

**AN AGREEMENT FOR THE CLEANUP
AND THE LONG-TERM SAFE MANAGEMENT OF
LOW-LEVEL RADIOACTIVE WASTE
SITUATE IN THE TOWN OF PORT HOPE , THE TOWNSHIP OF HOPE
and THE MUNICIPALITY OF CLARINGTON**

AMONG

THE CORPORATION OF THE TOWN OF PORT HOPE,
A Municipal corporation pursuant to the Ontario Municipal Act
(hereinafter referred to as “the Town of Port Hope”)

OF THE FIRST PART

THE CORPORATION OF THE TOWNSHIP OF HOPE,
A Municipal corporation pursuant to the Ontario Municipal Act
(hereinafter referred to as “the Township of Hope”)

OF THE SECOND PART

THE CORPORATION OF THE MUNICIPALITY OF CLARINGTON,
A Municipal corporation pursuant to the Ontario Municipal Act
(hereinafter referred to as “Clarington”)

OF THE THIRD PART

AND

HER MAJESTY THE QUEEN IN RIGHT OF CANADA
as represented by the Minister of Natural Resources
(hereinafter referred to as “Canada”)

OF THE FOURTH PART

**As Amended December 2009*

INTRODUCTION

Since the 1930s, radium and uranium have been processed in the Town of Port Hope and a byproduct of this activity has been Low-Level Radioactive Waste.

Over these many years, some of the Low-Level Radioactive Waste has been deposited in the Welcome Waste Management Facility in the Township of Hope, and in the Port Granby Waste Management Facility in Clarington, two waste management facilities licenced by the Canadian Nuclear Safety Commission as successor to the Atomic Energy Control Board.

In addition, Low-Level Radioactive Waste has been known to have been deposited in various locations in the Town of Port Hope.

There is a need to address the cleanup and the better long-term safe management of this Low-Level Radioactive Waste.

Extensive efforts to relocate the Low-Level Radioactive Waste to a long-term management Facility outside of the Municipalities have not succeeded.

Clarington, the Town of Port Hope and the Township of Hope have now each proposed, subject to certain conditions, their own alternative solution to the cleanup and long-term management of the Low-Level Radioactive Waste located within their respective Municipalities and have submitted to Canada conceptual designs for new waste management facilities for each of the Municipalities.

The submissions were intended to present a potential solution to an ongoing problem and in doing so to strive to minimize the impacts on the communities and the residents, especially those in the vicinity of a proposed waste management Facility.

Canada accepts that the proposals can form the basis of a long-term solution, and, in consultation with Municipalities, and with the Municipalities' assistance and support, is prepared to proceed with the work necessary to submit the matter to the environmental assessment and regulatory review processes.

Upon the completion of the environmental assessment and the regulatory reviews of the proposals; the concurrence of the relevant Party or the Parties to continue; and, the acquisition of the sites for the facilities, Canada will proceed with the cleanup and construction work provided for in this Agreement.

Canada is prepared to mitigate the effects on the Municipalities and the property owners within the Municipalities of the work to be undertaken within each community.

In order to be able to proceed with the construction of the new facilities, Canada will have to conclude agreements to acquire the lands for the proposed sites.

Canada will also continue to support, either through the Low-Level Radioactive Waste Management Office or a successor organisation, an Environmental Monitoring Program, a Construction Monitoring Program and a Property Compliance Program.

The Parties have negotiated *Principles of Understanding* which the Parties initialled on October 6, 2000 and are now desirous of entering into this Agreement.

THEREFORE, in consideration of the covenants hereinafter contained and other good and valuable consideration, the Parties agree as follows:

ARTICLE 1

INTERPRETATION

1.1 Definitions

In this Agreement, the following terms shall have the meanings set forth below:

“Agreement”, “this Agreement”, “the Agreement” means this Agreement, inclusive of all recitals, Schedules, and every other document specified or referred to in the Agreement as forming part of this Agreement, and all instruments in writing that by their terms expressly amend, waive or vary the provisions of this Agreement;

“Atomic Energy of Canada Limited (AECL)” means a corporation continued pursuant to the Canada Business Corporations Act having its headquarters in Mississauga, Ontario.

“Canadian Nuclear Safety Commission” means the commission created pursuant to the Nuclear Safety and Control Act, S.C. 1997 C-9 and means the “CNSC”.

“Cameco” means a corporation incorporated pursuant to the Canada Business Corporations Act having its headquarters in Saskatoon, Saskatchewan.

“Cameco Decommissioning Waste” means the Low-Level Radioactive Waste that comprises approximately 150,000 cubic metres of Cameco-owned materials situate in the Town of Port Hope at the time of the signing of this Agreement and as more particularly described in Schedule 1 of this Agreement.

“Cameco Waste - Port Granby” means all the Low-Level Radioactive Waste and the marginally contaminated soil at the Port Granby Waste Management Facility at the date of this Agreement.

“Cameco Waste - Welcome” means all the Low-Level Radioactive Waste and the marginally contaminated soil at the Welcome Waste Management Facility at the date of this Agreement.

“Cleanup” means the removal and management of Low-Level Radioactive Waste and any other waste which is specifically identified in this Agreement.

“Construction Monitoring Program” means the program operated by the Low-Level Radioactive Waste Management Office (LLRWMO) under an agreement between AECL and the Town of Port Hope dated January 11, 1989, for the purpose of minimizing the spread, during construction activities within the Town of Port Hope, of soil that is contaminated with Historic Low-Level Radioactive Waste, and to minimize the permeation of radon and radon daughter products from such soil into newly constructed structures within the Town of Port Hope.

“Decommissioning” means the actions taken to retire the Cameco facilities in the Town of Port Hope from service and decommissioning includes, inter alia, the dismantling and removal of all process equipment and buildings and the cleanup of the property on which facilities were located.

“Eldorado” means Eldorado Nuclear Limited, a Canada corporation having offices in Ottawa, Ontario, and its corporate predecessors in the Town of Port Hope.

“Element” means any of the New Welcome Waste Management Facility, the New Port Granby Waste Management Facility or the New Town of Port Hope Waste Management Facility and includes the cleanup, consolidation and site stabilization work referable to a particular Facility as set out in Schedule 1 and the performance of all of the obligations provided in this Agreement related thereto.

“Environmental Monitoring Program” means the activities performed by the LLRWMO in the Town of Port Hope to routinely monitor conditions at background locations and at a number of specific unlicensed sites known to contain Historic Low-Level Radioactive Waste.

“Environmental Assessment and Regulatory Review” includes the activities necessary to the reaching of a required determination and the acquisition of an approval, permit, licence, or other such authorisation under applicable federal or provincial legislation, including, without limitation, the Canadian Environmental Assessment Act, S.C. 1992 C- 37, the Canadian Environmental Protection Act, 1999, S.C. 1999 C-33, and the Nuclear Safety and Control Act, S.C. 1997 C-9.

“Facility” means a facility designed for the long-term management of Low-Level Radioactive Waste so that it may be licenced by the CNSC and includes the New Welcome Waste Management Facility, the New Port Granby Waste Management Facility and the New Town of Port Hope Waste Management Facility.

“Federal Operating Agency (FOA)” means an organisation which may be established by Canada for the purpose of performing some of Canada’s obligations pursuant to this Agreement.

“Herein”, “hereby”, “hereof”, “hereunder” and similar expressions, when used in an Article, shall be understood to relate to the Agreement as a whole and not merely to the Article in which they appear;

“Historic Low-Level Radioactive Waste” means the Low-Level Radioactive Waste other than Cameco Waste - Port Granby, Cameco Waste - Welcome and Cameco Decommissioning Waste currently situated in the Town of Port Hope, Clarington or the Township of Hope for which the original producer cannot reasonably be held responsible and for which Canada has accepted responsibility.

“Industrial Waste” means the approximately 40,000 cubic metres of non-radioactive contaminated materials, including soils, found at a number of sites in the Town of Port Hope as more particularly described in Schedule 1 of this Agreement.

“Low-Level Radioactive Waste” means any of the radioactive waste products resulting from the processing of radioactive materials in the Town of Port Hope by Eldorado now situate in the Municipalities, including, but not limited to, chemical process wastes, contaminated industrial trash, building materials and industrial equipment employed in the processing activity as well as any soils that have become contaminated with radioactivity, all of which, for regulatory purposes, do not fall into the category of high-level radioactive wastes and, without limiting the generality of the foregoing, depending on the context in which it is used, can refer to Historic Low-Level Radioactive Waste, Cameco Waste – Welcome, Cameco Waste – Port Granby and Cameco Decommissioning Waste.

“Low-Level Radioactive Waste Management Office (LLRWMO)” means the division of AECL responsible, inter alia, for the management of Historic Low-Level Radioactive Waste in Canada.

“Low-Level Radioactive Waste Management Project” means all the work necessary and incidental to the completion of the design, Environmental Assessment and Regulatory Review, construction, deposit or consolidation of Waste, closure and ongoing monitoring of the New Town of Port Hope Low-Level Radioactive Waste Facility, the New Welcome Waste Management Facility and the New Port Granby Waste Management Facility and the cleanup work in the Municipalities associated therewith, all of which is more particularly described in Schedule 1 to this Agreement.

“Municipality” or “Municipalities” mean the Town of Port Hope, the Township of Hope and the Municipality of Clarington.

“New Welcome Waste Management Facility” means the activities and structure contemplated by the conceptual design approach referred to as Conceptual Approach 1-C in the Township of Hope Ad Hoc Committee’s report titled *Report on Concept Design Options for a Low-Level Radioactive Waste Storage Mound at the Welcome Site*, dated September 10, 1998, which Report was considered and approved by the Council of the Township of Hope for further review and discussion with Canada (Resolution 437/98 dated October 20, 1998).

“New Port Granby Waste Management Facility” means the activities and structure contemplated by the conceptual design approach referred to as Conceptual Design B, Option 2 in the Port Granby LLRW Advisory Committee’s Report titled *Report on Conceptualization of On-Site Low-Level Radioactive Waste Storage Facility Designs for the Port Granby WMF* dated June 28, 1999 (Report PD-95-99) as received and approved by the Council of Clarington for referral to Canada (Resolution dated August 30, 1999).

“New Town of Port Hope Waste Management Facility” means the activities and structure contemplated by the conceptual design approach referred to as Approach 3 in the Port Hope LLRW Management Policy Review Committee’s Report titled *Report on Conceptualization of Low-Level Radioactive Waste Storage Facility Designs in the Town of Port Hope*, dated March 15, 1999, which Report was considered and endorsed by the Council of the Town of Port Hope for forwarding to Canada for further consideration (Resolution No. 88/99 dated March 22, 1999).

“Port Granby Waste Management Facility” means the 18 hectare radioactive waste management property in Clarington and occupying parts of Lots 2 and 3, Broken Front Concession A in the former Township of Clarke, which parts are between Lakeshore Road and Lake Ontario of which Cameco is the owner and licenced operator.

“Property Compliance Program” means activities performed by the LLRWMO at properties in Port Hope to correct any cases of non-compliance with the criteria set in 1977 by the Federal-Provincial Task Force on Radioactivity or with current federal regulations administered by the Canadian Nuclear Safety Commission.

“Proponent” means proponent as defined in the Canadian Environmental Assessment Act, S.C. 1992 C-. 37, and includes an applicant in a matter submitted to the CNSC for its consideration or approval.

“Project” means the Low-Level Radioactive Waste Management Project

“Town of Port Hope and Hope” means the combined geographic areas of the Town of Port Hope and the Township of Hope as they existed on October 6, 2000.

“Waste” means Low-Level Radioactive Waste and Industrial Waste.

“Welcome Waste Management Facility” means the 36 hectare radioactive waste management property in the Township of Hope and occupying parts of Lots 13 and 14 between Marsh Road and Highway 401 of which Cameco is the owner and licenced operator.

