

December 7, 2015

COMMUNITY MEASURES AGREEMENT

THIS AGREEMENT is dated as of the ___ day of December, 2015 (the “Effective Date”)

BETWEEN:

CITY OF FORT ST. JOHN, a municipal corporation continued
under the *Local Government Act*, R.S.B.C. 1996, c. 323

(“City”)

AND:

BRITISH COLUMBIA HYDRO AND POWER AUTHORITY, a
corporation constituted under the authority of the *Hydro and
Power Authority Act*, R.S.B.C. 1996, c. 212, as amended

(“BC Hydro”)

WHEREAS:

- A. BC Hydro has proposed to construct and operate the Site C Clean Energy Project, consisting of a dam and hydroelectric generating station on the Peace River, approximately seven kilometres southwest of the community of Fort St John, a reservoir, and other components (the “Project”);
- B. In a process agreed to by the Parties, BC Hydro and the City have engaged in extensive consultations in respect of the potential impacts of the Project on the community of Fort St. John and certain issues, interests and concerns with the Project raised by the City.
- C. BC Hydro and the City have agreed that by constructing and operating the Project and implementing the measures set out in Schedule 1, such issues, interests and concerns will be addressed.
- D. BC Hydro and the City wish to enter into this Agreement to define the legally binding obligations that BC Hydro and the City owe to each other with respect to the Project and the measures set out in Schedule 1;
- E. There are two types of measures set out in Schedule 1: measures based on those proposed in the Environmental Impact Statement (defined below), and additional measures that BC Hydro proposes in response to particular interests raised by the City;

- F. The Parties agree that it is beneficial to both Parties to specify in the body of this Agreement some of those measures, in particular: i) the additional measures proposed in response particular interests of the City and ii) certain of the measures that, although proposed by BC Hydro in the EIS, primarily or solely relate to the City.

NOW THEREFORE in consideration of the premises and the mutual covenants and agreements of the Parties contained in this, the Parties agree as follows:

ARTICLE 1 INTERPRETATION

1.1 Definitions. Capitalized words or phrases not defined elsewhere in this Agreement have the following meanings:

- (a) “85th Avenue Industrial Lands” means those parcels of land owned by BC Hydro located in the PRRD adjacent to Fort St. John as described in Schedule 2;
- (b) “Agreement” means this Community Measures Agreement, including its recitals and attached Schedule(s);
- (c) “Authorization” means any right, tenure, permit, certificate, approval, licence, investigative use permit, temporary use permit, order or exemption or any other decision or action granted, issued, made or taken or to be granted, issued, made or taken by any governmental authorities in connection with the Project and any amendments or supplements to or replacements of the same, including the Environmental Assessment Certificate and the Decision Statement;
- (d) “BC Housing” means the BC Housing Management Commission;
- (e) “Construction Period” means the period from the Construction Start Date to the Construction Stop Date;
- (f) “Construction Period Payments” has the meaning set out in Section 3.3(b);
- (g) “Construction Start Date” means July 27, 2015;
- (h) “Construction Stop Date” means the date on which all generating units installed as part of the Project are commissioned to commence continuously generating electricity in a manner that meets BC Hydro’s system interconnection requirements, as those requirements are described in the BC Hydro document entitled “60kv to 500kv Technical Interconnection Requirements for Power Generators” and as that document may be updated, amended or replaced from time to time, as determined by BC Hydro in its sole discretion, provided that:

- (i) if the installation or energization of one or more (but not all) of the generating units is delayed as a result of a manufacturer's defect, design issue or by force majeure, then the Construction Stop Date will occur on the date that all generating units other than the affected generating unit(s) are energized in the manner set out above; and
 - (ii) if this Agreement is terminated in accordance with Section 6.2 then the "Construction Stop Date" means the date on which BC Hydro or its contractors complete the physical activities required for substantial completion of decommissioning and restoration in accordance with all applicable regulations in effect at that time, as determined by BC Hydro in its sole discretion and communicated to the City in writing;
- (i) "Construction Year" means the 12 month period commencing on the Construction Start Date and each succeeding 12 month period commencing on an anniversary of the Construction Start Date that falls within the Construction Period;
 - (j) "Contractual Measures" means the measures set out in Article 3;
 - (k) "Decision Statement" means in respect of the Project a decision statement issued to BC Hydro by the federal Minister of Environment under Section 54 of the *Canadian Environmental Assessment Act, 2012*, S.C. 2012, c. 19, s. 52 (as amended);
 - (l) "Environmental Assessment" means the environmental assessment of the Project conducted pursuant to the *Canadian Environmental Assessment Act, 2012* and the *B.C. Environmental Assessment Act*, and carried out in accordance with the "Agreement to Conduct a Cooperative Environmental Assessment, Including the Establishment of a Joint Review Panel, of the Site C Clean Energy Project" dated February 8, 2012, as amended in August 2012;
 - (m) "Environmental Assessment Certificate" means in relation to the Project an environmental assessment certificate issued to BC Hydro by the provincial Minister of the Environment under Section 17(3) of the *B.C. Environmental Assessment Act*, S.B.C. 2002, c. 43 (as amended);
 - (n) "Environmental Impact Statement" or "EIS" means the environmental impact statement prepared in respect of the Project and submitted for purposes of the Environmental Assessment;
 - (o) "Fort St. John Water Supply Monitoring and Mitigation Plan" means the plan for water supply monitoring and mitigation described in Section 3.11 and attached as Schedule 4, as amended from time to time;

