

ROAD USE AGREEMENT

THIS ROAD USE AGREEMENT is made as of this 15th day of August, 2023 (the “**Effective Date**”)

B E T W E E N :

MUNICIPALITY OF LAKESHORE, a municipal corporation under the authority of the Ontario *Municipal Act, 2001*

(hereinafter referred to as, the “**Municipality**”)

- and -

HYDRO ONE NETWORKS INC., a corporation established under the laws of the Province of Ontario

(hereinafter referred to as, the “**Company**”)

RECITALS

WHEREAS:

- A. The Municipality is a municipal corporation within the meaning of the *Municipal Act, 2001*, S.O. 2001, c. 25, as amended, is governed by elected Council, and operated by the Administration (as defined herein), which is hereby authorized to administer this Agreement in its entirety, including but not limited to decisions with respect to the interpretation, operation and termination of this Agreement in accordance with its provisions;
- B. The Municipality exercises jurisdiction with respect to approval of certain activities with respect to Road Allowances (as defined herein) located within the municipal boundaries of the Municipality, and owns or has exclusive jurisdiction over the roads identified in the Road Allowance Plan, which is attached hereto as Schedule “A” and forms a part of this Agreement;
- C. Company is an electricity transmission and distribution utility company and therefore has the right, pursuant to s. 41(1) and (2) of the *Electricity Act, 1998*, without the consent of the owner of the street or highway, to construct, install, maintain repair and replace structures, equipment and other facilities for the purpose of its transmission and distribution

systems, and s. 41(4) states that the transmitter's or distributor's powers can be executed by an agent of the transmitter or distributor;

- D. Section 41(8) of the *Electricity Act, 1998*, states that transmitters and distributors are not required to pay any compensation in order to exercise their powers mentioned in the preceding recital;
- E. Section 41(7) of the *Electricity Act, 1998*, requires transmitters and distributors to thereafter restore the street or highway to its original condition in so far as is practicable and to provide compensation for any damages caused by the transmitter's or distributor's entry;
- F. Pursuant to its statutory rights under the Ontario *Electricity Act, 1998*, Company wishes to make use of certain Road Allowances located within the Municipality to allow for construction, operation, repair and maintenance of the Projects (as identified in Schedule "D"), and to deliver components and materials thereto;
- G. Section 41(9) of the *Electricity Act, 1998*, states that if the owner of the street or highway and the transmitter or distributor cannot agree on the location of the transmitter's or distributor's structures, equipment or facilities constructed or installed, the Ontario Energy Board shall determine the location;
- H. The Municipality and Company wish to enter into this Agreement with respect of the use, installation, construction, maintenance and operation of certain Electrical Infrastructure on, over, under and within the Road Allowances, as defined herein; and
- I. Subject to Applicable Laws and the terms and conditions set forth below with respect to the use of the Road Allowances, the Municipality acknowledges Company's right to install, construct, maintain, operate and decommission such Electrical Infrastructure over, along, across or under Road Allowances.

NOW THEREFORE THIS AGREEMENT WITNESSETH THAT, in consideration of the payment of the sum of TWO DOLLARS (\$2.00) from each Party to the other and other good and valuable consideration, including the terms, covenants and provisions herein, the receipt and sufficiency of which is hereby acknowledged and agreed, the Parties covenant and agree as follows:

ARTICLE 1 –

INTERPRETATION

- 1.1. The above recitals are true and the same are hereby incorporated into this Agreement by reference.

- 1.2. Each covenant in this Agreement is a separate and independent covenant and a breach of covenant by either Party will not relieve the other Party from its obligation to perform each of its covenants; except as otherwise provided herein.
- 1.3. The use of the word “includes” and “including” in this Agreement to refer to specific examples shall be construed to mean “including without limitation” or “including but not limited to”, and shall not be construed to mean that the examples given are an exclusive or representative list of the topics covered.

Definitions

- 1.4. In this Agreement, in addition to terms defined elsewhere in this Agreement, the following terms have the following meanings:

“**Administration**” means staff of the Municipality who are authorized to administer this agreement;

“**Affiliate**” of a Party means, at the time such determination is being made with respect to a Party, a Person that directly or indirectly through one or more intermediaries, controls or is controlled by, or is under common control with, the Party specified, and for the purposes of this definition, “control” and any derivation thereof means the possession, directly or indirectly (other than in the capacity of an officer, director or employee of Person), of the power to direct or significantly influence the management, policies or business of a Person whether through the ownership of voting securities or other ownership interests by contract, trust or otherwise;

“**Agreement**” means this Agreement, including all Schedules attached hereto, as it may be confirmed, amended, modified, supplemented or restated by written agreement between the Parties.

“**Anti-Bribery Laws**” mean any anti-bribery law or international convention, as may apply now or in the future, including the Federal Canadian *Corruption of Foreign Public Officials Act*, the U.S. *Foreign Corrupt Practices Act*, the U.K. *Bribery Act* and the OECD *Convention on Combating Bribery of Foreign Public Officials*.

“**Applicable Law**” means all present or future applicable laws, statutes, regulations, treaties, judgments and decrees and all present or future applicable published directives, rules, policy statements and orders of any Public Authority and all applicable orders and decrees of courts and arbitrators of like application to the extent, in each case, that the same are legally binding on the Parties in the context of this Agreement.

“**Agreed Road Use Plans**” means the Road Use Plans for which the Municipal Engineer has provided notice of agreement pursuant to Section 2.3 of this Agreement.

“**As-Built Plan**” means a Plan following the placement, installation, construction, re-construction, inspection, maintenance, operation, alteration, enlarging, repairing, replacing, relocating and removing Electrical Infrastructure confirming the exact location and specifications of any Electrical Infrastructure installed over, along, across, under or within the Road Allowances.

