class 2 Estimate and a Phase 2 All-In Estimate to Bruce Power for consideration.

Scope of Work

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

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 timelines in the Stantec Work Plan.

Reimbursement

Municipality agrees that the Work shall be performed at a cost that shall not exceed, in the aggregate **\$1,320,117** (plus HST), of which the Bruce Power Proportionate Share is **\$997,769** (such Proportionate Share of Bruce Power is the “**Phase 2 Cost 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 Work in excess of the Phase 2 Cost Cap.

The Municipality may invoice Bruce Power up to the Phase 2 Cost Cap prior to the start of Phase 2. If the actual final cost of the Work (the “**Actual Cost**”) is less than the Phase 2 Cost Cap, and the Water Supply Agreement does not proceed to Phase 3, any overpayment by Bruce Power above Bruce Power’s Proportionate Share of the Actual Cost shall be refunded to Bruce Power. If the Water Supply Agreement progresses to Phase 3, any overpayment made by Bruce Power above Bruce Power’s Proportionate Share of the Actual Cost will be shown as a credit on the first Phase 3 invoice delivered to Bruce Power.

Additional Terms

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

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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 reasonably possible.
3. **Deficiencies.** Municipality agrees that it shall cause its subcontractors to correct any deficiencies in the Work at no additional cost to Bruce Power unless agreed to by Bruce Power in writing.
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, or Municipality may drawdown from any funds advanced by Bruce Power pursuant to the “**Reimbursement**” section of the letter agreement to which this Agreement is attached, for Bruce Power’s Proportionate Share of 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 the Phase 2 Cost 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 Phase 2 Cost 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. **Miscellaneous.**

- a. This 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.

Schedule B – Phase 1 All-In-Estimate

Phase 1 All-In Estimate	
Phase 1	
Environmental Assessment & Conceptual Design (includes Owner's Engineer)	544,914
Phase 2	
Phase 2 WTP Design & Tender Issue - Bruce Power (57.53%)	436,654
Phase 2 WTP Design & Tender Issue - Municipality (42.47%)	322,348
Phase 2 Physical Facilities Design & Tender Issue	493,615
Owner's Engineer	30,000
Land Option & Natural Heritage	37,500
Total	1,320,117
Phase 3	
Water Treatment Plant	
Construction	5,474,000
Contingency 15%	821,100
Engineering - Bruce Power (57.53%)	246,589
Engineering - Municipality (42.47%)	182,038
Installation & Commissioning	136,850
Booster Pumping Station and Watermain	
BPS Land acquisition	125,000
Booster Pumping Station Construction	1,750,000
Watermain Construction and Restoration	1,810,000
Contingency 15%	534,000
BPS and Watermain - Engineering	278,756
Inspection and Testing	53,400
Owner's Engineer	65,000
Total	11,476,733
Phase 1 All-In Estimate Total	
	13,341,764

Schedule C – Stantec Work Plan

Phase	Anticipated Completion Date
Project Initiation	Week of Dec 18, 2023
PRE-DESIGN AND INVESTIGATIVE SERVICES	
Investigative Services	May 31, 2024
Pre-Design	March 1, 2024
40% PRELIMINARY DESIGN	
WTP Drawings	March 29, 2024
BPS Drawings	April 5, 2024
Watermain/Chamber Drawings	March 29, 2024
Construction Cost Estimate Update	April 19, 2024
Draft PDR	April 5, 2024
60% DETAILED DESIGN	
WTP Drawings	May 31, 2024
BPS Drawings	May 24, 2024
Watermain/Chamber Drawings	May 24, 2024
Construction Cost Estimate Update	June 7, 2024
Draft PCN	Aug 9, 2024
Updated Design Report	May 31, 2024
Commissioning Plan (Draft)	June 14, 2024
90% DETAILED DESIGN	
WTP Drawings	Aug 2, 2024
BPS Drawings	July 12, 2024
Watermain/Chamber Drawings	July 5, 2024
Construction Cost Estimate Update	Aug 16, 2024
Final Design Report	July 12, 2024
Final PCN	May 31, 2024
Approval Packages (DWWP, OBC, CA)	Aug 2, 2024
Final Specifications	Aug 16, 2024
100% PACKAGE/TENDERING	
3 Tenders (WTP, BPS, WM/Chamber)	Sept 30, 2024
Pre-Tender Meeting	Oct 16, 2024
Tender Recommendations	Nov 13, 2024