1.2 **Geographical Boundaries**

Unless otherwise expressly stated, any reference to the Town of Port Hope, Clarington and the Township of Hope shall refer to the geographical boundaries as they existed on October 6, 2000.

1.3 **Headings**

Headings, recitals and the provision of a Table of Contents are inserted for convenience of reference only and shall not affect the construction or interpretation of this Agreement.

1.4 **References**

Unless otherwise expressly stated, reference herein to a Schedule or to an Article or a Subarticle, paragraph, clause or other subdivision is a reference to such Schedule to this Agreement or to such Article, Subarticle, paragraph, clause or other subdivision within this Agreement.

1.5 **Statutes and Regulations**

Any reference in this Agreement to all or any part of any statute or regulation shall, unless otherwise expressly stated, be a reference to that statute or regulation or the relevant part thereof, as amended, substituted, replaced, or re-enacted from time to time.

1.6 **Monetary References**

Whenever an amount of money is referred to herein, such amount shall, unless otherwise expressly stated, be deemed to be Canadian dollars.

1.7 **Accounting Terms and Principles**

Unless otherwise expressly stated, all accounting terms and principles applicable to this Agreement shall be interpreted and applied in accordance with generally accepted accounting principles.

1.8 **Authority**

Where reference is made to a direction, response, act, decision, determination, consent, waiver, approval, notice, request or other communication of any Party that is required or that may be done, performed or carried out by the Party pursuant to this Agreement, it may be so done, performed or carried out by such person or persons as may be authorised by a Party to act in its stead and any such person or persons or any other persons may be designated from time to time as the Party's representative by notice to the other Parties to this Agreement in accordance with this Agreement.

1.9 **Governing Law**

This Agreement shall be deemed to have been made in the Province of Ontario and shall be governed by and construed in accordance with the laws in force in the Province of Ontario.

1.10 **Discretion**

Where reference is made to a direction, response, act, decision, determination, consent, waiver, approval, notice, request or other communication of a Party, to matters which must be satisfactory to that Party, then, unless otherwise expressly stated, that matter is to be conducted or carried out at the sole discretion of the Party acting reasonably.

1.11 **Enurement**

This Agreement shall be binding upon and shall enure to the benefit of the Parties hereto and their respective successors and assigns.

1.12 **Amendments in Writing**

Except as otherwise expressly provided for in this Agreement, no amendment, variation or waiver of the provisions of this Agreement shall be effective unless made in writing and signed by each of the Parties hereto, either individually by counterpart or collectively. Any amendment, variation or waiver shall take effect on the date specified in the amendment, variation or waiver or, if not so specified, on the date on which the last Party executes and delivers the amendment, variation or waiver.

1.13 **No Waiver**

Any waiver by any Party of all or any part of any provision, or the breach of any provision of this Agreement or any other related agreement, shall affect only the matter specifically identified in the instrument granting the waiver and shall not extend to any other matter, provision or breach.

Any waiver by any Party of all or any part of any provision, or the breach of any provision of this Agreement or any other related agreement, shall extend only to the Party to whom such waiver is expressly granted and shall not be construed as a waiver in favour of any other Party in respect of such provision or breach and shall not prejudice the rights of any other party from insisting upon performance of such provision.

Unless otherwise expressly stated herein, the failure of any Party to give notice to the other Party, or to take any other steps in exercising any right in respect of the breach or nonfulfillment of any provision of this Agreement or any other related agreement, shall not operate as a release or waiver of that right or as a release of the other Party from its obligations and liabilities nor shall any single or partial exercise of any right preclude any other or future exercise of that right or the exercise of any other right, whether in law or in equity or otherwise.

Unless otherwise expressly stated herein, acceptance by any Party of payment or performance of any obligation after the breach or nonfulfillment by the other Party of any provision of this Agreement or any other related agreement shall not constitute a waiver of the provisions of this Agreement.

1.14 **Severability**

If any provision of this Agreement shall be held invalid, illegal or unenforceable, the Parties shall consult and determine whether the other provisions of the Agreement shall remain in full force and effect and any dispute may be resolved in accordance with Article 10.

1.15 **Number and Gender**

Wherever the context so requires, a term used herein importing the singular number only shall include the plural and vice versa and words importing any gender shall include all other genders.

1.16 **Language**

This Agreement is drawn in English at the request of all Parties hereto.

1.17 **Schedules**

The following Schedules are attached to and form part of this Agreement:

Schedule 1 - Description of the Project

Schedule 2 - Cleanup Approval Process and Methodologies

Schedule 3 - Property for the New Town of Port Hope Waste
Management Facility

Schedule 4 - Geographic Scope of the Property Value Protection Program

Schedule 5 - Map of the Area of Application of the Property Value Protection Program

Schedule 6 - Terms of Mediation or Arbitration

Schedule 7 - Town of Port Hope Fund

Schedule 8 - Township of Hope Fund

Schedule 9 - Clarington Fund

1.18 **Other Documents**

Any documents referred to in a Schedule, or otherwise referred to in this Agreement, shall form part of the Agreement and are incorporated into the Agreement as if they were fully set forth in the Agreement.

1.19 **Priority of Documentation**

In the event of conflict or inconsistencies between the provisions of this Agreement and its Schedules, the order of precedence in descending order shall be as follows:

- the Schedules attached to the Agreement
- the Articles of the Agreement signed by the Parties

ARTICLE 2 **THE WORK PROJECT**

2.1 **Low-Level Radioactive Waste Management Project (Project)**

2.1.1 Canada agrees to perform all the work necessary and incidental to the achievement of the Project, and the Elements thereof, which is more particularly described in Schedule 1 to this Agreement, in accordance with the terms of this Agreement and subject to all the applicable federal, provincial and municipal laws.

2.1.2 The work shall be undertaken in the following three phases:

- (a) Upon Canada's signature of this Agreement, it shall commence and carry out, at its expense, the first phase which shall consist of all of the work for, and necessary and incidental to, the Environmental Assessment and Regulatory Review of the Project.
- (b) Upon the completion of the Environmental Assessment and Regulatory Review, Canada shall undertake, at its expense, the second phase which shall consist of all of the work necessary and incidental to the actual development of the Facilities, the Cleanup in accordance with Schedules 1 and 2, the consolidation of Waste, and the closure of the Facilities.

- (c) Upon the completion of the second phase of the Project, Canada shall, at its expense, maintain and monitor the Facilities in accordance with the terms and conditions of the operating licences therefor.

2.2 Timelines

2.2.1 Without intending to fetter in any way the proper undertaking and completion of the Environmental Assessment and Regulatory Review, the Parties record their expectation that the first phase will take approximately 5 years from the signature of this Agreement to complete the Environmental Assessment and Regulatory Review and agree that they will act in good faith in pursuing this expectation.

2.2.2 The Parties record their expectation that the second phase will take approximately 3 to 7 years to substantially complete a Facility, depending on the Facility, from the date on which the CNSC issues a licence for its construction and agree that they will act in good faith in pursuing this expectation.

2.3 Staging

2.3.1 Elements of the Project may, for a wide variety of practical reasons, proceed on different time lines or schedules and it is agreed that when it is appropriate in order to achieve an Element as soon as possible, Canada may proceed with Elements of the Project on varying time lines or schedules.

2.3.2 In the event that any Element is delayed or for some reason halted, it is the intent of the Parties that the delay shall not interfere with or limit the completion of any other Element and that Canada shall continue to proceed expeditiously with the other Elements, unless it is impossible to do so.

2.4 LLRWMO's Programs

2.4.1 The LLRWMO delivers among other things an Environmental Monitoring Program, Construction Monitoring Program, and Property Compliance Program, and until Canada establishes an alternate way to deliver these programs, nothing in this Agreement is intended to derogate from, or replace the ongoing work of the LLRWMO, and Canada agrees that it shall continue to honour its commitments to AECL and the Town of Port Hope regarding the delivery of the work of the LLRWMO. More specifically, nothing in this Agreement is intended to inhibit or prevent the LLRWMO continuing with interim cleanup activities in the Town of Port Hope and the temporary storage of such waste.

ARTICLE 3
PERFORMANCE CRITERIA

3.1 Criteria for the New Facilities

3.1.1 Any work in Clarington, the Township of Hope or the Town of Port Hope in regard to the establishment of the New Welcome Waste Management Facility, the New Port Granby Waste Management Facility or the New Town of Port Hope Waste Management Facility shall be done so that the Facilities will meet or exceed the regulatory requirements that apply at the time when the work is undertaken.

3.2. Completion of the Surface of the New Facilities

3.2.1 With respect to the new Facilities in the three Municipalities, Canada shall construct and operate the Facilities so that save for areas which may be required to be set aside for water management and monitoring activities and therefore access to which may have to be restricted, the surface area will be able to be used for active or passive recreational purposes as provided for in this Agreement.

3.3 Cleanup Criteria

3.3.1 Contemporaneous to the construction of the new Facilities, Canada shall clean up contaminated sites as follows:

- (a) Canada shall clean up properties contaminated with Historic Low-Level Radioactive Waste so that all such properties will be able to be used for all current and foreseeable unrestricted uses.
- (b) Through the cleanup process, other contaminants may be found commingled with the Historic Low-Level Radioactive Waste, and in such cases, Canada shall clean up the commingled waste material. In circumstances in which the other contaminants cease to be commingled with the Historic Low-Level Radioactive Waste, Canada shall not be obligated to remove the non-commingled other contaminants.
- (c) In addition, Canada shall clean up the approximately 40,000 cubic metres of Industrial Waste on the properties identified in Schedule 1, Part B, Section 3 (non-radioactive wastes) to this Agreement which cleanup will meet the applicable Ontario Ministry of Environment regulations and guidelines as determined by Canada. The aforesaid guidelines will be determined, in consultation with Port Hope, within approximately two years from the execution of this Agreement once the wastes in the relevant sites have been characterized and the volumes determined.

3.4 Notification Regarding Other Contamination

3.4.1 As a result of Canada's cleanup activities, it is understood that Canada might identify or encounter contaminants, other than the contaminants which it is required to clean up pursuant to this Agreement, and in that event the Parties agree that Canada shall immediately notify the property owner, the appropriate regulatory agency and the Municipality in which the contamination is situated in order that the property owner may be able to address the matter in a timely manner.

3.4.2 For the purpose of fulfilling the cleanup of Port Hope contemplated by this Agreement, the Proponent will advise the Canadian Nuclear Safety Commission staff of any property owners in Port Hope who resist having their properties cleaned up pursuant to this Agreement, with a view to having a CNSC inspector inspect the property and make an order pursuant to section 35 of the Nuclear Safety and Control Act, S.C. 1997 C-9, if appropriate, and/or take other appropriate action.

ARTICLE 4 ENVIRONMENTAL ASSESSMENT AND REGULATORY REVIEWS

4.1 Environmental Assessment and Regulatory Review

4.1.1 The Proponent will consult regularly with the Parties throughout the Environmental Assessment and Regulatory Review until final decisions are reached by the relevant authorities.

4.1.2 The Parties acknowledge that in proceeding through the environmental assessment until final decisions are reached, the Proponent may identify and assess alternate ways of carrying out the Project, or an Element of the Project, that the Proponent considers to be technically and economically feasible. The Municipalities will be consulted regarding any such alternate ways and their input will be given full consideration.

4.1.3 The Proponent will submit documentation related to the environmental assessment of the Project for final review by the relevant authorities, only after consulting with, and reflecting any concerns of the Municipalities regarding, among other issues, alternate ways of carrying out the Project, or an Element of the Project, which have been considered. The Proponent will not submit a preferred option to decision makers without consulting with and obtaining the written consent of the Municipalities to that option.

4.1.4 The Parties agree that a preferred option involving the movement of waste from the geographic area of any of Clarington, the Town of Port Hope or the Township of Hope to another of those Municipalities or the selection of an alternative technology to the above ground storage technology shall require an amendment to the Agreement.