“**Business Day**” means any day excluding a Saturday, Sunday or statutory holiday in the Province of Ontario, and also excluding any day on which the principal chartered banks located in the Municipality of Lakeshore are not open for business during normal banking hours.

“**In Service Date**” means the date that the Company provides notice to the Municipality that the Project has come into service.

“**Complainant**” has the meaning given to it in Section 8.1.

“**Consulting Engineer**” means an independent qualified professional engineer as appointed by Company, from time to time, which for greater certainty, may be the engineer who acted for Company in connection with the construction of the Project.

“**Defaulting Party**” has the meaning given to it in Section 8.1.

“**Deliveries**” means the transporting of materials, components and equipment including overweight or over-size cargoes across or along Road Allowances, to provide for the construction, maintenance, repair, replacement, relocation, removal or decommissioning of Electrical Infrastructure, Entrances and other materials, components and equipment for the Project.

“**Distribution Infrastructure**” means infrastructure and systems for the purposes of conveying electricity at voltages of 50 kilovolts or less and includes all structures, equipment or other things (whether above or below ground) used for that purpose including, but not limited to, towers and/or poles, with such wires and/or cables for the distribution of electricity at voltages of 50 kilovolts or less, and all necessary and proper foundations, safety barriers, footings, cross arms, ground grid and other appliances, facilities and fixtures for use in connection therewith including without limitation, substation facilities and equipment, pads, vaults and junction boxes (whether above or below ground), manholes, handholes, conduits, fiber optics, cables, wires, distribution lines and other conductors of any nature, multiple above or below ground control, communications, data and radio relay systems, and telecommunications equipment, including without limitation, conduits, fiber optics, cables, wires and lines.

“**Dispute**” has the meaning given to it in Section 10.4.

“**Effective Date**” is the date of this Agreement as set out at the top of page 1 herein.

“**Electrical Infrastructure**” means, collectively, all Distribution Infrastructure and Transmission Infrastructure.

“**Electrical Infrastructure Work**” means the installing of Electrical Infrastructure over, along, across, within or under the Road Allowances, in connection with the Project.

“**Emergency**” means a sudden unexpected occasion or combination of events necessitating immediate action to prevent or mitigate materially adverse consequences and damage to (i) the health and safety of individuals, (ii) the integrity and safety of public utilities and infrastructure, and (iii) the property and equipment constituting the Project, including any Electrical Infrastructure.

“**Entrance(s)**” means one or more points of access across and through the Road Allowances from the travelled portion of the Road Allowances to be constructed by Company, as applicable, connecting to private lands / access roads in and upon adjacent lands used in connection with the Work.

“**Entrance Work**” means the constructing and maintaining of Entrances to Company’s access roads to Electrical Infrastructure or other Work areas.

“**Final Condition Report**” has the meaning given to it in Section 4.5.

“**Final Repairs**” has the meaning given to it in Section 4.5.

“**Force Majeure**” has the meaning given to it in Section 9.1.

“**IESO**” means the Ontario Independent Electricity System Operator, a statutory non-share capital corporation controlled by the Province of Ontario, and legal successor to the former Ontario Power Authority;

“**Inspected Roads**” has the meaning given to it in Section 4.3.

“**Interim Period**” has the meaning given to it in Section 3.2.

“**Corporate Leader**” means the individual designated to serve in the position of General Manager, Infrastructure & Engineering Services, or his/her designate.

“**Municipal Infrastructure**” means structures, services or facilities of any kind owned or operated by or for the benefit of the Municipality or its local municipalities, including drains, water mains and culverts.

“**OEB**” means the Ontario Energy Board.

“**Parties**” means the Municipality and Company (and their permitted assigns and successors) collectively, and “**Party**” means any one of them.

“**Permits**” means those permits required to be obtained by Company from the Municipality for the purposes of performing certain Work, along with all requirements for the issuance of such Permits and all fees associated with such Permits, subject to Applicable Laws and as set out in this Agreement.

“**Person**” means an individual, a corporation, a partnership, a limited partnership, a governmental authority or any department or agency thereof, a trustee, any unincorporated organization, and the heirs, executors, administrators or other legal representatives of an individual and pronouns and other words importing Persons have a similarly extended meaning.

“**Project(s)**” mean the projects identified in Schedule “D” attached hereto.

“**Public Authority**” means any governmental, federal, provincial, regional, municipal or local body, administrative board, tribunal or regulatory body, having legal authority over the Municipality, Company, the Project, the Electrical Infrastructure or the Road Allowances.

“**Repair Work**” means work involving the maintenance, repair and replacement of the Project, including the maintenance, repair and replacement of installed Electrical Infrastructure and Entrances that does not cause the location, elevation, position, layout or route of the Electrical Infrastructure or Entrances to materially change.

“**Required Repairs**” has the meaning given to it in Section 4.3.

“**Road Work**” means work involved in any temporary reconstruction or realignment of road sections, turns and intersections on the Road Allowances to permit the delivery or movement of oversized Project components.

“**Road Allowances**” means, whether opened or unopened, public rights of way, road allowances, bridges, streets, sidewalks, highways, walkways, driveways, ditches and boulevards and the allowances, sodded or other areas forming part of any Road Allowances, and includes all existing infrastructure located on or within the Road Allowances, all owned, or managed under the legal jurisdiction of the Municipality, including those Road Allowances shown in the Road Allowance Plan (Schedule “A”).

“**Road Allowance Plan**” means the diagram attached as Schedule “A” hereto depicting the anticipated and intended location of Electrical Infrastructure in the

Road Allowances, which may be amended or replaced or supplemented from time to time in accordance with the terms of this Agreement.

“Road Use Plans” means a series of Plans related to the Electrical Infrastructure Work (and any related Road Work) within the Road Allowances to be prepared by Company and submitted to the Municipality pursuant to Section 2.3 of this Agreement, which Plans shall include (i) the intended geographical locations of the Electrical Infrastructure, including the estimated locations of poles, overhead wires, and buried wires, (ii) the basic specifications with respect to the Electrical Infrastructure including the type, material, size, and electrical specifications; (iii) the alignment and clearances of overhead and buried cables; and (iv) the details and specifications with respect to Road Work.