- (p) “In-Community Housing” means the 50 units of purpose-built rental accommodation to be constructed in the community of Fort St. John by BC Housing, of which 40 units will be occupied by BC Hydro’s workforce during the Construction Period and transitioned to permanent affordable housing after the Construction Period, and 10 units will be developed for use by the community as affordable housing;
- (q) “MOTT” means the Ministry of Transportation and Infrastructure;
- (r) “North Bank Area Roads” means those portions of the following routes that are located within an area that is bounded to the south by the Peace River, to the north by Highway 97, to the west by 269 Road (and including 269 Road) and to the east by 100th Street: (i) 269 Road; (ii) 240 Road; (iii) Old Fort Road; (iv) 85th Avenue and (v) 271 Road;
- (s) “Northern Health” means the Northern Health Authority, a regional health board continued pursuant to Section 4(1) of the *Health Authorities Act*, R.S.B.C. 1996, c. 180;
- (t) “Party” means BC Hydro or the City;
- (u) “PRRD” means the Peace River Regional District;
- (v) “Project” has the meaning set out in paragraph A of the Recitals;
- (w) “Proposed Measures” means all of the measures described in the document attached hereto as Schedule 1 except (i) the measures set out in that document at paragraphs [1(a-f), 2(g), 3(a)(i), 5(a, b), 11(a)(iii, iv), 12(d, i), 13(c, d), 17(b, c), 20(a), 21(b), 22(d), 24(a), 25(a, b), 26(c), 27(c, d), 29(a-d) and Appendix D] [Note: Subject to final review. “Spent” obligations to be added here.] and (ii) that portion or aspect of any Required Measure that is substantially achieved by BC Hydro as a result of measures that are implemented by BC Hydro in order to comply with the Environmental Assessment Certificate, the Decision Statement or other Authorization, or any conditions imposed pursuant to any of the foregoing, or to comply with any applicable law;
- (x) “Required Measures” means any of the measures described in the document attached hereto as Schedule 1 which are similar to or are intended to achieve a similar result to measures that are implemented by BC Hydro in order to comply with the Environmental Assessment Certificate, the Decision Statement or other Authorization, or any conditions imposed pursuant to any of the foregoing, or to comply with any applicable law;

- (y) “Section 35(1) Rights” means in respect of any First Nation or aboriginal group, the asserted Aboriginal or treaty rights of that First Nation or aboriginal group under Section 35(1) of the *Constitution Act, 1982*;
- (z) “Site Master Plan” has the meaning set out in Section 3.1(g);
- (aa) “Traffic Monitoring and Mitigation Plan – Fort St. John and North Bank Area Roads” means the plan for traffic monitoring and mitigation described in Section 3.8 and attached as Schedule 3, as amended from time to time; and
- (bb) “Workforce Camp” means the temporary workforce accommodation to be constructed and operated at the Dam site as contemplated in Section 4.3.6.2 of the EIS.

1.2 Interpretation. In this Agreement:

- (a) if a word or phrase is defined, then its other grammatical forms will have a corresponding meaning, the singular may include the plural and conversely, and a reference to any gender includes all genders;
- (b) the words “include”, “includes” and “including” are to be read as if followed by the words “without limitation”;
- (c) headings are for convenience only and do not form part of this Agreement nor affect its interpretation;
- (d) if the time for doing an act required to be done under this Agreement falls or expires on a day that is not a business day, the time is extended to the end of the next business day;
- (e) the language in this Agreement expresses the mutual intent of the Parties and no rule of strict construction will be applied against either Party;
- (f) except as expressly stated herein, where a reference is made to the Parties consulting with one other, discussing, working together collaboratively on, or jointly developing any document, plan or thing, or any other similar phrase, the Parties will work diligently and in good faith to attempt to reach agreement without undue delay, provided that, for greater certainty, the Parties are not required to reach final agreement in respect of such document, plan or thing provided that the Parties have acted reasonably, in good faith and without undue delay in seeking such agreement;

- (g) where BC Hydro is required to make a payment under this Agreement, the amount specified is inclusive of all taxes that may also be payable in respect of such payment;
- (h) where BC Hydro is required under this Agreement to implement a measure, BC Hydro will implement that measure or will ensure that its contractors do so; and
- (i) where a reference is made to a statute, then the reference includes any regulations related to the statute and references to statutes or regulations include all amendments thereto and any statutes or regulations that replace, amend, or supersede the same.

1.3 The following Schedules are attached to this Agreement:

Schedule 1 – Site C Clean Energy Project – BC Hydro’s Proposed Measures to Provide a Lasting Benefit to the Community of Fort St. John.

Schedule 2 –85th Avenue Industrial Lands: Legal Description of Parcels.

Schedule 3 - Traffic Monitoring and Mitigation Plan, Fort St. John and North Bank Area Roads

Schedule 4 - Fort St. John Water Supply Monitoring and Mitigation Plan

1.4 Unless otherwise expressly stated herein, if there is any inconsistency between the terms contained in the body of this Agreement and the terms contained in its Schedules, then the terms contained in the body shall govern the interpretation of this Agreement (but only to the extent required to remove the inconsistency).

1.5 Notwithstanding any other provision in this Agreement, BC Hydro is under no obligation to perform any action or implement any Contractual Measure or Proposed Measure to the extent it would preclude compliance with:

- (a) the Environmental Assessment Certificate, the Decision Statement, or other Authorization, or any conditions imposed pursuant to any of the foregoing;
- (b) BC Hydro’s obligations:
 - (i) as Crown agent to consult any First Nation or other aboriginal group potentially affected by the Project in respect of its Section 35(1) Rights; or
 - (ii) under any accommodation measures proposed or agreed between BC Hydro or the Crown and any affected First Nation or aboriginal group in respect of its Section 35(1) Rights; and

- (c) any other applicable law.