4.1.5 The Proponent will provide the other Parties with written notice of the decision of the relevant authorities with regard to the environmental assessment and in the event that what has been decided upon the completion of the environmental review is not that which was previously consented to by the Parties pursuant to Article 4.1.3, unless otherwise agreed in writing, the Parties shall have 60 days to consult, following which each Party shall have a further 30 days to decide if it does not wish to proceed with the Project, or an Element of the Project and to notify Canada. In the event that a Party does not notify Canada, it shall be deemed to have agreed to proceed in accordance with the decision of the relevant authority.

4.1.6 Upon the Parties decision to proceed with the Project, or an Element of the Project, Canada will then proceed as expeditiously as possible with the regulatory review, to be followed by the second phase of the work.

4.2 **Dispute Resolution Exception**

Article 10 shall not apply to a matter addressed in Article 4.1.

4.3 **Costs of Participation**

4.3 If, in the course of the environmental assessment the Project, or an Element of the Project, is referred to a review panel, and in the event that a Party after first consulting with Canada, or the Federal Operating Agency (FOA), determines that it should participate as a party, or otherwise, Canada agrees to reimburse the Party its reasonable costs of doing so, which costs may include but are not limited to legal costs, costs of preparation and costs of retaining experts to participate to testify.

ARTICLE 5 PROJECT MANAGEMENT

5.1 **Federal Operating Agency (FOA)**

5.1.1 Canada may establish an FOA, accountable to the Minister of Natural Resources, and in the event Canada establishes an FOA, Canada may designate the FOA to act on Canada's behalf to fulfill some of Canada's obligations pursuant to this Agreement.

5.1.2 Without limiting the generality of Article 5.1.1, Canada may designate the FOA:

- (a) to be the Proponent for the Project for the purposes of the Environmental Assessment and Regulatory Review; and

- (b) to perform all of the cleanup work.

5.1.3 Canada will require the FOA to do the following:

- (a) in all of its work, give full consideration to the health impact of the Project on the local residents;
- (b) develop a protocol for carrying out its work, which protocol shall be in accordance with the provisions of Schedule 2;
- (c) perform its work in accordance with proper construction practices and shall, to the extent practicable, return any cleanup site and related work area to their original conditions; and
- (d) endeavour, to the extent practicable, to minimize the impact of the work on the local residents.

5.1.4 Canada will require the FOA, when established, to maintain the principal Project office within the Town of Port Hope.

5.1.5 Pending Canada's establishment of the FOA as provided for in Article 5.1.1, Canada may designate the LLRWMO to act on Canada's behalf as a FOA on an interim basis and Canada shall impose on the LLRWMO the same requirements Canada shall impose on the FOA pursuant to this Agreement.

5.1.6 In the event that Canada does not establish a FOA, or does not appoint the LLRWMO to act as the FOA, Canada shall perform all of the obligations intended to be performed by the FOA in accordance with the standards set out in this Agreement.

5.2 **Communications by the Parties with respect to the Project Management**

5.2.1 Given the shared objectives of the Parties, the Parties also share the view that in order to attain the highest level of success in the completion of the Project, the Parties must develop and maintain excellent communications and professional working relationships throughout the life of the Project. The Parties agree to work together and to take such actions as may be necessary to achieve this objective.

5.2.2 Canada shall forthwith establish a comprehensive communications program in order to provide information to the public and to receive public input on the Project. Without limiting the generality of Canada's commitment, the communications activities set out in Article 5.2.3 shall form part of the communications program.

5.2.3 Without limiting the generality of Article 5.2.2, the Parties more specifically agree:

- (a) the Town of Port Hope, the Township of Hope and Clarington may each establish a Community Advisory Committee (CAC) which will be responsible to the respective municipal councils. Each CAC shall be organised as decided by the Municipality, with a mandate as established by the council, in consultation with Canada, and shall report to the council.
- (b) Each CAC shall be responsible to maintain, on behalf of the respective councils, liaison with Canada regarding all aspects of the work being undertaken for the Project and shall provide public input on the Project planning and implementation and to assist the FOA in communicating with the public.
- (c) Canada and the CACs shall meet following the creation of the CACs in order to establish a mutually satisfactory basis for procedure and establish a regular schedule of meetings.
- (d) Canada shall, on an ongoing and timely basis, provide to each CAC, copies of all studies and reports which Canada has prepared in regard to the Project, including any monitoring reports on any of the work.
- (e) Canada and each Municipality and/or each CAC will meet at the start of each year in order to plan the liaison work for the year and to develop a budget for each CAC for that year. In the event of unforeseen circumstances or issues, Canada and each Municipality and/or each CAC may meet to consider revisions to the budget. Canada agrees to provide funding to each Municipality to reimburse reasonable expenses of the CAC provided that the expenses or costs are within the agreed budget.
- (f) Each Municipality may at any time, reorganise its CAC, discontinue its CAC, or directly assume the function of the CAC and shall notify Canada upon doing so.
- (g) If a Municipality decides not to appoint a CAC, it shall perform the functions of a CAC as set out in clauses (a) to (f) inclusive with all the necessary changes being made to give effect to the intent of this clause.

5.3 **Complaints**

5.3.1 Canada shall, as soon as possible following the signing of the Agreement, in consultation with the CAC or the Municipality, establish and maintain a process to expeditiously address complaints related to the Project or any Element of the Project.

5.3.2 Canada shall, as part of the communications program referred to in Article 5.2.2, make information about the complaint process known to the public.

5.3.3 Canada shall also regularly advise the Municipalities of the number and nature of the complaints submitted to it and notwithstanding Canada's general obligations, Canada shall, within fifteen days, reply to a request from a Municipality for information on complaints, including information on the number of complaints, the nature of the complaints and the status of each complaint.

5.4 **Consultation and Cooperation**

5.4.1 The Parties shall consult on a regular basis; and, shall cooperate and take appropriate action necessary to expedite the completion of the Elements of the Project in accordance with the intent of this Agreement.

5.4.2 The level and methodology for consultation required to effectively consult will vary during the course of the Project and the Parties will establish a protocol for consultation.

5.4.3 In order to ensure full consultation, notwithstanding the protocol established for consultation, any Party may call for a meeting of the Parties within 15 days following the giving of a notice and the Parties shall meet within 15 days to consult to address the concern or issue raised by the Party calling for the formal meeting to try to resolve the matter.

5.4.4 Without limiting the generality of the Parties agreement to cooperate, following are examples of what the Parties will do in this regard:

- (a) the nomination or dedication of staff to work together to coordinate and expedite the Project, or any Element of the Project;
- (b) the timely provision of information, such as municipal engineering records, required to facilitate the completion of the Project, or any Element of the Project;
- (c) the provision of reasonable access to municipal lands necessary for the completion of the Project and the restoration of the lands or equipment to its pre-entry condition, or any Element of the Project, following reasonable notice that access is required;
- (d) the undertaking of work on municipal lands in compliance with applicable by-laws and regulations; and

- (e) the expedition of any permits and by-laws Canada may request in order to undertake the Project, or any Element of the Project in order to comply with applicable by-laws and regulations.

5.5 **Monitoring of Facilities**

5.5.1 Canada shall monitor the various phases of the Projects or Elements of the Project in compliance with the applicable laws and as part of its agreement to communicate fully with the affected Parties shall provide to the Parties full and timely information.

5.5.2 Without limiting the generality of the foregoing, Canada will, in consultation with the affected Municipality, or its CAC, establish and maintain a monitoring plan for each Facility which plan will be consistent with the conditions of licence for the Facility. Canada shall regularly provide each Party a copy of the monitoring reports for the Facility in their respective Municipality forthwith after they have been filed with the CNSC.

ARTICLE 6 **PROPERTY ACQUISITIONS FOR FACILITIES**

6.1 **Town of Port Hope**

6.1.1 The New Town of Port Hope Waste Management Facility is to be located on property within the area of land outlined in Schedule 3 - Property for the New Town of Port Hope Waste Management Facility.

6.1.2 The Parties entered this Agreement with the following shared understandings:

- (a) by By-Law No. 24-90 passed on October 24, 1990, the Council of The Corporation of the County of Northumberland adopted a waste management plan and assumed the waste management powers of, among others, the Town of Port Hope pursuant to section 209a of the Ontario Municipal Amendment Act, 1989, S.O. 1989, C-43, s.2;
- (b) under subsection 209a(15) of the Municipal Amendment Act, 1989, the effect of the passing of this by-law, inter alia, was to transfer the Town of Port Hope's right to and in the Highland Drive landfill site to the County of Northumberland;
- (c) in order to acquire ownership of the lands required for the New Town of Port Hope Waste Management Facility, Canada will have to acquire (1) all

or part of the Highland Drive landfill site from the County of Northumberland, (2) certain lands from Atomic Energy of Canada Limited, (3) certain lands from Cameco, and (4) certain adjoining lands owned by the Town of Port Hope including part of an unopened road allowance extending into part of the site required for the New Town of Port Hope Waste Management Facility; and

- (d) to authorize the sale and transfer to Canada of part of this unopened road allowance, the Town will have to comply with the procedural and process provisions of the Ontario Municipal Act which are applicable to the closure and sale of unopened road allowances. The precise boundaries of the lands now owned by the Town of Port Hope which will be required for the New Town of Port Hope Waste Management Facility cannot be determined with certainty until the plans for the Facility have been completed.

6.1.3 Forthwith after this Agreement is executed by the Parties, Canada will proceed to make agreements with the County of Northumberland and Atomic Energy of Canada Limited and Cameco to acquire the lands owned by them which are required for the New Town of Port Hope Waste Management Facility, its construction and its operation, all on mutually satisfactory terms and conditions to the Parties to the sale transactions.

6.1.4 In the case of the acquisition of the Highland Drive landfill site by Canada, the Town of Port Hope shall encourage the County of Northumberland to transfer the Highland Drive Landfill site to Canada for the New Town of Port Hope Waste Management Facility.

6.2 **Cameco Lands**

6.2.1 The New Welcome Waste Management Facility is to be located on Cameco's property in the Township of Hope.

6.2.2 The New Port Granby Waste Management Facility is to be located on Cameco's property in Clarington.

6.2.3 Canada will forthwith proceed to make an agreement with Cameco which agreement shall enable Canada to acquire good title to the property necessary for the proper construction and operation of the two new Facilities on terms satisfactory to Canada.

6.3 **Good Title**

6.3.1 For the purpose of this Article, good title shall mean:

- (a) if the land is registered under a registry system, the vendor shall transfer, grant, convey and assign to Canada, good title which title shall be fee

simple title, satisfactory to the Attorney General of Canada, free and clear of all reservations, tenancies, encroachments, easements and encumbrances, including without limitation, all taxes, charges, liens and rates of every kind.

- (b) if the land is registered under a registry system of land titles, the vendor shall deliver to Canada, good and marketable title, free and clear of all reservations, tenancies, encroachments, easements and encumbrances, including without limitation, all taxes, charges, liens and rates of every kind, satisfactory to the Attorney General of Canada, registered in the name of Her Majesty the Queen in right of Canada.
- (c) provided that with respect to the lands for the New Port Hope Waste Management Facility, part of the property is a municipal landfill site and is qualified accordingly.
- (d) provided that with respect to the New Port Granby Waste Management Facility and the New Welcome Waste Management Facility, the property is a waste management site and the description of good title shall be qualified to include this use.

6.4 **Escrow**

It is the intent of Canada to negotiate the acquisition of the properties as soon as practicable so that all of the deeds or transfers may all be held in escrow pending the satisfactory completion of the Environmental Assessment and Regulatory Review so that upon that happening, Canada will be able to take title to the properties and expeditiously proceed with phase two of the Project.