“Schedules” mean the schedules which are described in Section 1.5 and attached hereto.

“Term” has the meaning given to it in Section 2.1.

“Third Party Work” means any work to be carried out within the Road Allowances, in accordance with approvals and permits obtained pursuant to Applicable Laws, performed by a party other than Company or the Municipality. For greater certainty, work performed by agents and contractors on behalf of Company or Municipality shall not constitute Third Party Work.

“Traffic Effects” means any temporary modification of traffic patterns or the imposition of temporary restrictions on public access to or use of the Road Allowances.

“Transmission Infrastructure” means infrastructure conveying electricity at voltages in excess of 50 kilovolts and includes all structures, equipment or other things (whether above or below ground) used for that purpose including, but not limited to, a line or lines of towers and/or poles, with such wires and/or cables for the transmission of electricity at voltages in excess of 50 kilovolts (individually or multiple wires and/or cables combined), and all necessary and proper foundations, safety barriers, footings, cross arms, ground grid and other appliances, facilities and fixtures for use in connection therewith including without limitation, pads, vaults and junction boxes manholes, handholes, conduits, fiber optics, cables, wires, transmission lines and other conductors of any nature, multiple above or below ground control, communications, data and radio relay systems, and telecommunications equipment, including without limitation, conduits, fiber optics, cables, wires and lines (whether above ground or buried).

“Work” means all work performed by Company for the Project(s) pursuant to the terms of this Agreement, including, all Deliveries, Electrical Infrastructure Work, Entrance Work, and Road Work and Repair Work.

Schedules

1.5. The following schedules to this Agreement are an integral part and form part of this Agreement.

<u>Schedule “A”</u>	Road Allowance Plan
<u>Schedule “B”</u>	Intentionally Deleted
<u>Schedule “C”</u>	Intentionally Deleted
<u>Schedule “D”</u>	Projects

Statutory Rights

1.6. The Parties agree that nothing contained in this Agreement, and no default event or termination of this Agreement, shall in any event abrogate or prejudice any statutory rights held by any Party under any applicable statute (as amended), including but not limited to the *Municipal Act, 2001*, the *Ontario Energy Board Act, 1998*, the *Green Energy and Green Economy Act, 2009*, and the *Electricity Act, 1998*.

ARTICLE 2 –

TERM, ACKNOWLEDGEMENT AND AGREEMENT ON LOCATION

Term

2.1. Unless terminated by mutual written consent of the Parties, this Agreement shall run from the Effective Date first written above and continue until the earlier of: (a) the completion of the Work described herein; or (b) ten (10) years (the “Term”).

Acknowledgement

2.2. The Municipality hereby acknowledges that pursuant to Hydro One’s rights under the *Electricity Act, 1998*, Hydro One and its employees, agents and contractors will enter upon and use the Road Allowances under the jurisdiction of the Municipality to perform the Work and related to the Project(s) under this Agreement in, on, under, across and/or along the Road Allowances. This acknowledgement extends only to Road Allowances owned by and under the jurisdiction of the Municipality.

Agreement on Location

2.3. **Review Process**

- 2.3.1. Prior to the commencement of Work relating to the installation of any Electrical Infrastructure over, along, across, within or under the Road Allowances, during the Term of this Agreement, Company shall provide notice of such Work to the Municipal Engineer, including Road Use Plans showing the proposed location(s) for the Electrical Infrastructure.
- 2.3.2. Within a thirty (30) day review period following receipt of the notice and Road Use Plans, the Municipal Engineer shall review the proposed location and either: (i) provide written confirmation to Company (or its appointed contractors or engineers) that the proposed locations are acceptable; or (ii) provide written notice of any concerns with the proposed locations. In the event of disagreement over the proposed locations and the Parties cannot find a mutually-acceptable solution, the location of the Electrical Infrastructure shall be determined by the OEB, in accordance with the *Electricity Act, 1998*.
- 2.3.3. Upon receipt of notice the Municipal Engineer that the location(a) of the Electrical Infrastructure in the Road Use Plans are acceptable, the Road Use Plans shall thereupon be deemed to the Agreed Road Use Plans and shall be deemed to be incorporated into Schedule “A” of this Agreement.
- 2.3.4. Intentionally Deleted.
- 2.3.5. Intentionally Deleted.
- 2.4. The Parties acknowledge and agree that the following Administration officials have been granted authority by the Municipality to administer and act on the Municipality’s behalf with respect to the matters provided for in this Agreement:

Road Work and Disputes arising from Agreement: Municipal Engineer

Building Permits: Chief Building Official

The above noted officials are authorized to make minor or non-material amendments (in their respective reasonable opinion), to the terms of this Agreement on behalf of the Municipality, consistent with its purpose, and to issue any such approvals, consents, acknowledgements or other communications necessary to carry out the intent of this Agreement, without the requirement for the review and approval by the Council of the Municipality.

Transmission Infrastructure Placement

- 2.5. Intentionally Deleted.

Distribution Line Placement

2.6. Intentionally Deleted.

Distance from Travelled Portion and Property Line

2.7. Intentionally Deleted.

Permits/Fees

2.8. Company will obtain all Permits from the Municipality which are required for the Work pursuant to Applicable Law. The Municipality shall issue all such Permits within the timelines set out in the Municipality's by-laws or in the relevant statutes or regulations or thirty (30) days following receipt from Company of its applications and fees, whichever is less, and, without limiting the generality of the foregoing, in respect of grading, guardrails and culverts related to the Electrical Infrastructure, shall issue Permits on the basis of standards typically applied in accordance with the MTO Road Safety Manual. The Municipality agrees that the Permits issued with respect to the Work and/or the Projects shall not impose any additional conditions or requirements beyond those contained herein, or which overlap or conflict with the terms and conditions hereof. Company acknowledges that some or all of the roads which it proposes to use under this Agreement may have load limits applied at certain times of the year and Company agrees to abide by such limits in accordance with Applicable Law. Company acknowledges that some or all of the roads which it proposes to use under this Agreement may have municipally imposed load limits applied at certain times of the year. Where any such load limits would apply to the roads covered by this Agreement, the Municipality agrees that it shall waive such load limits with respect to use of said roads by Company and its employees, agents and contractors, during the course of the Work.