ARTICLE 2 PROPOSED MEASURES

- 2.1** Subject only to Section 1.5 of this Agreement, BC Hydro will implement the Proposed Measures, including that portion or aspect of any Required Measure that has not been substantially achieved by BC Hydro as a result of measures that are implemented by BC Hydro in order to comply with the Environmental Assessment Certificate, the Decision Statement or other Authorization, or any conditions imposed pursuant to any of the foregoing, or to comply with any applicable law.

ARTICLE 3 CONTRACTUAL MEASURES

3.1 85th Avenue Industrial Lands

- (a) If the City makes an application to extend the municipal boundaries of Fort St. John to include the 85th Avenue Industrial Lands in the municipal boundaries (an “Expansion Application”) during the Construction Period, and either of the following conditions is met:
- (i) The Expansion Application is made in or after the final Construction Year; or
 - (ii) the Expansion Application includes terms to the effect that BC Hydro’s costs related to grants-in-lieu in respect of the 85th Avenue Industrial Lands will not increase as a result of the change in jurisdiction prior to 2024,

then BC Hydro will deliver a letter to the City or Provincial government, as requested, confirming that BC Hydro is in favour of the Expansion Application as it applies to the 85th Avenue Industrial Lands.

- (b) The City agrees that the delivery of such a letter and BC Hydro’s support of an Expansion Application will not be, and the City will not take the position that they are, an acknowledgment or agreement by BC Hydro that BC Hydro or anyone performing services or work on behalf of BC Hydro, including its employees, contractors, subcontractors and agents, are subject to, or have attorned to, any laws, including City bylaws, that are not otherwise applicable to BC Hydro and those performing services or work on behalf of BC Hydro, including its employees, contractors, subcontractors and agents.

- (c) BC Hydro will provide the City and the PRRD with copies of the draft Environmental Protection Plans for the development and use of the 85th Avenue Industrial Lands so that the City and the PRRD may have an opportunity to provide information and advice based on any applicable environmental and human health standards and guidelines of the City or the PRRD, including applicable bylaws relating to noise, nuisance, traffic and unsightly premises. BC Hydro will take that feedback into account when finalizing the Environmental Protection Plans.
- (d) In respect of BC Hydro's planned use of 85th Avenue Industrial Lands during the Construction Period, BC Hydro will implement the measures specifically referred to in Appendix "A" to Schedule 1.
- (e) If during the Construction Period or within 5 years of the Construction Stop Date BC Hydro decides to sell all or any of the 85th Avenue Industrial Lands then BC Hydro will promptly notify the City and BC Hydro and the City will meet and enter into good faith negotiations to attempt to agree upon terms and conditions under which BC Hydro will sell and the City will purchase some or all of the 85th Avenue Industrial Lands.
- (f) If BC Hydro and the City have not entered into a purchase and sale agreement in respect of such Lands on terms satisfactory to each party in their sole discretion within 60 days of BC Hydro's delivery of a notice advising the City of its intention to sell (or such other period as the Parties may mutually agree in writing), then BC Hydro may at any time after such period has elapsed negotiate and enter into a purchase and sale agreement or agreements with any third party or parties in respect of the sale of the 85th Avenue Industrial Lands, free from any claim or interest whatsoever by the City, provided that for 90 days after such period has elapsed, BC Hydro may not negotiate or enter into a purchase and sale agreement in respect of the 85th Avenue Lands with any third party or parties on terms and conditions that are in aggregate more favourable than the terms and conditions offered by BC Hydro to the City.
- (g) By the end of Construction Year 2, BC Hydro will provide a forecast of the anticipated end date of construction related activity at the 85th Avenue Industrial Lands. Upon receiving a request of a local government having jurisdiction over the 85th Avenue Industrial Lands by no later than 24 months prior to BC Hydro's anticipated end date of construction related activity at the 85th Avenue Industrial Lands, BC Hydro will pay that local government \$50,000 of its costs of developing a site master plan for the 85th Avenue Industrial Lands that is consistent with light industrial zoning within and around the perimeter of the 85th Avenue Industrial Lands (the "Site Master Plan"). If the Site Master Plan is

received by BC Hydro no later than 12 months before BC Hydro's anticipated end date of construction related activity at the 85th Avenue Industrial Lands, then BC Hydro will take that Site Master Plan into account in determining final land profiles and retention of or removal of roads, berms, fencing, vegetation and drainage features in its site reclamation plan for the 85th Avenue Industrial Lands and will make its site reclamation plan consistent with the Site Master Plan for the development of the 85th Avenue Industrial Lands for light industrial use.

- (h) BC Hydro will ensure that all necessary contracts with third parties provide, or are capable of being amended to provide, that any site reclamation plan for 85th Avenue Industrial Lands may be subject to amendment or change in order for BC Hydro to meet the commitment set out at s. 3.1(g).

3.2 Collaboration, Coordination and Joint Decision-Making

- (a) Within 30 days of (i) the Effective Date and (ii) BC Hydro receiving an invoice issued by the City, BC Hydro will pay the City \$125,000 in respect of the City's collaboration and technical engagement efforts. This amount is in addition to any amount that BC Hydro has previously committed to pay to the City under the Local Government Contribution Agreement dated February 5, 2011 (as extended from time to time) and the Memorandum of Understanding between BC Hydro and the City dated March 25, 2013.