6.5 **Canada's Inability to Acquire Property**

6.5.1 In the event that Canada:

- (a) after proceeding in good faith and extending reasonable effort for a period of three years commencing on the date of this Agreement to try to conclude an agreement with a property owner whose property is required for the construction and operation of any Facility and within such period is not able to make an agreement to acquire good title to such property, and as a result is prevented from proceeding with the construction and operation of the Facility; or,
- (b) having made the agreements referred to in Article 6.5.1 (a) above, is not able to subsequently acquire the good title to the property as provided for in the agreements,

the provisions of this Agreement respecting that Facility, except for the provisions of Article 7 and whichever of Schedules 7, 8 and 9 is applicable to the Municipality in which the Facility in question is to be located, shall terminate and neither Canada nor the Municipality in which it was to be located shall have any further obligation under this Agreement in respect of that Facility, and this Agreement shall be deemed to be amended to refer only to the Facility or Facilities for the acquisition of which Canada has been able to conclude an agreement with the property owner or owners concerned pursuant to this Article.

6.6 Payments in Lieu

6.6.1 Following Canada's acquisition of lands for a Facility, payments in lieu of taxes will be dealt with in accordance with the Payments in Lieu of Taxes Act, S.C. 2000, c.8.

ARTICLE 7 **HOST COMMUNITY FEE**

7.1 Upon the approval of this Agreement by the Treasury Board, Canada's signature of the Agreement and the appropriation of funds by the Parliament of Canada for the purposes set out below, Canada agrees, in order that the Municipalities will be enabled to address, as they see fit impacts of the presence of long-term waste management Facilities within their communities, to make the following payments:

- (a) A payment of Ten Million (\$10,000,000.00) Dollars to the Town of Port Hope;
- (b) A payment of Ten Million (\$10,000,000.00) Dollars to the Township of Hope; and,
- (c) A payment of Ten Million (\$10,000,000.00) Dollars to Clarington.

7.2 For the purposes of Article 7 and Schedules 7, 8 and 9, each of the payments referred to above may also be referred to as the "Fund" or "Funds" and the Parties agree that the Funds shall be dealt with in accordance with the additional terms and conditions as set out in Schedules 7, 8 and 9.

ARTICLE 8
PROPERTY VALUE PROTECTION PROGRAM

8.1 The efforts to manage the Wastes as provided for in this Agreement creates a risk of bringing about some financial disadvantage, on an interim basis, to property owners in the communities, especially those property owners in close proximity to the proposed Facilities.

8.2 The Parties are desirous of trying to mitigate certain interim economic effects for the period from the signing of the Agreement through to the time at which the new waste management Facilities are in a state of long-term surveillance, and consider such costs to be part of the cost of the Project.

8.3 They are desirous of putting an equitable scheme in place, referred to by the Parties as a "Property Value Protection Program" (PVP Program), which would provide compensation or "Property Value Protection" (PVP) to property owners especially in regard to any diminution of property values and the effect that such diminution may have on mortgage renewals or the sale of the property.

8.4 Consequently, Canada will consult with the Municipalities and will develop an optional PVP Program to protect property owners which will reflect the following principles:

1. the PVP Program will be established as soon as possible and not later than six months after the signature of this Agreement.
2. the PVP Program will compensate property owners in each of the three Municipalities for financial losses sustained by those property owners as a result of this Project and relating to: a) any diminution of property value realized on the sale of property; b) loss of rental income; and, c) mortgage renewal difficulty.
3. PVP Program will continue in each Municipality until two years after the date that the relevant Facility in that Municipality reaches a long-term state of surveillance and monitoring.
4. the geographic area covered by the PVP Program is defined in Schedule 4 to this Agreement.
5. property owners must prove a diminution of their property values from the day before the relevant day in 11 below.

6. in the case of a sale of the property, Canada may refuse to pay compensation and offer to purchase the property at its undiminished fair market value.
7. Canada in consultation with each Municipality shall appoint one or more independent qualified persons who regularly reside or conduct their business or profession in one of the three Municipalities as Compensation Officers whose services will be paid for by Canada.
8. claims for compensation must be made in writing to Canada and address the factor or factors which are relevant to the claim and include the relevant day for establishing fair market value.
9. claims must be filed at the office of the FOA in one of the three Municipalities and a copy of the claim provided forthwith to the Compensation Officer.
10. all claims for compensation must be accompanied by a letter or written report of a qualified local realtor or appraiser.
11. in establishing diminution of property value, the property owner must first prove the fair market value of the property on a relevant day such as any of the following days:
 - (a) October 5, 2000
 - (b) the day before the date of Canada's signature of this Agreement;
 - (c) the day before the earliest relevant environmental determination or regulatory approval for the Facility;
 - (d) the day before the announcement of the making of an application to the CNSC for a construction licence for the relevant Facility;
 - (e) the day before the commencement of construction of a particular Facility; or
 - (f) the day before the commencement of implementation of a particular Element of the Project.
12. all claims will be processed as quickly as possible.
13. claims relating to the sale of residential units or mortgage renewals will be dealt with on an expedited basis such that within 15 business days of the

filing of the claim, Canada shall endeavour to file a notice with the Compensation Officer either accepting the Claim or objecting to it.

14. if the expedited claim is accepted, Canada shall either pay the amount claimed to the property owner within 30 calendar days following the giving of the claim in exchange for a release executed by the property owner or shall deliver to the property owner an executed offer to purchase the property for its undiminished fair market value.
15. where a claim for property value protection is made in respect of a property for which compensation has been paid previously there will be no double recovery and any subsequent compensation will take into account any amount previously paid.
16. if the claim is objected to, a Compensation Officer shall arrange a meeting of the claimant and Canada to mediate, if possible, a resolution of all issues in a written agreement.
17. in the case of an expedited claim, the mediation meeting shall be held within 30 calendar days following the giving of the claim to Canada.
18. if mediation results in agreement, Canada shall pay the amount of compensation set out in the agreement to the claimant within 15 business days following the date of the agreement.
19. if mediation does not result in an agreement, a Compensation Officer shall act as a single arbitrator and determine all issues in accordance with appropriate standards and rules.
20. if the arbitrator awards compensation to the claimant, Canada shall pay that amount to the claimant within 15 calendar days following the date of the award.
21. the costs of mediation and arbitration including the reasonable costs of the property owner, shall be paid by Canada unless the mediator or arbitrator decides that the claimant's position was unreasonable.
22. with the consent of the claimant and Canada, a Compensation Officer who acts as mediator may act as an arbitrator of the issues between the parties.
23. if compensation is paid pursuant to a mediated agreement or an arbitration award, the payment by Canada shall be made in exchange for an executed release with respect to the subject claim from the claimant.

24. if Canada elects to purchase the property of a claimant, similar procedures shall apply in respect of the determination of the fair market value of the property in question which shall be the price to be paid by Canada for the property.

ARTICLE 9
PROTECTION FOR DIMINISHED MUNICIPAL TAX REVENUE

9.1 The efforts to manage Wastes as provided for in this Agreement also creates a risk of bringing about some financial disadvantage, on an interim basis, to the three Municipalities, in that if assessed property values are reduced, the Municipalities' tax revenues associated with affected properties could be diminished.

9.2 For the period from the date of Canada's signature of this Agreement until one year following the date upon which a Facility is licenced for long-term surveillance and monitoring, Canada will provide compensation to the Municipalities to mitigate against diminished property tax revenues as a result of the reduction of the assessed value of properties caused by the Project, or any Element thereof.

9.3 A Municipality may claim compensation and in so doing shall clearly demonstrate to Canada:

- (a) property within the Municipality has been reassessed for tax purposes and the reassessment has resulted in a reduction in the property taxes paid to the Municipality by the owners; and
- (b) the reduction in the assessment results from the Project, or any Element thereof.

9.4 The Parties agree that the maximum amount of compensation that Canada may be required to pay to a Municipality pursuant to this Article for any one year is limited as follows:

Town of Port Hope	\$50,000.00
Township of Hope	\$15,000.00
Clarington	\$5,000.00

9.5 For greater certainty, claims shall be restricted to the year to which the assessment reduction relates.

ARTICLE 10
DISPUTE RESOLUTION

10.1 Negotiation - Mediation - Arbitration

10.1.1 In the event of a dispute between two or more Parties as to the proper interpretation of this Agreement, or an issue arising out of the Agreement, the Parties agree to meet to pursue resolution through negotiation, mediation or arbitration in accordance with this Article and Schedule 6.

10.1.2 All information exchanged during this meeting or any subsequent dispute resolution procedure, shall be regarded as “without prejudice” communications for the purpose of settlement negotiations and shall be treated as confidential by the Parties and their representatives, unless otherwise required by law.

10.1.3 If a dispute relating to this Agreement arises and the Parties do not resolve some or all of the dispute through discussions then:

- (a) Written notice, containing a request to negotiate, shall be given by either party to the other(s). This notice shall be given promptly in order to prevent further damages resulting from delay and shall specify the issues in dispute.
- (b) Negotiations shall occur between representatives of the Parties.
- (c) If the representatives do not resolve some or all of the issues in dispute within 90 days after notice has been given, then the Parties agree to attempt to resolve the dispute through mediation, in accordance with the Terms of Mediation set out in Part A of Schedule 6 to this Agreement.
- (d) If the Parties do not resolve all of the issues in dispute through mediation, then within 90 days from the date of the mediator’s report, the Parties shall submit those issues to binding arbitration pursuant to the Commercial Arbitration Act and Commercial Arbitration Code annexed thereto (R.S.C. 1985, C-17 (2nd Supp.) as am.); and,
- (e) The Parties agree to the specific Terms of Arbitration as set forth in Part B of Schedule 6, to this Agreement.

10.1.4 The Parties agree that the representatives selected to participate in the dispute resolution process will have the authority required to settle the dispute or will have a rapid means of obtaining the requisite authorization.

ARTICLE 11
RIGHTS PRESERVED

11.1 Subject to Article 10, nothing in this Agreement is intended to, nor shall it, limit or restrict a Party's or a third party's right to apply to an appropriate court for an appropriate remedy.

ARTICLE 12
GENERAL PROVISIONS

12.1 **Notices**

Any consent, waiver, approval, notice, request, direction, response, determination or other communication (collectively "notice or other communication") required or permitted to be given or made pursuant to this Agreement shall only be effective if in writing and shall be sufficiently given or made if:

- (a) delivered during normal business hours on a business day and left at the relevant address set forth below; or
- (b) telephoned or faxed;

****Note:** Un updated list of contacts (as of Dec 2009) has been provided at the end of this document.*

To Clarington:

The Corporation of the Municipality of Clarington
40 Temperance Street
Bowmanville, Ontario
L1C 3A6
Attention: Chief Administrative Officer
Telephone: (905) 623-3379
Facsimile: (905) 623-5717

To the Township of Hope:

The Corporation of the Township of Hope
P.O. Box 85
Port Hope, Ontario
L1A 3V7
Attention: Chief Administrative Officer
Telephone: (905) 753-2229
Facsimile: (905) 753-2434

To the Town of Port Hope:

The Corporation of the Town of Port Hope
56 Queen Street
P.O. Box 117
Port Hope, Ontario
L1A 3V9
Attention: Chief Administrative Officer
Telephone: (905) 885-4544
Facsimile: (905) 885-7698

To the LLRWMO:

The Low-Level Radioactive Waste Management Office
67 John Street, Suite 104
Port Hope, Ontario
L1A 2Z4
Attention: The Director
Telephone: (905) 885-9488
Facsimile: (905) 885-7458

To Canada:

Natural Resources Canada
580 Booth Street
Ottawa, Ontario
K1A 0E4
Attention: Director General, Energy Resources Branch
Telephone: (613) 995-0138
Facsimile: (613) 992-8730

To the FOA:

(as to be later determined and specified by Canada)

Any notice or other communication so given or made shall be deemed to have been given or made on the same day and to have been received on the day of delivery if delivered as aforesaid or on the day of receipt of same by telex or telefax, as the case may be, provided such day is a business day and that such notice is received by the person notified prior to 3:00 p.m. local time, and, if not, on the first business day thereafter.