Insurance Coverage

2.9. Intentionally Deleted.

Notice Prior to Work Commencement

2.10. Company shall undertake to provide notice to all other known existing Road Allowance users prior to the commencement of installation, placement, installation, construction, reconstruction, inspection, maintenance, operation, alteration, enlarging, repair, replacement, relocation and/or removal of any Electrical Infrastructure over, along, across, within or under the Road Allowances, undertaken pursuant to this Agreement. Following execution of this Agreement and updated prior to commencement of construction of the Project, Municipality shall provide Company with a list and contact information for each known existing Road Allowance user for such purpose.

Commencement of Work

- 2.11. Prior to the commencement of any Work, Company shall retain a third party to document, by means of a video recording or other means satisfactory to the Municipality, acting reasonably, the then-existing condition of all Road Allowances or structures that Company expects will or may be used for or subject to Work, and both Parties shall receive a complete copy of such video recording or document. Prior to commencement of the documentation, the Company shall provide the Municipality with the proposed approach to documentation for review and feedback and shall take such direction as Municipal representatives may have regarding revisions to the approach or additional information required to be collected.

The approach shall at a minimum include a pre-inspection report that provides:

- A Video survey of the main road structure, curbs, culverts, catch basins, signs, utility poles, and driveway entrances;
- Pavement Condition Index (PCI) surveys which utilize MTO Guidelines and include visual inspection of the pavement sections to identify and classify existing distress features.

As required for overweight or oversize permits:

- Bridge Condition Indexes to be completed in general accordance with the Ontario Structures Inspection Manual (OSIM), and Bridge Condition Indices (BCI) are to be determined
- Culvert Inspections which identify and visually assess all culverts;

- 2.12. Company agrees all Work shall be exercised and carried out in a good, safe and workmanlike manner, subject to those roads agreed to be used through haul route approval.
- 2.13. Company shall be responsible for any damage caused to the Road Allowances at any time by itself, its agents, employees or contractors, in accordance with the *Electricity Act, 1998*.
- 2.14. Company shall, provided it is not materially or commercially unreasonable, protect the integrity and security of all existing equipment, installations, utilities, and other facilities within the Road Allowance or which might otherwise be located in, on, or under the Road Allowances or any adjacent lands.
- 2.15. Company shall make all payments and take all such steps as may be reasonably necessary to ensure that no construction lien or other lien is registered against the Road Allowances as a result of the undertaking by Company of any of the Easement Rights or any other work contemplated in this Agreement and taking such steps as may be required to cause any such registered lien or claim for lien to be discharged or vacated immediately after notice thereof from the Municipality is provided to Company.
- 2.16. Company acknowledges that the Municipal Engineer has the right to be present on the Road Allowances during the performance of any Work in order to verify that installation occurs in compliance with the Agreed Road Use Plans. Company (or its agent or contractor) shall provide the Municipal Engineer with notice of schedules of any Work for this purpose at least one week before the said Work is commenced. Company agrees and

acknowledges that the Municipal Engineer is not providing any engineering or other services to Company and is acting only in an inspection capacity. The Municipality agrees that should the Municipal Engineer choose to be present during any aspect of Work contemplated under this Agreement, he or she shall do so at his or her own risk, and shall adhere strictly to the safety protocols and requirements set forth by Company and/or its contractor. The Municipality shall indemnify and hold harmless Company and its contractor with respect to all losses, injuries, claims, or damages, including personal injury or death, that may arise as a result of the presence of the Municipal Engineer or any other staff of the Municipality at the Road Allowances during any aspect of the Work, save for where the loss, injury, claim or damage is caused by the negligence of the Company or its contractor, and the Municipality represents and warrants that it has adequate insurance coverage with respect to such activities.

Non-Exclusive Permission

- 2.17. The rights provided for in this Agreement shall be non-exclusive. Without limiting the foregoing, the rights are subject to the rights of the owners of the property adjoining the Road Allowances who are entitled access to and from the Road Allowances from their properties, and subject to the rights and privileges that the Municipality may grant to other persons on the Road Allowances, all of which rights are expressly reserved; the rights shown on the Approved Road Use Plans and As-Built Plans and specifications only excepted. Company hereby acknowledges and agrees that there are other utilities and third parties that do and/or may have similar rights over the Road Allowances and Company hereby agree to act reasonably in accommodating the interests of other third parties when exercising the rights, provided such accommodation is not materially or commercially unreasonable.
- 2.18. Provided it is not materially or commercially unreasonable, Company agrees that when engaging in any Work, it shall ensure there is minimal interference with the traveled portion of any Road Allowances or any pedestrian, vehicular, or other traffic thereon, or any use or operation of any ditch or drain adjacent to such public right-of-way, highway, street, or walkway. Unless otherwise agreed by the Municipality or as contemplated in the Agreed Road Use Plans, or in the interest of public or third party safety, the Road Allowances shall always be open to pedestrian, vehicular or other traffic and shall be open to the public.

Right of Entry

- 2.19. The Municipality reserves its right to enter upon and use the Road Allowances without notice to Company for its own purposes and to grant and transfer rights to third parties to enter upon and use the Road Allowances to construct, operate, maintain, alter, repair or replace infrastructure, and to modify the Road Allowances, provided such entry, use, grant or transfer by the Municipality does not adversely affect the Work, the Electrical Infrastructure, or the Company's access thereto, or the exercise of Company's rights under this Agreement.

