

THIS COMMUNITY SUPPORT AGREEMENT made effective as of the 15th day of August, 2023 (the “**Agreement**”).

BETWEEN:

HYDRO ONE NETWORKS INC., a corporation incorporated under the laws of the Province of Ontario (“**Hydro One**”)

- and -

MUNICIPALITY OF LAKESHORE, a municipal corporation under the authority of the *Ontario Municipal Act, 2001* (“**Municipality**”)

(each a “**party**” and together, the “**parties**”).

WHEREAS:

- A. Hydro One has received an Order-In-Council from the Ministry of Energy to meet the forecasted rapid electricity demand growth in Essex County, in Southwestern Ontario;
- B. As a result, the Ministry of Energy has recommended that Hydro One build three priority electricity transmission lines, and commence the early development of two additional line, in the Essex County area (collectively and as further described below, the “**Projects**”);
- C. Strong community and local government support and partnerships are fundamental organizing principles that guide all of Hydro One’s project development efforts, and Hydro One recognizes that transmission projects and large-scale public infrastructure are most successfully developed, constructed, and operated in communities that want to host such projects and that see the tangible and intangible benefits of providing such support; and
- D. The Municipality understands that critical new infrastructure is needed to meet the growing demand for power in Southwestern Ontario, and so is willing to work with Hydro One in support of the Projects and to mitigate the potential impacts that the Projects may have on lands within the municipality of Lakeshore.

NOW THEREFORE, in consideration of the mutual covenants and promises described herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby irrevocably acknowledged, the parties agree as follows:

1.0 THE PROJECTS

- (a) On the recommendation of the Ministry of Energy, Hydro One is planning construction of the following electricity transmission lines, as further shown on Appendix 1 hereto (each, a “**Project**”, and collectively, the “**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.

2.0 TERM

- (a) Except as otherwise specified, this Agreement shall be effective as of the date first written above (the “**Effective Date**”) and shall remain in force and effect until termination by mutual written agreement of the parties (the “**Term**”). The commitments contained herein are a material inducement for, and a condition of, Hydro One and the Municipality to enter into this Agreement. The parties confirm their intention to complete each of the commitments and irrevocably waive any right they may have to raise challenges to any such commitment.
- (b) Except as expressly set out herein, nothing in this Agreement shall be construed as affecting the rights and obligations of the parties under legislation or any other applicable law.

3.0 MUNICIPALITY COMMITMENTS

- (a) The Municipality commits to working closely with Hydro One and other impacted stakeholders through the various environmental assessment processes to determine the most appropriate routing for the Projects and to examine options and, to the extent possible, minimize impacts on the community. For clarity, Hydro One agrees that while still supporting the Projects, the Municipality shall have the right to express preference for a particular route for the lines in order to reflect community priorities. In so doing, the Municipality commits to not publicly opposing, and where reasonable, publicly supporting, the Projects.
- (b) In addition to other activities in support of the Projects, the Municipality shall:

- i. Liaise and consult with community leaders, landowners and other stakeholders to review community benefits and Project route options and preferences;
- ii. Attend Hydro One’s Transmission Technical Advisory Committee meetings and community consultation events in Essex County, whenever practical; and
- iii. Support transmission-related community events in Essex County by, whenever practical, attending meetings with administrators, local landowners and Council members to present Project concepts.
- iv. Provide continued support to Hydro One during the Ontario Energy Board processes and the construction phases of the Projects.

4.0 HYDRO ONE CONTRIBUTIONS

- (a) To recognize the Municipality’s formal and informal support of the Projects and subject to the terms and conditions herein, including without limitation, subject to subsections 6.0(a) and 8.0(a) below, Hydro One shall pay to the Municipality the Community Benefit Contributions, the Initial Contingency Funds and the Manager Resource Fees, and Hydro One has already paid to the Municipality the Initial Road Repair Prepayment (as each of these terms are defined herein) (the aggregate of all these amounts hereinafter referred to as the “**Total Amount**”) up to an aggregate maximum amount of EIGHT MILLION DOLLARS (\$8,000,000).