Each Party may change the person, the address, telephone and facsimile number referred to above, by notice to the others pursuant hereto.

12.2 **Assignment**

Except as otherwise provided for in this Agreement, no Party may assign its interest in whole or in any part of this Agreement except with the consent of the other Parties.

12.3 **No Partnership, Joint Venture or Agency**

Nothing in this Agreement, nor the conduct of any Party, shall in any manner whatsoever constitute or be intended to constitute one Party as the agent or representative or fiduciary of another Party, nor constitute or be intended to constitute a partnership or joint venture between or amongst the Parties but rather each Party shall be responsible, liable and accountable for its own obligations under this Agreement, or any conduct arising therefrom and for all claims, demands, actions and causes of action arising directly or indirectly therefrom.

Neither Party shall have the authority to make nor shall it make any statements, representations or commitments of any kind, or take any action, that will bind the other Party, except as expressly provided in this Agreement, or as otherwise authorised in writing.

12.4 **Further Assurances**

Each of the Parties shall, from time to time, at its own cost and expense, execute or cause to be executed all such further documents and do or cause to be done all things which are necessary to give effect to the provisions of this Agreement.

12.5 **Entire Agreement**

This Agreement embodies the entire agreement between and amongst the Parties with respect to the Project and comprises all matters relating to the financing, management, design, planning, engineering, procurement, construction, commissioning, completion, leasing, ownership and operation of the Project. Unless otherwise expressly stated, this Agreement, supersedes all prior agreements, understandings or writings among the Parties, whether written or oral and whether legally enforceable or not in respect of the Project. Subject to applicable laws, no Party shall be bound by or be liable for any statement, representation, promise, warranty, inducement, agreement, obligation or understanding of any kind or nature not set forth in this Agreement.

12.6 Conflict of Interest

It is a term of the Agreement that no person who is not in compliance with the provisions of the Conflict of Interest and Post-Employment Code for Public Office Holders or the Conflict of Interest and Post-Employment Code for the Public Service, shall derive any direct benefit from this Agreement.

12.7 Members of the House of Commons or Senate of Canada

No Member of the House of Commons or Senate of Canada shall be admitted to any share or part of this Agreement or to any benefit arising hereunder.

12.8 Appropriations

The payment of any money by Canada pursuant to this Agreement is subject to there being an appropriation for such payment by the Parliament of Canada for the fiscal year in which such payment becomes due. In the event that no appropriation is made for three consecutive years, The Town of Port Hope shall have the option to withdraw from its obligations under this Agreement.

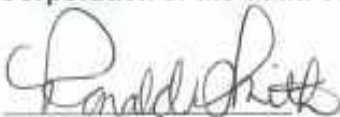
12.9 Entry into force

This Agreement shall enter into force on the date on which the last Party signs the Agreement.

IN WITNESS WHEREOF, this Agreement has been duly executed by authorized representatives of the Minister of Natural Resources Canada and has been duly executed by the Corporation of the Town of Port Hope, the Corporation of the Township of Hope and the Corporation of the Municipality of Clarington, and their respective corporate seals affixed hereto by its duly authorized officers, on the dates noted by each signature.

SIGNED AND DELIVERED.

The Corporation of the Town of Port Hope

per: 
Ronald Smith, Mayor


Michael Rostetter,
Chief Administrative Officer / Clerk



December 27, 2000

The Corporation of the Township of Hope

per:


Ian W. M. Angus, Reeve


Frances Aird,
Chief Administrative Officer / Clerk

December 11, 2000

The Corporation of the Municipality of Clarington

per:


John Mutton, Mayor


Patti Barrie, Municipal Clerk

December 11, 2000

Her Majesty the Queen in Right of Canada
as represented by the Minister of Natural Resources

per:


MARCH 29, 2001

SCHEDULE 1

PART A

Description of the Low-Level Radioactive Waste Management Project

The Project includes all work necessary and incidental to the achievement of the following:

- (a) the completion of all socio-economic, engineering and environmental research necessary to acquisition of an approval, permit, licence or other such authorization or the reaching of a required determination under applicable federal or provincial legislation;
- (b) the submission of the design of each Facility and the process for carrying out the Elements of the Project within the community in order to comply with the environmental assessment requirements;
- (c) the finalization of the design of the New Town of Port Hope Waste Management Facility, the New Welcome Waste Management Facility and the New Port Granby Waste Management Facility, and the process for carrying out the Project in order to comply with the regulatory requirements;
- (d) the submission of each finalized design of each new Facility and the process for carrying out the Elements of the Project within the community for applicable regulatory approvals;
- (e) the acquisition of all properties necessary for the construction and operation of the new Facilities;
- (f) the operation of the Welcome Waste Management Facility and the Port Granby Waste Management Facility following Canada's acquisition thereof;
- (g) the construction and subsequent operation of the new Facilities;
- (h) the Cleanup of Historic Low-Level Radioactive Waste at the sites in the Town of Port Hope as identified in the Port Hope LLRW Management Policy Review Committee's Report titled *Report on Conceptualization of Low-Level Radioactive Waste Storage Facility Designs in the Town of Port Hope*, dated March 1999 and the relocation of the Historic Low-Level Radioactive Waste to the New Town of Port Hope Waste Management Facility;
- (i) the acceptance of the Cameco Decommissioning Waste at the New Town of Port Hope Waste Management Facility;

- (j) the Cleanup of Industrial Waste at the sites in the Town of Port Hope as hereinafter identified; and,
- (k) the completion of all surface remedial work and landscaping associated with the completion of the construction of the new Facilities.

PART B

Without limiting the generality of the above description, the Project includes all work necessary and incidental to the achievement of the components set out below.

Town of Port Hope

The construction of the New Town of Port Hope Waste Management Facility.

Location:

- the Facility will be located at the Pine Street North Extension and extend to both the east and the west of that roadway covering an area of roughly 8-hectares (approximately 20 acres)

Materials to be accommodated:

- the Facility will accommodate approximately 535,000 cubic metres of Low-Level Radioactive Waste and non-radioactive Industrial Waste, consisting of three categories presently situated in the Town of Port Hope:
 1. Historic Low-Level Radioactive Waste – This type of Low-Level Radioactive Waste comprises approximately 345,000 cubic metres of material situated at licensed sites in the Town of Port Hope operated by the Low-Level Radioactive Waste Management Office, at major known sites, including those identified on the table following, and at known and unknown small-scale unlicensed sites.

MAJOR KNOWN SITES OF HISTORIC LOW-LEVEL RADIOACTIVE WASTE IN PORT HOPE	
PORT HOPE HARBOUR	ALEXANDER RAVINE
HIGHLAND DRIVE LANDFILL	HIGHLAND DRIVE SOUTH RAVINE
PINE STREET N. CONSOLIDATION SITE*	PINE STREET N. STORAGE SITE*
MILL STREET SOUTH	WATERWORKS SITE
PINE STREET N. ROADWAY	STRACHAN STREET CONSOLIDATION SITE*
CN/CP VIADUCTS SITE	SEWAGE TREATMENT PLANT TEMPORARY STORAGE SITE*
HIGHLAND DRIVE ROADWAY	JOHN STREET SOUTH SITE

* these are temporary storage sites licenced by the CNSC.

- in addition, the Facility will accommodate additional Historic Low-Level Radioactive Waste located in other sites within the Town of Port Hope including those identified by past or future surveys performed by LLRWMO or the FOA.

2. Cameco Decommissioning Waste – This type of Low-Level Radioactive Waste comprises Cameco-owned materials in the Town of Port Hope and includes an inventory of 3,822 cubic metres of Low-Level Radioactive Waste materials that have been in storage at the Cameco facility since prior to 1988 and materials that would result from the decommissioning of Cameco-owned and/or operated processing facilities and associated properties utilized by Eldorado in the Town of Port Hope prior to 1988. This includes Low-Level Radioactive Waste at the main plant site at 1 Eldorado Place and the Dorset Street East warehousing facilities (117,000 cubic metres) and at the Centre Pier property (30,000 cubic metres). The estimated total volume is approximately 150,000 cubic metres.

3. Industrial Waste – This category includes non-radioactive materials that the Town of Port Hope identified in its proposal to the government as wastes that it wants included in the Facility. The category consists of (i) waste material (including sludge) at a former wastewater lagoon site at Lake Street, (ii) dried sewage sludge currently stored in an engineered facility at the Lake Street Sewage Treatment Plant, (iii) wastes from a former coal gasification plant adjacent to John Street between Park and Alexander Streets and (iv) waste from the former Crane Sanitary Company located at the Center Pier and at the Lions Recreational Centre Park. The estimated volume for the first three of these

components is approximately 40,000 cubic metres. Industrial Waste from the former Crane Sanitary Company are included with the Centre Pier property volume above.

Conceptual design:

- the conceptual design is described in the Final Report of the Port Hope LLRW Management Policy Review Committee entitled, *Report on Conceptualization of Low-Level Radioactive Waste Storage Facility Designs in the Town of Port Hope, March 15, 1999* as Approach 3.
- the conceptual design involves:
 - removal of municipal landfill wastes covering low-level radioactive wastes within the landfill and placement of the excavated landfill waste on the unexcavated landfill
 - the construction of a Waste containment mound that is partially below-grade with an appropriate liner and cover system to house all excavated Low-Level Radioactive Waste, marginally contaminated soils, and miscellaneous Industrial Waste
 - placement of clean cover material on the municipal landfill site
- final designs will be completed after the detailed engineering and technical studies which will commence at the signing of this Agreement

Project costs:

- the Proponent agrees to pay or absorb the Project costs, including:
 - survey for contamination and, if required, cleanup and restoration of roadways, including infrastructure, and properties not specifically identified in the Town of Port Hope conceptual approach where there is reason to believe that Historic Low-Level Radioactive Waste may exist
 - improvements to infrastructure required for the construction and operation of the Facility including:
 - all reasonable capital costs related to road improvements, including extensions, widenings, replacements, and resurfacing of roads as a result of the development and operation of the site including transportation routes to or from the Facility;
 - all reasonable capital costs related to providing or improving other services to the site including sewage, water, and lighting;

- development of the new Facility in the manner reflected in the conceptual design, including post-closure recreational elements, the construction of which may be staged; and,
- establishing an ongoing communications program to fully-inform residents about the Project

Additional cleanup of Port Hope Industrial Waste:

- Canada agrees to pay the costs of removal of certain Industrial Waste within the Town of Port Hope, as earlier described in Schedule 1, the transportation of those wastes to the New Port Hope Waste Management Facility, the restoration, the backfilling and landscaping of the site from which the wastes were removed

Administrative costs:

- Canada agrees to reimburse to the Town of Port Hope, reasonable future administrative, legal, and external communications expenses incurred from the date of the signing of the Agreement for the duration of the Project
- following the signing of the Agreement, Canada and the Town of Port Hope will establish a process whereby such administrative expenses will be identified, quantified, and paid

Township of Hope

- The construction of the New Welcome Waste Management Facility.

Location:

- the Facility will be located at the site of the Welcome Waste Management Facility

Material to be accommodated:

- the Facility will accommodate approximately 650,000 cubic metres of Cameco Waste - Welcome.
- in addition, the Facility will accommodate any Historic Low-Level Radioactive Waste located within the Township of Hope as identified by surveys to be performed by Canada

Conceptual design:

- the conceptual design is described in the Final Report of the Township of Hope Low-Level Radioactive Waste Ad Hoc Committee entitled, *Report on Concept Design Options for a Low-Level Radioactive Waste Storage Mound at the*

Welcome Site, September 10, 1998 as Conceptual Approach 1C

- the conceptual design involves:
 - the construction of a waste containment mound that is partially below-grade with an appropriate liner and cover system
- final designs will be completed after the detailed engineering and technical studies which will commence at the signing of the Agreement

Project costs:

- Canada agrees to pay or absorb the Project costs, including:
 - improvements to infrastructure required for the construction and operation of the Facility including:
 - all reasonable capital costs related to road improvements, including extensions, widenings, replacements, and resurfacing of roads required for the development and operation of the site;
 - all reasonable capital costs related to providing or improving other services to the site including sewage, water, and lighting;
 - survey and, if required, cleanup and restoration of roadways and properties where there is reason to believe that Historic Low-Level Radioactive Waste may exist
 - development of the New Welcome Waste Management Facility as a site that is conducive to passive and active recreational uses such as soccer fields and baseball diamonds;
 - establishing an ongoing communications program to fully-inform residents about the Project.