Title

- 2.20. The Municipality represents and warrants to Company that:
- (a) it has legal and beneficial title to the Road Allowances;
 - (b) it has obtained the full and unconditional due authorization for execution and delivery of this Agreement by all required resolutions and other required municipal approvals;
 - (c) it shall defend its title to the Road Allowances against any person or entity claiming any interest adverse to the Municipality in the Road Allowances during the Term of this Agreement, save and except where such adverse interest arises as a result of the gross negligence or willful misconduct of Company or any person for which they are responsible at law;
 - (d) the Permits are the only permits, approvals, consents or authority within the jurisdiction of the Municipality required in connection with the Work and the fees as set forth in Article 5 herein represent the Municipality's reasonable administrative costs for issuing Permits and are the only fees payable by Company in connection with the Permits and Agreement; and
 - (e) the execution and delivery of this Agreement by the Municipality will not result in a breach of any other agreement to which the Municipality is a party and no rights, interests or privileges have been granted in respect of the Road Allowances by the Municipality which will or could adversely affect the rights, interests or privileges granted to Company hereunder.
- 2.21. Company agrees that it has registered, or it will register, as a member of the Ontario One Call locate system.

ARTICLE 3 –

ADDITIONAL TERMS AND CONDITIONS

Traffic Effects

- 3.1. Notwithstanding and without limiting any other term hereof, the Parties acknowledge that the Work from time to time may require Traffic Effects. In the event that Company determine that Traffic Effects are required, Company agrees to:
- (a) give five (5) days' notice of anticipated Traffic Effects to the Municipal Engineer and affected residents and to coordinate with the Municipal Engineer and the appropriate emergency service providers to minimize and

mitigate any adverse impacts of the Traffic Effects and to ensure public safety; and

- (b) use commercially reasonable efforts to maintain adequate public access to and use of the Road Allowances while Traffic Effects are in progress and to remove the Traffic Effects as soon as reasonably possible when the Traffic Effects are no longer necessary.

Restoration

- 3.2. Company further agrees that in the event that it becomes necessary to break, remove, or otherwise pierce the existing surface of any of the Road Allowances to undertake any Electrical Infrastructure Work, Company will, in so far as is practicable, restore such surface at its own expense to the same or better condition which existed prior to the performing of the Work, and provide compensation for any damages caused by Company's entry. Company also agrees that, except in those cases where breaking, removing or otherwise piercing the untraveled portion of the Road Allowance forms part of the Work, it shall thereafter, for a period of twelve (12) months following the point of completion of the Work and the reopening of the restored portion of the Road Allowance to public access (the "**Interim Period**"), monitor that portion of such restored Road Allowances, at the sole expense of Company, and repair any settling thereof directly caused by the placing, installing, constructing, re-constructing, inspecting, maintaining, operating, altering, enlarging, repairing, replacing, relocating and removing Electrical Infrastructure or any of the Work performed over, along, across, within or under the Road Allowances to the satisfaction of the Municipal Engineer, acting reasonably.

Repairs

- 3.3. Company shall be liable for any and all Repair Work required to be performed on the Electrical Infrastructure, Municipal Infrastructure or on the Road Allowances due to the existence of the Electrical Infrastructure for the term of this Agreement. Any Repair Work undertaken shall restore the road surface or Municipal Infrastructure to at least the same condition it was in immediately prior to the use of the Road Allowances by Company. In the event that Repair Work is required, Company agrees to provide the Municipality with at least five (5) days' notice that the Repair Work will occur if such Repair Work:
 - (a) will have or is likely to have Traffic Effects;
 - (b) will involve or is likely to involve Tree Work;
 - (c) could present a danger to public health and safety; or
 - (d) is located in Entrances.

- 3.4. Intentionally Deleted.

Emergency

3.5. Intentionally Deleted.

3.6. Intentionally Deleted.

Upgrades Required

3.7. The Company will be responsible for the Municipality's actual costs, reasonably incurred, of the upgrade work described in this Section 3.7. The Municipality will follow its applicable normal purchasing and construction processes when performing any upgrade work.

- (a) In the event that, in the Company's reasonable opinion, the standard, condition or maintenance of any of the Road Allowances is not sufficient to permit the Company to carry out its operations under this Agreement, the Company will notify the Municipality and the Municipality will carry out the upgrade work so identified as required to upgrade the Road Allowances to suit the Company's required purposes.
- (b) In the event that, in the Municipality's reasonable opinion, the Company's operations under this Agreement create a safety concern or other legal obligation that requires the Municipality to perform work to upgrade any Road Allowances, the Municipality will provide no less than 48 hours' prior written notice to the Company describing the location and extent of the upgrade work, and a description of why the upgrade work is required.

Locating Infrastructure:

3.8. Company agrees at its sole expense to:

- (a) mark the location of Electrical Infrastructure installed by Company within the Road Allowances with appropriate markings;
- (b) participate in the "Ontario One Call" system to facilitate ongoing notice to the public of the location of the Electrical Infrastructure; and
- (c) Intentionally Deleted.