3.3 Adequate, Predictable and Sustainable Source of Funding to the City

- (a) The Parties have agreed that payment by BC Hydro to the City of the amounts set out in this section will provide funding to the City to address impacts associated with the Project.
- (b) In respect of each Construction Year during the Construction Period, BC Hydro will pay to the City the following amounts ("Construction Period Payments"):
 - (i) Construction Year 1: \$1,000,000;
 - (ii) Construction Year 2: \$1,035,000;
 - (iii) Construction Year 3: \$1,071,000;
 - (iv) Construction Year 4: \$1,109,000;
 - (v) Construction Year 5: \$1,148,000;
 - (vi) Construction Year 6: \$1,188,000;

- (vii) Construction Year 7: \$1,229,000;
 - (viii) Construction Year 8: \$1,272,000; and
 - (ix) for each additional Construction Year (if any), an amount calculated in accordance with Section 3.3(c).
- (c) If the Construction Period continues for more than eight Construction Years, then for each succeeding Construction Year BC Hydro will pay to the City an amount equal to the Construction Period Payment paid in respect of the previous Construction Year multiplied by 1.035.
- (d) If the Construction Stop Date occurs before the end of Construction Year 7, then BC Hydro will make a one-time final payment to the City in the amount of the Construction Period Payment that would have been payable in the next Construction Year pursuant to Section 3.3(b) but for the early completion or abandonment of the Project; and, for greater clarity, BC Hydro will be relieved of any other payment obligations under this Section 3.3.
- (e) BC Hydro will make the payments provided for in this Section 3.3 within 60 days of the later of:
- (i) BC Hydro's receipt of an appropriate invoice from the City; and
 - (ii) (A) in respect of the 1st Construction Period Payment, the Effective Date;
(B) in respect of all other Construction Period Payments, the starting date of the applicable Construction Year; and
(C) in respect of a one-time final payment made pursuant to Section 3.3(d), the Construction Stop Date.

3.4 Monitoring to Identify and Address Unforeseen Impacts and Issues

- (a) The Parties will establish and appoint members to a Site C Community Agreement Monitoring Committee ("Committee") for the Construction Period within 60 days of Effective Date. If this Agreement is terminated in accordance with Section 6.3, the Committee will continue for a period of 1 year after the Construction Stop Date.
- (b) Each Party will appoint 3 members to the Committee:
- (i) BC Hydro will appoint the following members to the Committee:

- (A) The senior executive in charge of the Site C Clean Energy Project;
 - (B) A senior manager with oversight of social and economic measures for the Site C Clean Energy Project;
 - (C) A senior manager with oversight of implementation of the Fort St. John Community Measures Agreement for the Site C Clean Energy Project;
- (ii) The City will appoint the following members to the Committee
- (A) Mayor
 - (B) Chief Administrative Officer
 - (C) Director of Strategic Services
- (c) The Committee's responsibilities will include:
- (i) considering and seeking to resolve issues that arise from the implementation of this Agreement; and
 - (ii) considering and seeking to resolve other matters impacting the City as they arise from the Project.
- (d) The Committee will work collaboratively, discuss and examine issues together and, in good faith, reasonably attempt to resolve potential issues.
- (e) The Committee will be co-chaired by BC Hydro's senior executive in charge of the Site C Clean Energy Project and the Mayor.
- (f) The Committee will meet at least twice a year or upon the reasonable request of the either co-chair.
- (g) BC Hydro will:
- (i) provide the administrative support to coordinate and record meetings; and
 - (ii) fund the direct expenses associated with the meetings including meeting room rentals, meals and travel expenses
- (h) At its first meeting or as soon as reasonably possible thereafter, the Committee the will establish its Terms of Reference and its procedures.

3.5 Housing of the Workforce

- (a) BC Hydro will work with the City to “showcase” energy efficiency, conservation and other green technologies that may be incorporated in the In-Community Housing Developments.

3.6 Camp Workforce

- (a) In order to help Northern Health and the City plan service levels, BC Hydro will provide Northern Health and the City annually with the previous year’s workforce and camp population statistics and its projected workforce and projected camp population for the following year.
- (b) Subject to Section 3.6(c), for each Construction Year set out in Column A of the table below, the City will issue to BC Hydro, in advance, a block of entry tickets for the public swimming pool and skating rink facilities in Fort St. John, in the numbers set out in the applicable row of Column C and Column D, which entry tickets will be valid for at least one year from the date of issue. As consideration for the issuance of each block of entry tickets, BC Hydro agrees to pay to the City the amount set out in the applicable row of Column E, which amount is inclusive of tax, annually on the date the Construction Period Payment is made for that year.

A	B	C	D	E
Construction Year	Camp Population (based on EIS)	Total Pool Tickets (4 per person)	Total Skating Rink Tickets (4 per person)	Annual Payment
1	145	580	580	\$10,730
2	502	2,008	2,008	\$37,148
3	683	2,732	2,732	\$50,542
4	792	3,168	3,168	\$58,608
5	1,372	5,488	5,488	\$101,528
6	1,227	4,908	4,908	\$90,798
7	768	3,072	3,072	\$56,832

8	233	932	932	\$17,242
Total				\$423,428

* Payment based on 200% of: \$6 per pool ticket, \$3.25 per skating rink ticket (and is inclusive of tax)

- (c) If the Construction Period continues for more than eight Construction Years, then for each succeeding Construction Year, BC Hydro will pay to the City an amount equal to the following:

$$A * [(4 * B) + (4 * C)]$$

Where

- A** = the projected camp population in that year as estimated by BC Hydro and provided by BC Hydro to Northern Health and the City pursuant to Section 3.6(a);
- B** = the ticket price for pre-purchased pool tickets advertised by the City for that year, multiplied by 2; and
- C** = the ticket price for pre-purchased skating rink tickets advertised by the City for that year, multiplied by 2.