Administrative costs:

- Canada agrees to reimburse to the Township of Hope, reasonable future administrative and legal expenses incurred from the date of the signing of the Agreement for the duration of the Project;
- following the signing of the Agreement, Canada and the Township of Hope will establish a process whereby such administrative expenses will be identified, quantified, and paid.

Clarington

- The construction of the New Port Granby Waste Management Facility.

Location:

- the Facility will be located at or approximate to the site of the Port Granby Low-Level Radioactive Waste Management Facility

Materials to be accommodated:

- the Facility will accommodate approximately 500,000 cubic metres of Cameco Waste - Port Granby at the Port Granby Low-Level Radioactive Waste Management Facility, including approximately 100,000 cubic metres of calcium fluoride, neutralized raffinate and marginally contaminated soils and contaminated industrial trash from the East Gorge of the current site
- in addition, the Facility will accommodate any Historic Low-Level Radioactive Waste located within the Municipality of Clarington as identified by surveys to be performed by Canada.

Conceptual design:

- the conceptual design is described in the Final Report of the Port Granby Low-Level Radioactive Waste Advisory Committee entitled, *Report on Conceptualization of On-Site Low-Level Radioactive Waste Storage Facility Designs for the Port Granby Waste Management Facility, June 28, 1999* as Concept Design B, Option 2 as endorsed by Clarington Council
- the conceptual design involves:
 - the construction of a groundwater diversion trench and perimeter barrier wall on the eastern, northern, and western perimeters of the existing Port Granby Waste Management Facility;
 - the construction of an on-site mound for roughly 100,000 cubic metres of material from the East Gorge of the current site;
 - installation of an appropriate cover on the existing waste facility;
 - bluff stabilization and the construction of a toe berm to retard further erosion
- final designs will be completed after the detailed engineering and technical studies which will commence at the signing of the Agreement

Project costs:

- Canada agrees to pay or absorb the Project costs, including:
 - improvements to infrastructure required for the construction and operation of the new Facility including:
 - all reasonable capital costs related to road improvements, including extensions, widenings, replacements, and resurfacing of roads required for the development and operation of the site;
 - all reasonable capital costs related to providing or improving other services to the site including sewage, water, and lighting;
 - survey and, if required, cleanup and restoration of roadways and properties where there is reason to believe that Historic Low-Level Radioactive Waste may exist;
 - development of the re-engineered Facility as a site that is appropriate for natural heritage and passive recreational uses, including the Waterfront Trail;
 - establishing an ongoing communications program to fully-inform residents about the Project

Administrative costs:

- Canada agrees to reimburse to the Municipality of Clarington, reasonable future administrative and legal expenses incurred from the date of the signing of the Agreement for the duration of the Project
- following the signing of the Agreement, Canada and the Municipality of Clarington will establish a process whereby such administrative expenses will be identified, quantified, and paid

Other conditions:

- in the consideration of Concept Design Option B2 as an alternative in the environmental assessment process, Canada in consultation with the Municipality of Clarington will retain consultants to examine and prepare reports on, among other issues, the following:
 - the concentration of thorium-230 in the wastes located in the East Gorge;
 - groundwater flow through the East Gorge and contact with the wastes

deposited in the middle till and lower sands area;

- potential impacts of shoreline erosion control measures on other shoreline properties in the area; and,
- a contingency plan for the relocation of the wastes, including marginally contaminated soil, in the event of system failure

SCHEDULE 2

CLEANUP APPROVAL PROCESS AND METHODOLOGIES

Introduction

The Agreement and Schedule 1 of the Agreement set out the scope of the cleanup work that is to be done in the Township of Hope, the Town of Port Hope and the Municipality of Clarington.

Given the objectives of the cleanup and the cleanup work to which Canada has agreed pursuant to the Agreement, Schedule 2 sets out the Parties' understanding as to the cleanup methodology and verification procedures which Canada will apply to work that will be done in the three Municipalities

Cleanup Methodology and Verification Procedures

In May of 2000, the legislation creating the new Canadian Nuclear Safety Commission (CNSC) came into force. The CNSC is the successor to the Atomic Energy Control Board (AECB) and has the power to regulate all aspects of the development, production and use of nuclear energy and the production, possession and use of nuclear substances. The CNSC has recently indicated its intent to develop criteria which would form the basis for all regulatory decisions in regard to radioactively contaminated sites in Canada. This would include any decisions by the CNSC to approve future cleanup work.

Prior to the creation of the CNSC, the Low-Level Radioactive Waste Management Office (LLRWMO) complied with the Atomic Energy Control Act and Regulations and followed other relevant Canadian and international guidelines in regard to the cleanup of low-level radioactive waste. From the experience gained from cleanup activity at a number of sites across Canada, the LLRWMO developed a methodology for characterizing contaminated sites, conducting cleanup work and confirming the cleanup. This methodology, which includes elements that are subject to the scrutiny and approval of the regulator, is summarised below.

A new Federal Operating Agency (FOA) is intended to become the successor to

the LLRWMO. Over the next months the LLRWMO and the FOA will be initiating consultations with the CNSC's staff and the Municipalities in order to facilitate the CNSC's establishment of its requirements for the Project. The methodology(ies) which have been developed by the LLRWMO for the cleanup of the existing waste management facilities and typical properties in Port Hope will be put forward as a basis for the consultations to establish the methodology(ies) which will be applied to future cleanups.

In regard to any subsequent formal application to the CNSC, or any other regulator, for licences and approvals to undertake the construction of the new Facilities and to undertake the cleanup work, Canada will, prior to the submission of the formal application, consult with the CNSC's staff and the Municipalities in regard to the content of the applications for the licences.

Following the issuance of any licence, Canada will continue to consult with the CNSC's staff and the Municipalities as to the work that is being undertaken.

LLRWMO Methodology

The methodology which has been applied to previous cleanups by the LLRWMO in Port Hope, and elsewhere in Canada, is comprised of five steps. Because of potentially unique circumstances at sites, relevant elements of the methodology would be presented or reported to the regulator to seek its advice or approval prior to their application at the particular site.

The methodology is described as follows:

A) The delineation and characterisation of nature and scope of contamination.

- property owner is to be notified of any survey or sampling work to be done on their property
- gamma radiation surveys are undertaken, both on the surface and at subsurface levels, in order to identify potential contamination
- where there is contamination, or some indication of contamination, samples of surface and subsurface soils are taken for further laboratory analysis of the soil samples
- laboratory analysis of the soil samples is undertaken and the results of the analysis are further reviewed
- further sampling and analysis is undertaken as required
- if contamination is found, a definition of the contaminated site is developed which sets out the nature of the contaminants, the levels of concentration, the soil types, the scope of the contaminated area and the potential risks
- the property owner, the Municipality and the applicable regulatory agencies are given full and timely notice of any contamination found on a property

B) The development of a work plan for the removal of the contamination.

- a review process is undertaken to determine the optimum method for accessing and removing the contamination
- a draft work plan is developed for the removal of the contamination, which plan has a comprehensive health and safety component to address the safety of the construction work itself, and any additional health and safety factors to the workers, the public and the environment related to removal of the contaminants
- the FOA consults with the property owner in order to implement a cleanup plan for the specific property that wherever possible takes into account the property owner's concerns

C) The development of the cleanup verification protocol

- sampling and testing protocols appropriate to the contaminants involved and the characteristics of the properties affected are developed or adopted in consultation with the regulatory authorities and the Municipalities in order to verify, both as the work progresses and at the final stage of the work, that the contamination is removed
- this includes the development or adoption of a testing protocol which will address such elements as: the sampling pattern or grid to be used at the site, the number of samples to be taken, the depth of samples, the analytical procedures to be followed in regard to the samples

D) The cleanup work in accordance with approved plan and methodology.

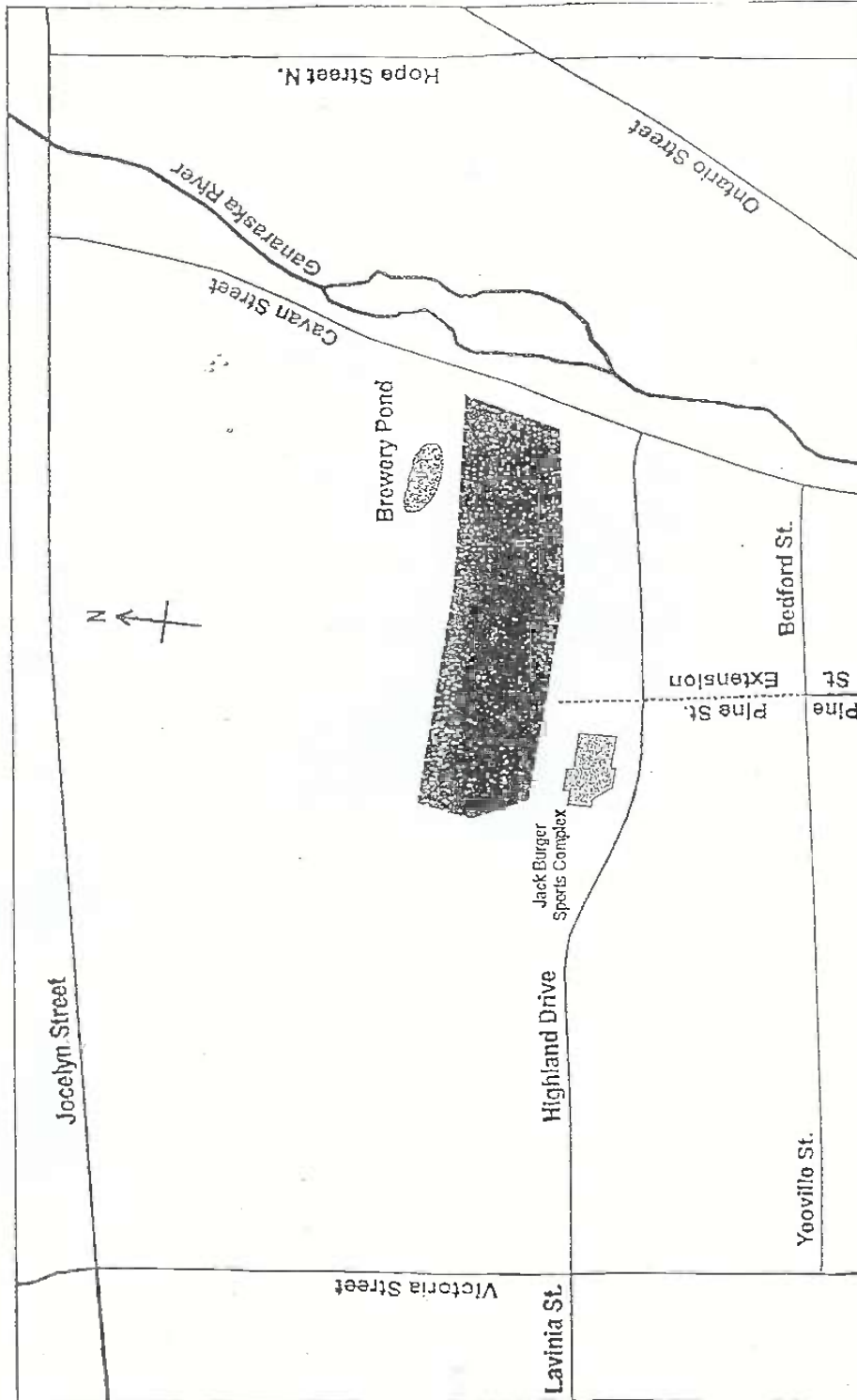
- the owner of the property is notified of any cleanup work that is proposed to be done
- the actual cleanup work is done

E) The confirmation that the cleanup work has been done in accordance with agreed plan and methodology.