Relocation of Installed Infrastructure:

Upon Election of Company

3.9. Intentionally Deleted.

Required by the Municipality

3.10. Intentionally Deleted.

3.10.1. Intentionally Deleted.

3.10.2. Intentionally Deleted.

3.10.3. Intentionally Deleted.

3.10.4. Intentionally Deleted.

3.10.5. Intentionally Deleted.

3.10.6. Intentionally Deleted.

3.11. Intentionally Deleted.

Required by Legislation or Lawful Order

3.12. Intentionally Deleted.

By Third Party

3.13. Intentionally Deleted.

Road Work

3.14. Intentionally Deleted.

3.15. Intentionally Deleted.

Closure or Assignment or Road Allowances

3.16. The Municipality agrees, in the event it decides to or is forced by legislative order to permanently close or dispose of any Road Allowance, or any part of a Road Allowance, identified in any Agreed Road Use Plan, to give Company not less than ninety (90) days' advance written notice of such proposed closing or disposal, and to grant and transfer to Company, at no cost to Company and prior to the proposed closure or disposal of the applicable Road Allowance, any such easements and rights-of-way, in registrable form, over that part of the Road Allowance closed or disposed of sufficient to allow Company to preserve any part of the Electrical Infrastructure in its then existing location, to enter upon such closed or disposed of Road Allowance to perform Work in respect of such Electrical Infrastructure and to gain access to the Project on the terms and conditions set out in this Agreement.

3.17. In the event that the Municipality decides to or is forced by legislative order to dispose of any Road Allowance or part thereof identified in any Agreed Road Use Plan, the Municipality agrees to require the transferee or assignee of such Road Allowance, as a condition precedent to the transfer or assignment, to agree in writing with Company, in a form acceptable to Company acting reasonably, to be bound by the terms of this Agreement and to assume the Municipality's obligations hereunder from and after the date of the transfer or assignment.

Tree Work

3.18. In the event that Company deems it necessary to perform any Tree Work, Company shall be entitled to conduct the Tree Work. Through the Class Environmental Assessment (“EA”) for the Projects, Hydro One has selected a preferred route which involves less incompatible vegetation removal than other routes considered. Additionally, to address the vegetation and tree removals that are required for the Projects, Hydro One has committed to implementing avoidance and mitigation measures as documented in the Environmental Study Report for the Projects. These measures may include:

- Vegetation that will not affect Project construction or line clearances will be retained, where possible;
- Hedgerows and windbreak areas impacted by construction will be replaced with compatible vegetation post-construction, in consultation with the applicable landowner;
- Tree protection zones will be used to delineate and protect trees that do not require removal for construction activities or operation of the transmission line, as necessary;
- The extent of clearing and vegetation removal required for the transmission line ROW within woodlands will be minimized to the extent practical;
- Woodlands will be taken into account when planning access, and the footprint of work areas/access within woodlands will be minimized to the extent practical;
- Hydro One will undertake a Biodiversity Initiative to offset vegetation loss or transition (e.g., from woodlot to a compatible vegetation community) that cannot otherwise be avoided or mitigated. This initiative will be conducted subsequent to completion of the Class EA and OEB Leave-to-Construct processes.

ARTICLE 4 –

IMPLEMENTATION OF PLANS

Adherence to Agreed Road Use Plans

4.1. Company agrees that the Electrical Infrastructure shall be located in compliance with the Agreed Road Use Plans.

Filing of As-Built Plan Following Installation etc.

4.2. Following the completion of all Work on Road Allowance under this Agreement, and within one hundred eight (180) days after the In Service Date, Company agrees to conduct the necessary investigation to produce and file with the Municipal Engineer an As-Built Plan together with a final electronic copy (CD ROM or DVD) prepared in an AUTOCAD, CAD or GIS environment of the As-Built Plan, showing the exact location of any Electrical

Infrastructure installed over, along, across, under or within the Road Allowances and any Entrances.

Post-Installation Report and Required Repairs

- 4.3. Following the Municipal Engineer's receipt of notice from Company confirming that all Work on Road Allowance under this Agreement is complete (the "**Completion Notice**"), the Consulting Engineer shall conduct a further inspection and provide a post-installation report (the "**Post-Installation Report**"), which includes such information as may be required by the Municipality, at a minimum, the following:
- (a) identification of the traveled portion of the Road Allowances used in the course of the Work, including any culverts and drains where crossed by entrances which were upgraded or installed during the course of the Work (collectively, the "**Inspected Roads**"), which in the reasonable opinion of the Consulting Engineer, have been damaged or destroyed by Company and its employees, agents or contractors during the Work;
 - (b) a video recording of the then-existing condition of the Inspected Roads;
 - (c) identification of the repairs, replacements or remedial work necessary to repair any damage to the Inspected Roads, in order to restore the Inspected Roads to the condition identified in the pre-construction condition survey, as described in Section 2.11 (the "**Required Repairs**"); and
 - (d) identification of the extent to which any Required Repairs are a direct result of damage caused by Hydro One or its employees, agents or contractors during the course of the Work, recognizing normal wear and tear caused by ongoing use of the Inspected Roads by the public.

Prior to commencing the Post-Installation Report, the Consulting Engineer shall provide a proposed approach to the Municipality for review, which will be based on the pre-inspection report criteria identified in section 2.11 above. The Municipality may require such additional details or revisions to the methodology as it may reasonably require to assess the required repairs.

- 4.4 The Consulting Engineer's inspection, for the purposes of producing the Post-Installation Report, shall be visual only, and is intended solely to identify any Required Repairs to the pavement surface condition of the Inspected Roads. The Consulting Engineer's inspection is to be completed no later than twenty (20) Business Days (weather permitting) following receipt by the Municipality of the Completion Notice. Company agrees to pay the costs of any Required Repairs identified in the Post-Installation Report, to the extent any such Required Repairs are a direct result of damage caused by Hydro One or its employees, agents or contractors during the course of the Work, recognizing normal wear and tear caused by ongoing use of the Inspected Roads by the public. The Municipality and Company shall work in good faith to determine the Company's reasonable and appropriate

costs of such Required Repairs, which costs shall be based on the costs incurred by the Municipality for similar repair work.

In the event of disagreement with respect to the contribution cost calculation or any part thereof, the parties agree to follow the dispute resolution process set out in sections 10.4 and 10.5 below.