On receipt of such payment, the City will issue to BC Hydro, in advance, a quantity of entry tickets sufficient to provide 4 entry tickets for the public swimming pool and 4 entry tickets for the skating rink facilities in Fort St. John for each worker in the projected camp population in that year as estimated by BC Hydro pursuant to Section 3.6(a).

- (d) If the Construction Stop Date occurs before the end of Construction Year 7, each Party is relieved of its obligations under Section 3.6(b) in respect of subsequent Construction Years.

3.7 Use of North Peace Regional Airport

- (a) BC Hydro will track contractor and employee use of charter flights for workforce travel during the Construction Period and will provide a usage summary to the North Peace Airport Society and airport management on an annual basis.
- (b) BC Hydro will pay and will cause its contractors to pay all required user fees associated with airport use at generally applicable rates.

3.8 Traffic Monitoring and Mitigation

- (a) BC Hydro and the City have developed the Traffic Monitoring and Mitigation Plan – Fort St. John and North Bank Area Roads for Project-related traffic in the vicinity of the community of Fort St. John and the North Bank Area Roads.
- (b) BC Hydro will implement the Traffic Monitoring and Mitigation Plan – Fort St. John and North Bank Area Roads during the Construction Period. In accordance with section 5.0 of the Traffic Monitoring and Mitigation Plan – Fort St. John and North Bank Area Roads, if there is an increase in traffic levels that is substantially attributable to the Project and which results in a need for mitigation (as supported by appropriate analyses conducted by BC Hydro), then BC Hydro will discuss the need for mitigation with the City, MOTI, PRRD and other stakeholders. If, as a result of such discussions, measures are identified to mitigate the effects of such increased traffic levels and are agreed by BC Hydro, then BC Hydro and the City may discuss the City's involvement in undertaking the mitigation measures. If agreement is reached on mitigation measures to be undertaken by the City, the City will undertake the agreed measures and BC Hydro will compensate the City for the reasonable direct costs it incurs to undertake the agreed measures.

3.9 Camp Airport and Leisure Shuttle Bus

- (a) BC Hydro will provide members of the Project workforce resident at the Workforce Camp with a commercially reasonable airport shuttle transfer service between the Workforce Camp and the airport and a commercially reasonable leisure shuttle service between the Workforce Camp and the community of Fort St. John. The airport shuttle transfer service may include both scheduled and unscheduled transport services, and may include both commercial transport providers and transport provided directly by BC Hydro or its contractors. The scheduled airport shuttle transfer service will not include the use of taxis.
- (b) BC Hydro will consult with the City on (i) proposed routes and schedules for regularly scheduled Project shuttle services and (ii) any substantive changes to the foregoing.

3.10 Support for the Non-Profit Sector

- (a) BC Hydro will work with the United Way to establish a community fund to provide financial support to non-profit organizations (other than government bodies) in the Peace River region during the Construction Period. BC Hydro will contribute a total of \$100,000 per year for eight (8) calendar years from the date of this Agreement to such community fund.

- (b) BC Hydro will provide a total of \$75,000 to one or more non-profit organizations within the community of Fort St. John (other than government bodies), agreed to by BC Hydro and the City.
- (c) BC Hydro will provide the following funding to emergency and transition housing providers within the community of Fort St. John, solely for the purpose of providing emergency and transition housing and services to users of such housing:
 - (i) \$25,000 to Skye's Place;
 - (ii) \$25,000 to Meaope Transition House for Women; and
 - (iii) \$200,000 to the Salvation Army Northern Centre of Hope;or, if these organizations decline or fail to use the funds for that purpose, to other non-profit organizations within the community of Fort St. John to use for that purpose.
- (d) BC Hydro will offer the payments to the non-profit entities referred to in Section 3.10(b) and 3.10(c) within six months of the Effective Date. The payments to the non-profit entities referred to in Section 3.10(c) will be subject to confirmation that the funds will be used for the purpose of providing emergency or transition housing and services to users of such housing.

3.11 Water Quality and Quantity

- (a) BC Hydro and the City will each implement the actions required of it under the Fort St. John Water Supply Monitoring and Mitigation Plan during the Construction Period and for the longer of two years after the Construction Stop Date or until the seasonal ground water quality has stabilized as evidenced in a report prepared by one or more qualified persons on behalf of BC Hydro and provided to the City by BC Hydro. The Fort St. John Water Supply Monitoring and Mitigation Plan includes monitoring to determine possible changes in quality and quantity and, if required, to identify appropriate groundwater protection measures.
- (b) The City will collect and deliver to BC Hydro, in accordance with the Fort St. John Water Supply Monitoring and Mitigation Plan, a groundwater sample from each of its five water supply wells four times in each 12 month period from the Construction Start Date. BC Hydro will provide \$1,800 per year toward the incremental cost to the City of obtaining two sets of samples per year above the

City's normal sampling frequency for raw water samples from each of its five wells.

- (c) In accordance with the Fort St. John Water Supply Monitoring and Mitigation Plan, BC Hydro will transport all samples collected by both BC Hydro and the City to an accredited lab for analysis, and will provide results to the City in an electronic format. BC Hydro will prepare quarterly data reports and an annual monitoring report, and will provide these to the City.