- this involves the taking of soil samples and the analysis of the samples and the further analysis of the result of the soil analysis in order to determine that the contaminants have been removed
- the regulator will independently make verification inspections and tests as it deems necessary or appropriate in the circumstances
- a report will be prepared setting out the results of the analysis in order to demonstrate that the cleanup has been completed
- the verification report will be submitted to the regulator to seek the confirmation of the regulator that the cleanup has been achieved
- if during the verification review, the results are not satisfactory, more cleanup work will be undertaken until the work is completed and a satisfactory final analysis is obtained evidencing the removal of the contaminants

SCHEDULE 3

**PROPERTY FOR THE NEW TOWN OF PORT HOPE
WASTE MANAGEMENT FACILITY**



Schedule 3. Locator Map for the New Town of Port Hope Waste Management Facility (Not to Scale)

SCHEDULE 4

GEOGRAPHIC SCOPE OF THE PROPERTY VALUE PROTECTION PROGRAM

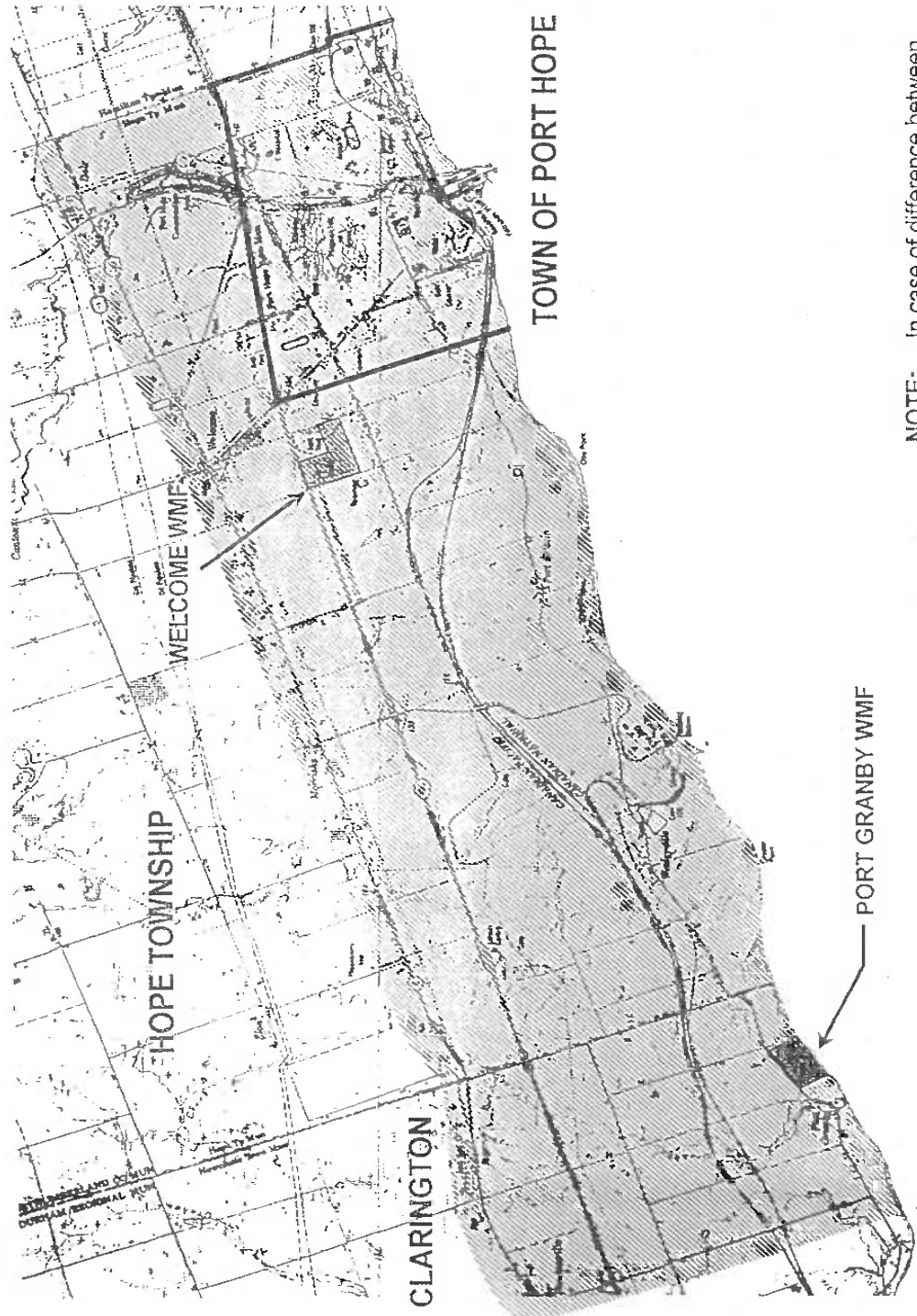
- the property value protection program will cover the area within the three Municipalities bounded by the following limits:
 - on the east, the eastern boundaries of Port Hope and the Township of Hope with the Township of Hamilton;
 - on the north, a line 300 meters north of the north limit of county roads #2 and #74;
 - on the west, a line 300 meters west of the west limit of Newtonville Road; and,
 - in the south, the shoreline of Lake Ontario.

- this area is illustrated in the map on Schedule 5.

SCHEDULE 5

**MAP OF THE AREA OF APPLICATION OF THE
PROPERTY VALUE PROTECTION PROGRAM**

ANNEX E (cont'd): Approximate Extent of the Property Value Protection Program



NOTE: In case of difference between the illustration and the text of ANNEX E, the text will apply.

SCHEDULE 6

PART A

TERMS OF MEDIATION

Notice: If a dispute relating to this Agreement arises and the Parties do not resolve some or all of that dispute through negotiation, then either party to the dispute may promptly submit to the other Party(ies) a notice of intent to mediate. This notice shall be in writing and shall specify the issues in dispute.

Selection of Mediator: The parties agree to mutually select a mediator. If the Parties cannot agree on the choice of mediator within 60 days from the date of the notice of intent to mediate, then a mediator will be chosen, upon application by the Parties, by the Arbitration and Mediation Institute of Canada.

Location: The mediation shall be held at Port Hope, Ontario

Exchange of information: The Parties agree to an exchange of all information upon which they intend to rely in any oral or written presentation during the mediation. This exchange shall be complete no later than ten (10) days prior to the date set for the mediation.

Costs: The Parties agree that they will each be responsible for the costs of their own legal counsel and personal travel. Fees and expenses of the mediator and all administrative costs of the mediation, such as the cost of the mediation room, if any, shall be borne equally by the Parties.

Schedule: The Parties shall jointly select a date for the mediation that is no later than 90 days from the date of the notice of intent to mediate.

Confidentiality: All information exchanged during this entire procedure shall be regarded as "without prejudice" communications for the purpose of settlement negotiations and shall be treated as confidential by the Parties and their representatives, unless otherwise required by law. However, evidence that is independently admissible or discoverable shall not be rendered inadmissible or non-discoverable by virtue of its use during the mediation.

Caucusing: The mediator is free to caucus with the Parties individually, as he sees fit to improve the chances of a mediated settlement. Any confidential information revealed to the mediator by one party during such caucusing may only be disclosed to the other Party(ies) with the former Party's express permission.

Prohibition against Future Assistance: Unless otherwise agreed by the Parties, it is agreed that the mediator will neither represent nor testify on behalf of any of the Parties in any subsequent legal proceeding between the Parties or where they are opposed in interest. It is further agreed that the personal notes and written opinions of the mediator made in relation to this mediation are confidential and may not be used in any subsequent proceeding between the Parties or where they are opposed in interest.

Termination: Any Party may terminate the mediation at any time.

Mediator's Report: In the event that no agreement is reached, or is reached on some issues only, the mediator shall promptly provide a report to the Parties stating only that no agreement was reached on some or all of the outstanding issues. Provided further that if the mediator determines that a Party's position was unreasonable, the mediator may include in the Report, an award of an amount for the other Party's reasonable costs.

No New Steps: During the course of the mediation, the Parties agree to take no new steps in any legal action between them which concerns the same matter as is the subject of this mediation.

PART B

TERMS OF ARBITRATION

Notice: The Party requesting arbitration shall do so by written notice to the other Party(ies).

Commencement of the Proceedings: The arbitral proceeding commences on the date of receipt of the notice to arbitrate the dispute.

Selection of Arbitrator: The Parties agree to mutually select an arbitrator. If the Parties cannot agree on the choice of arbitrator within 60 days from the date of commencement of the proceedings, then an arbitrator will be chosen, upon application by the Parties, by the Arbitration and Mediation Institute of Canada. The arbitrator will be chosen, upon application by the Parties, by the Arbitration and Mediation Institute of Canada.

Location: The arbitration shall take place at Port Hope, Ontario.

Costs: The Parties agree that they will each be responsible for the costs of their own legal counsel and other costs incurred in preparing each party's case for arbitration. The administrative costs of the arbitration, such as the expenses and fees for the arbitrator, the cost of the hearing room, if any, shall be borne equally by the Parties. Provided that if the arbitrator determines that a Party's position was unreasonable, the arbitrator may include in the Arbitral Award an amount for the other Party's reasonable costs.

Statement of Claim: Within 30 days of the selection of the arbitrator(s), the claimant shall submit a statement of claim to the arbitrator(s) and other party(ies) containing a written statement of facts, issues in dispute and remedies sought.

Statement of Defence: Within 30 days following the receipt of the statement of claim, the respondent(s) shall submit a written statement of defence to the arbitrator(s) and claimant.

Hearing Date: The Parties shall jointly select a date for the hearing that is no later than 60 days from the date following the submission of the respondent's statement of defence.

Exchange of Information: Each party shall deliver to the other party(ies) and to the arbitrator(s) no later than 10 days prior to the date set for a hearing, a copy of all documents and other materials on which the party intends to rely during the arbitral hearing.

Arbitral Award: The arbitrator(s) shall make every reasonable effort consistent with article 18 of the Commercial Arbitration Code to complete the proceedings and render the award within six months of the commencement date. The arbitral award shall be in writing and include reasons for the decisions.

Governing Law Clause: The arbitrator(s) shall resolve this dispute in accordance with the laws of Ontario.

Judgment: Judgment upon any arbitral award rendered may be entered in any court having jurisdiction thereof.

Prohibition against Future Assistance: It is agreed that the arbitrator(s) will neither represent nor testify on behalf of any of the Parties in any subsequent proceeding between the Parties or where they are opposed in interest. It is further agreed that the personal notes and written opinions of the arbitrator(s) made in relation to this arbitration are confidential and may not be used in any subsequent proceeding between the Parties, or where they are opposed in interest.

SCHEDULE 7

TOWN OF PORT HOPE FUND

1. Subject to the following provisions, Port Hope agrees to hold Canada's payment of Ten Million (\$10,000,000.00) Dollars in trust for the exclusive benefit of the ratepayers of the area that comprises the geographic area of Port Hope as of the date of October 6, 2000.

2. The principal of the Fund may be invested by Port Hope in its discretion in any investment permitted by law. Any income earned from investing the Fund may be expended by Port Hope from time to time in its discretion for any purpose permitted by law.