Final Condition Report and Final Repairs

- 4.5. Following the expiry of the Interim Period, the Municipality's Engineer shall forthwith conduct an inspection of the Road Allowances and Municipal Infrastructure to either (i) confirm its satisfaction, acting reasonably, that all restoration work has been completed and that the Road Allowances are in substantially the same or better condition which existed prior to the performing of the Work (subject to normal wear and tear and subject to the uses and occupation of such Road Allowances by third parties); or (ii) identify those Road Allowances or Municipal Infrastructure which are not in the same or better condition which existed prior to the performing of the Work and identify the repair, replacement or remedial work required to repair the Road Allowances or Municipal Infrastructure to the same condition which existed prior to the performing of the Work (the "**Final Condition Report**"). The Municipal Engineer's inspection, for the purposes of producing the Final Condition Report shall be completed no later than twenty (20) Business Days following the expiry of the Interim Period and the Final Condition Report shall be delivered to Company not later than twenty (20) Business Days following the date of inspection aforesaid. Company agrees to pay for the costs of repair any damage to the Road Allowances or Municipal Infrastructure identified in the Final Condition Report (the "**Final Repairs**") within a reasonable period of time. The Municipality and Company shall discuss in good faith and attempt to reach agreement upon the reasonable and appropriate costs of such work, but failing agreement the Municipal Engineer's determination (acting reasonably) of the reasonable costs shall be final.
- 4.6. At the sole discretion of the Municipality, the Municipality may accept a lump sum payment for any of the Required Repairs or Final repairs, instead of having such work performed by the Company.

ARTICLE 5 -

COMPENSATION

For Administrative Costs

- 5.1. To offset the administrative expenses incurred by the Municipality as a result of issuing Permits related to this Agreement, Company agrees to pay to the Municipality:
- (a) The fees set out in the Community Support Agreement executed between the parties, as applicable and on the terms and conditions set out therein;

(b) Intentionally Deleted.

(c) Intentionally Deleted.

5.2. All overdue payments payable by Company to the Municipality under the terms of this Agreement shall bear per annum interest at the prevailing rate as set by the Bank of Canada on the date of overdue payment, until payment is cleared.

First Security Deposit:

5.3. Intentionally Deleted.

Second Security Deposit:

5.4. Intentionally Deleted.

ARTICLE 6 –

LIABILITY

Indemnification

6.1 Intentionally Deleted.

No Joint Venture, Partnership or Co-ownership

6.2 The Parties hereby acknowledge and agree that this Agreement is solely a road use agreement and that no relationship is formed between the Parties in the nature of a joint venture, partnership co-ownership arrangement or other similar relationship.

ARTICLE 7 –

**ABANDONMENT AND DECOMMISSIONING OF
ELECTRICAL INFRASTRUCTURE**

Notice of Abandonment

7.1 Intentionally Deleted.

Removal

7.2 Intentionally Deleted.

ARTICLE 8 –

DEFAULT

Breach

- 8.1 In the event that a Party commits a material breach of or omits to comply with any of the provisions of this Agreement (the “**Defaulting Party**”) which continues for at least sixty (60) days after written notification of such default is provided to the Defaulting Party, the other Party (the “**Complainant**”) shall have the right to terminate this Agreement. However, if the Defaulting Party shall have remedied the breach or shall have commenced to remedy the breach and has diligently pursued the remedying thereof within the sixty (60) days after the initial written notification of default, the Defaulting Party shall be allowed not less than one hundred and fifty (150) days after the expiry of the original notice period to remedy the breach, or such longer period of time as is reasonable in the circumstances, failing which the Complainant shall have the right to immediately terminate this Agreement.

ARTICLE 9 –

FORCE MAJEURE

Force Majeure

- 9.1 Whenever, and to the extent that a Party will be unable to fulfill or will be delayed or restricted in the fulfillment of any obligations under any provision of this Agreement by reason of:
- (a) strikes;
 - (b) lock-outs;
 - (c) war acts of military authority;
 - (d) rebellion or civil unrest;
 - (e) material or labour shortage not within the control of the affected Party;
 - (f) fire or explosion;
 - (g) inclement weather, flood, wind, water, earthquake, or other casualty;
 - (h) epidemic, pandemic or other public health emergency;
 - (i) changes in Applicable Law not wholly or mainly within the control of the affected Party, including the revocation by any Public Authority of any permit, privilege, right, approval, license or similar permission granted to Company or the Project;

(j) any event or matter not wholly or mainly within the control of the affected Party (other than lack of funds or any financial condition of the Parties hereto); or,

(k) acts of God,

(in each case a “**Force Majeure**”) not caused by the default or act of or omission by that Party and not avoidable by the exercise or reasonable effort or foresight by it, then, so long as any such impediment exists, that Party will be relieved from the fulfillment of such obligation and the other Party will not be entitled to compensation for any damage, inconvenience, nuisance or discomfort thereby occasioned. A Party affected by an event of Force Majeure shall promptly notify the other Party of such occurrence, and shall be prompt in restoring normal conditions, re-establishing schedules, and resuming operations as soon as the event of Force Majeure has ceased..

ARTICLE 10 –

MISCELLANEOUS

Assignment

10.1 Company may not assign this Agreement without the written consent of the Municipality, which shall not be unreasonably withheld, except that no consent shall be required (i) for Company to assign this Agreement in whole or in part to an Affiliate or successor entity, or to a buyer of all or part of Company’s interest in the Project, provided that all payments due to date under this Agreement have been satisfied and the assignee agrees in writing to assume and fulfill all of the covenants, agreements, terms and provisions and to abide by all limitations set forth in this Agreement, or (ii) for purposes of securing indebtedness or other obligations respecting the Electrical Infrastructure or the Project, provided that if Company realizes on the security and further assigns this Agreement, the assignee agrees in writing to assume and fulfill all of the covenants, agreements, terms and provisions and to abide by all limitations set forth in this Agreement. The Municipality acknowledges that a change in control of Company shall not be considered an assignment by Company of this Agreement or of any of Company’s rights and obligations under this Agreement.