3.12 Future Water Supply Needs

- (a) BC Hydro will not object to a clause in the conditional or final water licence issued to the City that would allow it to use the Site C reservoir as a source of domestic water supply for the community of Fort St. John, subject to the following:
 - (i) In agreeing not to object, BC Hydro will not be taken to have approved or consented to any specific application or proposal for works by the City;
 - (ii) The City is responsible for making any application for rights to use water from the Site C reservoir;
 - (iii) BC Hydro is not obligated to make any application to any governmental authority to authorize such use or pay any fees or costs associated with such application;
 - (iv) Subject to subsection 3.12(a)(v), BC Hydro's agreement not to object to an application by the City to withdraw water from the Site C reservoir is subject to BC Hydro favourably completing a due diligence review, acting at its sole discretion, in respect of a specific proposal from the City, consistent with its review of similar applications from third parties, and with respect to compliance with this Section 3.12;
 - (v) Notwithstanding subsection 3.12(a)(iv), BC Hydro agrees not to object to an application by the City on the basis of BC Hydro's agreement to forego charges to the City for the lost value of generation for water withdrawn from the reservoir pursuant to Section 3.12(b).
 - (vi) BC Hydro is under no obligation to supply water, maintain specific reservoir elevations or ensure that the water quality of any water withdrawn from the Site C reservoir is appropriate for use as a source of domestic water supply;

- (vii) BC Hydro will not be liable for any water fees or other amounts payable in respect of any water withdrawn from the Site C reservoir that is used for any purpose other than power generation by BC Hydro; and
 - (viii) The City's water use and any associated works will not impair the operation of any of BC Hydro's facilities on the Peace River or fetter BC Hydro's discretion in respect of such operations or in respect of its exercise of any rights granted to it under any water licence.
- (b) BC Hydro will not charge the City for the lost value of generation for water withdrawn from the reservoir for the purposes of domestic water supply and municipal water works (excluding the use of water for other purposes such as bulk water and industrial sales).

3.13 RCMP Service

- (a) Within 30 days of receipt of an invoice, BC Hydro will pay to the City an amount equal to the City's share, which may be 100%, of the all-inclusive cost (salary and O&M) of one RCMP officer to be posted to the Fort St. John detachment to serve the community of Fort St. John and the surrounding region as deployed by the Officer in Charge of the detachment in his or her sole discretion and in accordance with the policies of the Fort St. John post detachment (the "Additional Officer") during the Construction Period:
- (i) BC Hydro will advise the Ministry of Justice of its commitment to fund the ("Additional Officer") so that the Additional Officer may be taken into account during analysis and any recommendations related to incremental policing resources needed as a result of the Project;
 - (ii) BC Hydro will provide the funding for the Additional Officer position while the position is staffed during the Construction Period; and
 - (iii) If this Agreement is terminated in accordance with Section 6.3 then BC Hydro will provide the funding for the Additional Officer position while the position is staffed until the later of the Construction Stop Date and the anniversary of the date of termination.

3.14 Enhancement of the City as BC's Energy Capital

- (a) If the City provides BC Hydro with a proposal to develop an Energy Innovation Centre, BC Hydro will explore and discuss with the City the potential to become a partner with the City and other companies.

3.15 Local Procurement of Goods and Services

- (a) BC Hydro will work with the Fort St. John District Chamber of Commerce, the Fort St. John Economic Development Department and the Fort St. John Construction Association to inform local contractors about Project procurement opportunities.
- (b) BC Hydro will maintain the BC Hydro Community Consultation Office located in Fort St. John during the Construction Period. The BC Hydro Community Consultation Office will provide information to the public, businesses and other stakeholders in respect of Project procurement, employment and construction activities.

**ARTICLE 4
COVENANTS AND REPRESENTATIONS OF THE CITY**

- 4.1** The City will on a timely basis provide such additional information and perform such further actions as BC Hydro may reasonably request to assist BC Hydro to implement the Proposed Measures, the Contractual Measures and the Required Measures.
- 4.2** The City agrees to use any amounts paid by BC Hydro to the City under this Agreement only for the purposes for which such payments were expressly intended.
- 4.3** The City will not seek any other payments or other consideration from BC Hydro with respect to:
 - (a) Expressly provided for in this Agreement;
 - (b) any potential impacts of the Project on the City and the community of Fort St. John identified in the Environmental Assessment; or
 - (c) the implementation of this Agreement or any of the Required Measures;other than as expressly provided for in this Agreement.
- 4.4** The City confirms that the issues, interests and concerns that it has identified with respect to the Project are addressed.

**ARTICLE 5
REPRESENTATION AND WARRANTIES**

- 5.1** BC Hydro represents and warrants to the City that:

- (a) it has the legal power, capacity and authority to enter into this Agreement and to carry out its obligations under this Agreement;
- (b) the obligations contained in this Agreement are valid and legally binding on BC Hydro; and
- (c) it has taken all necessary actions and obtained all necessary approvals to enter into this Agreement and carry out its obligations under this Agreement.

5.2 The City represents and warrants to BC Hydro that:

- (a) it has the legal power, capacity and authority to enter into this Agreement and to carry out its obligations under this Agreement;
- (b) the obligations contained in this Agreement are valid and legally binding on the City; and
- (c) it has taken all necessary actions and obtained all necessary approvals to enter into this Agreement and carry out its obligations under this Agreement.

ARTICLE 6 TERM AND TERMINATION

- 6.1** This Agreement is effective from the Effective Date until the date all the obligations of the Parties hereunder, other than Section 3.12, have been performed or this Agreement is terminated in accordance with Section 6.3.
- 6.2** BC Hydro will advise the City in writing when the conditions to establish the Construction Stop Date have been met.
- 6.3** BC Hydro may terminate this Agreement on written notice to the City, with immediate effect, if at any time it determines in its sole discretion that it is necessary or desirable to abandon the Project. In the event of termination under this section, the Agreement will remain in force until the Construction Stop Date.
- 6.4** The following provisions will survive the expiry or termination of this Agreement: sections 3.1(b), 3.1(e), 3.11, 3.12 and Article 7.