5.0 MUNICIPAL RESOURCES FEE

- (a) Hydro One acknowledges that in order to facilitate and expedite the development of the Projects, the Municipality will be required to expend significant internal and external resources to work with Hydro One, to consult with the Municipality’s stakeholders, and to review, evaluate and manage the impacts of these four major Projects to facilitate meeting provincial timelines.
- (b) The Projects will require multiple years of consultation and construction. Hydro One agrees to provide funding to the Municipality for a dedicated full-time project manager who will be responsible for coordinating all Project-related matters, marshalling municipal permits and approvals in a timely manner, and acting as the Municipality’s primary point of contact for Hydro One. Hydro One will pay to the Municipality an annual fee of ONE HUNDRED FIFTY THOUSAND DOLLARS (\$150,000.00) per year during the Term of this Agreement, based on determination by the Municipality that the role is needed, acting reasonably, provided the project manager fulfills his/her role during the said year (each annual amount hereinafter referred to as the “**Municipal Resources Fee**”). The Municipal Resources Fee is based on the four Projects identified above in subsection 1.0(a), and so is subject to change by mutual agreement if the number or scope of the Projects change.
- (c) The Municipality may, acting reasonably, determine that additional external resources are required to meet its obligations herein in carrying out activities in support of the Projects which activities are outside of its usual day-to-day municipal functions and/or

processes. In order to cover such costs, Hydro One agrees to reimburse the Municipality up to FIFTY THOUSAND DOLLARS (\$50,000.00) per Project for expenses that are reasonably incurred (including but not limited to third party consultant and legal expenses) during the Term of this Agreement and that are directly related to the Projects (collectively, the “**Initial Contingency Fund**”) provided the Municipality provides Hydro One with supporting documentation evidencing said expenses to the satisfaction of Hydro One acting reasonably. The Initial Contingency Fund may be modified, or further contingency funds may be made available, upon mutual written agreement of the parties.

6.0 COMMUNITY BENEFIT CONTRIBUTION

- (a) Hydro One is pleased to remain an integral part of the Lakeshore community now and into the future. To recognize the Municipality’s formal and informal support of the Projects, and subject to the terms and conditions herein, including without limitation subsections 4.0(a) and 8.0(a), Hydro One agrees to pay to the Municipality each of the milestone payment amounts shown in Table 1 below, after completion of each applicable Project milestone, which milestone payments may total up to a maximum aggregate amount of FIVE MILLION EIGHT HUNDRED THOUSAND DOLLARS (\$5,800,000) (each milestone payment and the aggregate amount collectively referred to as the “**Community Benefit Contribution**”).

Milestone	Chatham to Lakeshore Line	Longwood to Lakeshore Line	Windsor to Lakeshore	Longwood to Lakeshore Line Phase Two
Public Filing of Notice of Commencement of Environmental Assessment Process	\$426,725	\$426,725	\$521,552	Included in Phase 1
Commencement Date of Construction of Project within the Municipality’s boundaries	\$1,024,139	\$882,759	\$1,251,726	\$441,380
Completion Date of Construction of the Project	\$256,035	\$170,690	\$312,931	\$85,345

Table 1: Milestone Payments

For clarity, payment of each milestone Community Benefit Contribution is conditional upon completion of the applicable milestone shown on the left side of Table 1.

- (b) The Community Benefit Contribution is provided for recreational and cultural purposes within Lakeshore’s community, to be allocated and distributed by the Municipality. Where appropriate, Hydro One will receive recognition for the Community Benefit Contribution and benefits will be made available to Hydro One (including but not limited to logo recognition and speaking opportunities).

7.0 INITIAL ROAD REPAIR PREPAYMENT

- (a) The Municipality acknowledges that Hydro One has previously provided payment of FIVE HUNDRED THOUSAND DOLLARS (\$500,000.00) to support additional maintenance, repairs, administrative and technical resources related to construction of transmission assets in the vicinity of the Lakeshore Transmission Station (the “**Initial Road Repair Prepayment**”).

8.0 ROAD USE AGREEMENTS

- (a) Hydro One agrees that it shall enter into a Road Use Agreement or Agreements (“**RUAs**”) with respect to the Projects, with respect to Hydro One’s use of public road allowances and infrastructure.