10.2 Intentionally Deleted.

10.3 Intentionally Deleted.

Dispute Resolution

10.4 In the event that either Party provides the other Party with written notice of dispute regarding the interpretation or implementation of this Agreement (a “**Dispute**”) then both Parties shall use their best efforts to settle the Dispute by consulting and negotiating with each other in good faith to reach a solution satisfactory to both Parties. However, if the Parties do not resolve the Dispute within thirty (30) days following receipt of such notice,

then either Party may propose mediation or arbitration, or proceed to a court of competent jurisdiction for settlement of the dispute. In the event of a disagreement as to the location of the Electrical Infrastructure, such dispute shall not be subject to this dispute resolution process and shall instead be determined by the Ontario Energy Board pursuant to Section 41(9) of the *Electricity Act, 1998*.

- 10.5 The Parties agree that, except to the extent that a matter is specifically the subject of a Dispute, both Parties shall continue to observe and perform the terms and conditions of this Agreement pending the resolution of a Dispute.

Termination by Company

- 10.6 Company may upon six (6) months' notice in writing, terminate this Agreement. Once the notice has been provided, Company shall be liable to the Municipality for the provisions of this Agreement to the date of termination. Following the termination date, Sections [3.3, 4.4, 4.5, 4.6, 6.2] shall survive such termination.

Further Assurances

- 10.7 Each of the Parties covenants and agrees with the other that it will at all times hereafter execute and deliver, at the request of the other, all such further documents, agreements, deeds and instruments, and will do and perform all such acts as may be necessary to give full effect to the intent and meaning of this Agreement.

Notices

- 10.8 Any written notice provided for and contemplated by this Agreement will be delivered to the Parties by hand or registered mail, or by email, at the following addresses:

To the Municipality:

Municipality of Lakeshore

Attention: Mayor Tracey Bailey
Town Hall, 419 Notre Dame,
Belle River ON, N0R 1A0
Email: tbailey@lakeshore.ca

To Company:

Hydro One Networks Inc.

C/O: Craig Prewett
483 Bay Street, North Tower, 15th Floor
Toronto, ON M5G 2P5
Email: Craig.Prewett@HydroOne.com

Every such notice shall be deemed to have been received if personally delivered or emailed at the time of delivery, and if sent by prepaid registered mail, at the end of five (5) Business Days after the mailing thereof.

Governing Law

- 10.9 This Agreement shall be governed by, and be construed and interpreted in accordance with, the laws of Ontario and the laws of Canada applicable in Ontario.
- 10.10 Each of the Parties to this Agreement represents and warrants and covenants that it has and shall continue to act in accordance with the requirements of Applicable Laws with respect to the matters and obligations contemplated in this Agreement. Each Party agrees that no monies or other valuable consideration shall be knowingly used, directly or indirectly, to influence, improperly or unlawfully any decision or judgment of any official or any government or of any subdivision, agency or instrument thereof and that each Party will at all times comply with the requirements of Anti-Bribery Laws.

Counterparts

- 10.11 This Agreement may be executed manually or by electronic means, and in one or more counterparts, all of which shall be considered one and the same Agreement.

Binding Agreement

- 10.12 This Agreement and the Schedules hereto constitute the complete and exclusive statement of the understandings between the Parties, and supersedes all proposals and prior agreements, oral or written, between the Parties, with respect to the subject matter herein. The provisions of this Agreement, including all of the covenants and conditions herein shall extend, be binding upon and enure to the benefit of the Municipality, Company and their respective successors and permitted assigns as the case may be.

Severability

- 10.13 The invalidity or unenforceability of any provision or covenant contained in this Agreement shall affect the validity or enforceability of such provision or covenant only and any such invalid provision or covenant shall be deemed to be severable from the balance of this Agreement, which shall be enforced to the greatest extent permitted by law.

Amendments to the Agreement

- 10.14 No supplement, modification, amendment, or waiver of this Agreement shall be binding unless executed in writing by the Parties.

Waiver

10.15 No supplement, modification, amendment, or waiver of this Agreement shall be binding unless executed in writing by the Parties.

Signature page follows.

IN WITNESS WHEREOF the Parties hereto have duly executed this Agreement as of the Effective Date written above.

SIGNED, SEALED AND DELIVERED in
the presence of

MUNICIPALITY OF LAKESHORE

Mayor
Tracey Bailey

Clerk
Brianna Coughlin

*We have the authority to bind the
Municipality.*

HYDRO ONE NETWORKS INC.

By:
Name:

Title:

By:
Name:

Title:

I/We have authority to bind the Corporation.

SCHEDULE “A”

Road Allowance Plan

Insert road allowance plan for each project once developed.

SCHEDULE "B"

Secured Party Acknowledgement Agreement

Intentionally Deleted.

SCHEDULE “C”

Appropriate Emergency Service Providers

Intentionally Deleted.

SCHEDULE “D”

Projects

- i. **Chatham to Lakeshore Line** – a 230-kilovolt transmission line that will run 48 kilometers from Chatham Switching Station (in Chatham) to the new Lakeshore Transformer Station (located in the Municipality of Lakeshore), and related station work;
- ii. **Longwood to Lakeshore Line** – a 500-kilovolt transmission line that will run approximately 120 kilometers from Longwood Transformer Station (west of London) to Lakeshore Transformer Station (in the Municipality of Lakeshore), and related station work;
- iii. **Windsor to Lakeshore** - a 230-kilovolt transmission line that will connect the Windsor area to the Lakeshore Transformer Station, and related station work;
- iv. **Longwood to Lakeshore Line Phase Two** – a 500-kilovolt transmission line that will run approximately 120 kilometers from Longwood Transformer Stations (west of London) to Lakeshore Transformer Station (in the Municipality of Lakeshore), and related station work.