ARTICLE 7 DISPUTE RESOLUTION

- 7.1** If a dispute arises between the Parties in connection with the interpretation or performance of any Contractual Measures that relate to:

- (a) the measures relating to the 85th Avenue Industrial Lands set out in Appendix A of Schedule 1;
- (b) the Traffic Monitoring and Mitigation Plan – Fort St. John and North Bank Area Roads;
- (c) Fort St John Water Supply Monitoring and Mitigation Plan;
- (d) Future Water Supply Needs; or
- (e) whether the Required Measures have been substantially achieved through measures that are implemented by BC Hydro in order to comply with the Environmental Assessment Certificate, the Decision Statement or other Authorization, or any conditions imposed pursuant to any of the foregoing, or to comply with any applicable law;

then either Party may deliver to the other Party a written notice (a “Dispute Notice”) describing in reasonable detail the issues in dispute (the “Dispute”) and the Parties agree to finally resolve the Dispute in accordance with the procedure set out in this Article 7.

- 7.2** The Parties will attempt in good faith to reach a reasonable resolution of the Dispute within 30 days of delivery of the Dispute Notice (or within such other time period agreed to by the parties) and, subject to applicable laws, the Parties will provide candid and timely disclosure to each other of all relevant facts, information and documents to facilitate those efforts.
- 7.3** If the Parties have not resolved the Dispute within 30 days of delivery of the Dispute Notice, then the Parties will refer the Dispute to the Executive Responsible for Site C, BC Hydro and the City Manager of Fort St. John, who will attempt in good faith to resolve the Dispute within 15 days of delivery of the reference.
- 7.4** If the Parties have not resolved the Dispute after completing the procedure in Section 7.3, then the Executive Responsible for Site C, BC Hydro and the City Manager of Fort St. John will refer the Dispute to the CEO, BC Hydro and the Mayor of Fort St. John, who will attempt in good faith to resolve the Dispute within 15 days of delivery of the reference.
- 7.5** If, at any point in the dispute resolution process, there is a disagreement on the facts of the Dispute (a “Factual Disagreement”), either or both Parties may engage a subject matter expert to clarify the facts at their own cost, subject to the following:

- (a) If BC Hydro and the City agree that a particular subject matter expert is required to resolve the Factual Disagreement, that subject matter expert will be engaged jointly and the costs shared equally between BC Hydro and the City; and
- (b) If a subject matter expert is engaged by the City alone or jointly with BC Hydro and the Dispute is resolved in favour of the City, then BC Hydro will reimburse the City for its reasonable costs of engaging the subject matter expert and in no event will BC Hydro seek recovery from the City of its costs of engaging a subject matter expert.

7.6 If the Parties are unable to resolve the Dispute after completing the procedures set out in Sections 7.1 to 7.4 and, if applicable 7.5, then BC Hydro will fund the engagement of a facilitator from a mutually agreed-upon list who will attempt to resolve the Dispute within 30 days.

7.7 Unless the Parties otherwise agree, no documents, information or correspondence provided by either Party under the procedures set out in Sections 7.1 to 7.5 will be privileged from disclosure in any subsequent legal proceeding.

7.8 If the Parties mutually agree then the dispute resolution process set out in this Article 7 may be applied to a dispute arising under any other term of this Agreement.

ARTICLE 8 GENERAL PROVISIONS

8.1 This Agreement is not confidential.

8.2 BC Hydro's payment obligations under this Agreement are subject to the City issuing an invoice to BC Hydro in respect of the amounts payable and such invoice being issued within one year of the amounts becoming payable. BC Hydro will pay such amounts within 30 days of receiving such invoices, except where a different payment period is expressly stated elsewhere in this Agreement.

8.3 Any notice, document, payment or communication to be given under this Agreement will be in writing and delivered by hand, faxed or emailed to the Party to which it is to be given as follows, and will be deemed received on the date sent:

If to BC Hydro:

<address>

Vancouver, BC <Postal Code>

Attention: <@>

Telephone <@>

Fax: <@>

Email: <@>

If to the City:

<@>

Attention: <@>

Telephone: <@>

Fax: <@>

Email: <@>

and a Party may change from time to time its address or other applicable contacts by notice provided to the other Party in accordance with Section 8.3.

- 8.4** Any provision of this Agreement which is prohibited or unenforceable in whole or in part will be ineffective to the extent of such prohibition and unenforceability and will be severed from the balance of this Agreement, all without affecting the remaining provisions of this Agreement.
- 8.5** This Agreement may only be amended by written agreement of the Parties.
- 8.6** Each Party represents and warrants to the other that it has received independent legal advice regarding this Agreement.
- 8.7** This Agreement constitutes the entire agreement between the Parties and supersedes and cancels any prior proposals, agreements, undertakings, declarations and representations, written or oral, regarding the subject matter of this Agreement.
- 8.8** The schedules form part of this Agreement, provided that all measures set out in Schedule 1 are only binding on the Parties to the extent expressly provided for in the body of this Agreement.
- 8.9** This Agreement enures to the benefit of and is binding on the Parties and their successors and assigns.
- 8.10** No waiver will be inferred from anything done or omitted to be done by a Party and any waiver by a Party of a breach or obligation of this Agreement must be made by that Party

in writing and will extend only to the particular breach or obligation identified in such written waiver.