9.0 GENERAL PROVISIONS

- (a) **Fees.** The Total Amount and the maximum aggregate amount of the Community Benefit Contributions referred to in subsection 4.0(a) and subsection 6.0(a) respectively are based on the four Projects identified above in subsection 1.0(a) and achievement of the applicable milestones referred to in subsection 6.0(a) and hence are subject to change as determined by Hydro One.
- (b) **Confidentiality and Announcements.** Except as specifically outlined in this subsection 9.0(b), or required by law (including the *Municipal Freedom of Information and Protection of Privacy Act*), regulatory authorities or stock exchanges, the parties (including their representatives) will hold the facts and terms of this Agreement in confidence and will make no public announcement, press release, or other public disclosure concerning the terms of this Agreement or the RUAs (including the monies paid hereunder, and the content and the fact that the parties have entered into any RUAs) without the prior written consent and approval of the other party. The party seeking to make any required announcement shall provide at least 72 hours’ notice to the other party prior to making such announcement. A party may take such actions as it deems necessary to prevent such disclosure if in its sole opinion such disclosure is not mandatory. No party shall make any statements or submissions on behalf of the other party concerning this Agreement, the RUAs or the Projects, without the express written consent of the other party. Notwithstanding the foregoing, Hydro One agrees and acknowledges that the general terms of this Agreement must be disclosed to Municipal Council for the Municipality of Lakeshore as part of the necessary approval of this Community Support Agreement, which approval must occur in a public session of Municipal Council. This Section 8.0(b) shall survive the termination or expiry of this Agreement.

- (c) **Entire Agreement.** This Agreement constitutes the entire agreement between the parties regarding the subject matter hereto and supersedes all prior negotiations, representations, understanding or agreements, written or oral, between the parties.
- (d) **Notice.** Any notice required to be given under this Agreement shall be properly given only if sent by mail (courier or registered mail) or by email, effective upon receipt, if sent and delivered to:

For the Municipality:

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

For Hydro One:

Address: 483 Bay Street, South Tower, 6th Floor
Toronto, ON M5G 2P5
Attn: Alexandra Moskalyk
Senior Manager, Community Relations
Email: Alexandra.Moskalyk@HydroOne.com

- (e) **Amendment.** This Agreement may only be amended by mutual agreement in writing of the parties hereto.
- (f) **Assignment.** No party may assign this Agreement or any of its rights and obligations hereunder without the prior written consent of the other party.
- (g) **Enurement.** This Agreement shall be binding upon and enure to the benefit of the parties hereto and their respective heirs, executors, administrators, successors and permitted assigns.
- (h) **Applicable Law.** This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein. The parties irrevocably attorn to the exclusive jurisdiction of the courts of the Province of Ontario in the event of a dispute hereunder.
- (i) **Severability.** In the event any provision in this Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.
- (j) **Waiver.** No delay or failure on the part of either party in the exercise of any right or remedy arising from a breach of this Agreement shall operate as a waiver of any subsequent right or remedy arising from a subsequent breach of this Agreement.
- (k) **Time.** Time shall in all respects be of the essence hereof.

- (l) **Counterparts.** This Agreement may be executed in counterparts, including electronic counterparts, each of which shall be deemed an original, but all of which shall together constitute one and the same agreement.

10.0 FUTURE MUNICIPALITY POWER NEEDS

- (a) In the event that the Municipality identifies future capacity needs within the community, as a result of economic development opportunities or otherwise, Hydro One commits to review and provide options to address those needs.

Signature page follows.

IN WITNESS WHEREOF the parties hereto have caused this Agreement to be executed, as of the Effective Date, by the signatures of their proper representatives duly authorized in that behalf.

HYDRO ONE NETWORKS INC.

Name: Andrew Spencer
Title: EVP, Capital Portfolio Delivery

I have the authority to bind the Corporation.

MUNICIPALITY OF LAKESHORE

Name: Tracey Bailey
Title: Mayor

Name: Brianna Coughlin
Title: Division Leader – Legislative Services

I/We have the authority to bind the Municipality.

APPENDIX 1

PROJECTS – PROPOSED TRANSMISSION LINES