- 8.11** Nothing in this Agreement creates any legal partnership, co-venture, or principal and agent relationship between the Parties.
- 8.12** Each of the Parties will do all such further acts and execute and deliver all such further documents in a timely fashion as are reasonably required from time to time in order to fully perform and carry out the terms and intent of this Agreement.
- 8.13** This Agreement is governed by the laws in force in the Province of British Columbia and the laws of Canada applicable therein.
- 8.14** This Agreement may be executed in counterparts and be returned by fax or email with a PDF attachment, each of which when executed and delivered shall constitute an original, and all of which together shall constitute one and the same Agreement.

Agreed by the Parties as of the Effective Date.

CITY OF FORT ST. JOHN

By:

[insert name & title]

BRITISH COLUMBIA HYDRO AND POWER
AUTHORITY

By:

[insert name & position]

Schedule 1
Site C Clean Energy Project
BC Hydro's Proposed Measures to Provide a Lasting Benefit
to the Community of Fort St. John

Attached.

Schedule 2
85th Avenue Industrial Lands: Legal Descriptions of Parcels

PID/PIN	Legal Description
026-886-201	Lot 1 Section 25 Township 83 Range 19 West of The 6th Meridian Peace River District Plan BCP 27273
008-588-881	Lot 1 Section 25 Township 83 Range 19 West of the 6th Meridian Peace River District Plan 22271 Except the North 347.154 Feet
009-556-168	Lot 1 Section 25 Township 83 Range 19 West of the 6th Meridian Peace River District Plan 21292
012-344-966	Lot 1 Section 25 Township 83 Range 19 West of the 6th Meridian Peace River District Plan 12486
012-344-982	Lot 2 Section 25 Township 83 Range 19 West of the 6th Meridian Peace River District Plan 12486
026-886-219	Lot 2 Sec 25 Tp 83 Rge 19 West of The 6th Meridian PRD Plan BCP 27273
026-886-227	Lot 3 Sec 25 Tp 83 Rge 19 West of The 6th Meridian PRD Plan BCP 27273
026-886-235	Lot 4 Sec 25 Tp 83 Rge 19 West of The 6th Meridian PRD Plan BCP 27273
026-886-243	Lot 5 Sec 25 Tp 83 Rge 19 West of The 6th Meridian PRD Plan BCP 27273
026-886-251	Lot 6 Sec 25 Tp 83 Rge 19 West of The 6th Meridian PRD Plan BCP 27273
026-886-260	Lot 7 Sec 25 Tp 83 Rge 19 West of The 6th Meridian PRD Plan BCP 27273
026-886-278	Lot 8 Sec 25 Tp 83 Rge 19 West of The 6th Meridian PRD Plan BCP 27273
026-886-286	Lot 9 Sec 25 Tp 83 Rge 19 West of The 6th Meridian PRD Plan BCP 27273
026-886-294	Lot 10 Sec 25 Tp 83 Rge 19 West of The 6th Meridian PRD Plan BCP 27273

PID/PIN	Legal Description
026-886-308	Lot 11 Sec 25 Tp 83 Rge 19 West of The 6th Meridian PRD Plan BCP 27273
026-886-316	Lot 12 Sec 25 Tp 83 Rge 19 West of The 6th Meridian PRD Plan BCP 27273
026-886-324	Lot 13 Sec 25 Tp 83 Rge 19 West of The 6th Meridian PRD Plan BCP 27273
026-886-332	Lot 14 Sec 25 Tp 83 Rge 19 West of The 6th Meridian PRD Plan BCP 27273
026-886-341	Lot 15 Sec 25 Tp 83 Rge 19 West of The 6th Meridian PRD Plan BCP 27273
026-886-359	Lot 16 Section 25 Township 83 Range 19 West of the 6th Meridian Peace River District Plan BCP 27273
026-886-367	Lot 17 Sec 25 Tp 83 Rge 19 West of The 6th Meridian PRD Plan BCP 27273
026-886-375	Lot 18 Sec 25 Tp 83 Rge 19 West of The 6th Meridian PRD Plan BCP 27273
026-886-383	Lot 19 Sec 25 Tp 83 Rge 19 West of The 6th Meridian PRD Plan BCP 27273
026-886-391	Lot 20 Sec 25 Tp 83 Rge 19 West of The 6th Meridian PRD Plan BCP 27273
026-886-405	Lot 21 Sec 25 Tp 83 Rge 19 West of The 6th Meridian PRD Plan BCP 27273
026-886-413	Lot 22 Sec 25 Tp 83 Rge 19 West of The 6th Meridian PRD Plan BCP 27273
026-886-421	Lot 23 Sec 25 Tp 83 Rge 19 West of The 6th Meridian PRD Plan BCP 27273
026-886-430	Lot 24 Sec 25 Tp 83 Rge 19 West of The 6th Meridian PRD Plan BCP 27273
026-886-448	Lot 25 Sec 25 Tp 83 Rge 19 West of The 6th Meridian PRD Plan BCP 27273
026-886-456	Lot 26 Sec 25 Tp 83 Rge 19 West of The 6th Meridian PRD Plan BCP 27273
026-886-464	Lot 27 Sec 25 Tp 83 Rge 19 West of The 6th Meridian PRD Plan BCP 27273

PID/PIN	Legal Description
014-587-041	Part NE1/4, Section 25, Township 83, Range 19, Meridian W6, Peace River Land District, Except Plan 8973, AND EXC PLANS 12798, 15925, 23040, PGP47579, BCP2838, BCP12455 AND BCP21635