3. Port Hope shall pay Canada an amount equal to the opening capital of the Fund, Ten Million (\$10,000,000.00) Dollars, on the last to occur of both:

(1) the day on which a licence is refused by the Canadian Nuclear Safety Commission to construct the New Port Hope Waste Management Facility as contemplated by this Agreement; and,

(2) the first day after the Historic Low-Level Radioactive Waste and the Cameco Decommissioning Waste which are identified in Schedule 1 as wastes to be accommodated in the New Port Hope Waste Management Facility have been cleaned up in accordance with the intent of this Agreement and removed from the Town of Port Hope and Hope.

4. If a licence to construct the New Port Hope Waste Management Facility is granted by the Canadian Nuclear Safety Commission, on the date of the issuance of the licence Port Hope's obligations in favour of Canada regarding the investment and use of the fund shall terminate.

SCHEDULE 8

TOWNSHIP OF HOPE FUND

1. Canada will pay to the trustee ("Trustee") appointed by Hope Township Council, a grant in the amount of Ten Million (\$10,000,000.00) Dollars (hereinafter referred to as the "Opening Capital" or the "Fund") which, subject to the following provisions, shall be held in trust for the exclusive benefit of the ratepayers from time to time of the area that comprises the geographic area of Hope Township as of the date of October 6, 2000.

2. The principal of the Fund shall be invested by the Trustee in any investment permitted by law that the Trustee in its discretion considers likely will produce an increase in the net value of the Fund comprising a blend of capital appreciation and income of at least ten (10%) per cent in each calendar year ("Growth").

3. After first deducting and appropriating to the Trustee's use from the income earned from the investment of the Fund the amount required to indemnify the Trustee against the Trustee's reasonable costs incurred in administering and investing the Fund, the Trustee shall apply an amount equal to up to eight (8%) per cent of the Fund in the previous calendar year to defray the lower tier municipal taxes or levies which otherwise would be payable by the ratepayers of aforesaid geographic area of Hope Township provided that the opening capital of the Fund shall not be encroached upon by the Trustee.

4. If any portion of the growth in the Fund in any calendar year is not required to be expended to discharge the aforesaid lower tier municipal taxes or levies, the portion shall be invested as aforesaid, and the other provisions of this Schedule shall apply with all necessary changes being considered to have been made in order to give effect to the intent of sections 2 and 3 above. Provided that the Trustee shall not pay out any amount to defray lower tier municipal taxes or levies that will reduce the net value of the Fund below the amount of Ten Million (\$10,000,000.00) Dollars.

5. The Trustee appointed by Hope Township Council to administer the Fund in accordance with the above sections, shall have at least fifty (50) times the amount of the Fund under administration during the period in which he will act as Trustee of the Fund.

6. Hope Township Council from time to time may terminate the appointment of the Trustee on terms considered to be appropriate by the Council in its discretion and thereupon shall appoint another Trustee who is qualified as aforesaid to act as Trustee of the Fund during the period of the appointment. The Trustee so appointed from time to time shall be deemed to be the Trustee for the purposes of this Agreement. Except in appointing and terminating the Trustee of the Fund from time to time, Hope Township Council shall have no authority over the investment decisions made by the Trustee.

7. For greater clarity, “lower tier municipal taxes or levies” are the annual taxes or levies imposed by Hope Township or by its successor on ratepayers who own assessed property within the geographic area of Hope Township as it exists as of the date that the Township of Hope signed this Agreement. The term “lower tier municipal taxes or levies” does not include general county or upper tier taxes or levies, special county or upper tier taxes or levies, and education taxes or levies.

8. The Trustee shall pay Canada an amount equal to the opening capital of the Fund being Ten Million (\$10,000,000.00) Dollars on the last to occur of both:

(1) the day on which a licence is refused by the Canadian Nuclear Safety Commission to construct the New Hope Township Waste Management Facility as contemplated by this Agreement; and,

(2) the first day after the Cameco Waste - Welcome has been removed from the Township of Hope and the site of the Welcome Waste Management Facility has been cleaned up in accordance with the intent of this Agreement including, without limitation, Schedule 2.

9. If a licence to construct the New Hope Township Waste Management Facility is granted by the Canadian Nuclear Safety Commission, on the date of the issuance of the licence the Trustee’s obligation in favour of Canada regarding the use and investment of the Fund shall terminate.

SCHEDULE 9

CLARINGTON FUND

1. Subject to the following provisions, Clarington agrees to hold Canada's payment of Ten Million (\$10,000,000.00) Dollars, hereinafter referred to as the "Fund", in trust for the exclusive benefit of the ratepayers of the area that comprises the geographic area of Clarington as of the date of October 6, 2000, provided that if after the date of this Agreement, the geographic area of Clarington is reduced, the fund shall be held in trust for the exclusive benefit of the ratepayers of the remaining geographic area of Clarington.

2. The principal of the Fund may be invested by Clarington in its discretion in any investment permitted by law. Any income earned from investing the Fund may be expended by Clarington from time to time in its discretion for any purpose permitted by law.

3. Clarington shall pay Canada an amount equal to the opening capital of the Fund, Ten Million (\$10,000,000.00) Dollars, on the last to occur of both:

(1) the day on which a licence is refused by the Canadian Nuclear Safety Commission to construct the New Clarington Waste Management Facility as contemplated by this Agreement; and,

(2) the first day after the Cameco Waste - Port Granby has been removed from Clarington and the site of the Port Granby Waste Management Facility has been cleaned up in accordance with the intent of this Agreement including, without limitation, Schedule 2.

4. If a licence to construct the New Port Granby Waste Management Facility is granted by the Canadian Nuclear Safety Commission, on the date of the issuance of the licence Clarington's obligations in favour of Canada regarding the investment and use of the fund shall terminate.

ARTICLE 12
GENERAL PROVISIONS

12.1 Notices

Updated Contact List
Revised as of December 2009

The Municipality of Clarington
40 Temperance Street
Bowmanville, Ontario L1C 3A6
Attention: Chief Administrative Officer
Telephone: (905) 623-3379
Facsimile: (905) 623-5717

The Municipality of Port Hope
56 Queen Street, P.O. Box 117
Port Hope, Ontario L1A 3V9
Attention: Chief Administrative Officer
Telephone: (905) 885-4544
Facsimile: (905) 885-7698

Natural Resources Canada
580 Booth Street, 17th Floor
Ottawa, Ontario K1A 0E4
Attention: Director, Uranium and Radioactive Waste Division
Telephone: (613) 996-4697
Facsimile: (613) 947-4205

Port Hope Area Initiative Management Office (FOA)
5 Mill Street South
Port Hope, Ontario L1A 2S6
Attention: The Director
Telephone: (905) 885-8323
Facsimile: (905) 885-9344

AMENDMENT TO
AN AGREEMENT FOR THE CLEANUP
AND THE LONG-TERM SAFE MANAGEMENT OF
LOW-LEVEL RADIOACTIVE WASTE
SITUATE IN THE TOWN OF PORT HOPE, THE TOWNSHIP OF HOPE
and THE MUNICIPALITY OF CLARINGTON

AMONG

THE CORPORATION OF THE MUNICIPALITY OF PORT HOPE,
A Municipal corporation pursuant to the Ontario Municipal Act
(hereinafter referred to as the “Municipality of Port Hope”)

OF THE FIRST PART

THE CORPORATION OF THE MUNICIPALITY OF CLARINGTON,
A Municipal corporation pursuant to the Ontario Municipal Act
(hereinafter referred to as the “Municipality of Clarington”)

OF THE SECOND PART

AND

HER MAJESTY THE QUEEN IN RIGHT OF CANADA
as represented by the Minister of Natural Resources
(hereinafter referred to as “Canada”)

OF THE THIRD PART

WHEREAS the Municipality of Port Hope, the Municipality of Clarington, and the former Corporation of the Township of Hope entered into An Agreement for the Cleanup and the Long-Term Safe Management of Low-Level Radioactive Waste Situate in the Town of Port Hope, the Township of Hope, and the Municipality of Clarington on March 29, 2001 (hereinafter referred to as the “Original Agreement”);

AND WHEREAS, as a result of municipal restructuring in the Province of Ontario, effective January 1, 2001, the Corporation of the Township of Hope became a part of the Municipality of Port Hope;

AND WHEREAS, the Municipality of Port Hope has requested that Schedule 8 of the Original Agreement be amended to provide that the Township of Hope Funds may be administered by an Investment Counsellor as an option;

AND WHEREAS this amendment will provide the Municipality of Port Hope more opportunities for investment of the grant provided by Canada;

AND WHEREAS the Municipality of Clarington and Canada have approved the requested amendment to the Original Agreement;

NOW, THEREFORE, in consideration of the mutual covenants contained herein, the Municipality of Port Hope, the Municipality of Clarington, and Canada agree to amend the Original Agreement as follows:

1. Schedule 8 of the Original Agreement is replaced with Schedule 8 attached hereto.
2. This amendment may be signed in counterpart.

IN WITNESS WHEREOF this Amendment has been executed on behalf of the Municipality of Port Hope, the Municipality of Clarington, and Canada by duly authorized representatives.

The Municipality of Port Hope

per:



 Rick Austin, Mayor



 Frances Aird, Clerk/Deputy CAO

~~September 17, 2003~~ October 7, 2003

The Municipality of Clarington

per:



 John Mutton, Mayor



 Patti Barrie, Municipal Clerk



 George Anderson
 Deputy Minister of
 Natural Resources Canada

September 23, 2003

Her Majesty the Queen in Right of Canada

per:



 Ric Cameron, Assistant Deputy Minister
 Energy Sector, NRCan



 Peter Brown, A/Director General
 Electricity Resources Branch

September 17, 2003

SCHEDULE 8

TOWNSHIP OF HOPE FUND

1. Canada will pay to the trustee ("Trustee") appointed by Hope Township Council, a grant in the amount of Ten Million (\$10,000,000.00) Dollars hereinafter referred to as the "Opening Capital" or the "Fund" which, subject to the following provisions, shall be held in trust or, after the appointment by Council of an Investment Counsellor, on the terms set in the Investment Policy of the Municipality for the exclusive benefit of the ratepayers from time to time of the area that comprises the geographic area of Hope Township as of the date of October 6, 2000.

2. In the event that the Fund is managed by a Trustee, the principal of the Fund shall be invested by the Trustee in any investment permitted by law that the Trustee in its discretion considers likely will produce an increase in the net value of the Fund comprising a blend of capital appreciation and income of at least ten (10%) per cent in each calendar year ("Growth").

3. In the event that an Investment Counsellor is appointed to manage the Fund, the terms of that Contract and the Municipality's Investment Policy shall apply.

4. In either situation, after first deducting the fees negotiated and approved by contract from the income earned from the investment of the Fund, the Trustee or the Investment Counsellor shall apply an amount equal to up to eight (8%) per cent of the Fund in the previous calendar year to defray the lower tier municipal taxes or levies which otherwise would be payable by the ratepayers of aforesaid geographic area of Hope Township provided that the opening capital of the Fund shall not be encroached upon by the Trustee or the Investment Counsellor.

5. If any portion of the growth in the Fund in any calendar year is not required to be expended to discharge the aforesaid lower tier municipal taxes or levies, the portion shall be invested as aforesaid, and the other provisions of this Schedule shall apply with all necessary changes being considered to have been made in order to give effect to the intent of sections 2, 3 and 4 above. Provided that the Trustee or the Investment Counsellor shall not pay out any amount to defray lower tier municipal taxes or levies that will reduce the net value of the Fund below the amount of Ten Million (\$10,000,000.00) Dollars.

6. The Trustee or the Investment Counsellor appointed by Hope Township Council to administer the Fund in accordance with the above sections, shall have at least fifty (50) times the amount of the Fund under administration during the period in which he will act as Trustee or Investment Counsellor.

7. Hope Township Council from time to time may terminate the appointment of the Trustee or the Investment Counsellor, on terms considered to be appropriate by the Council in its discretion and thereupon shall appoint another Trustee or Investment Counsellor who is qualified as aforesaid to act as Trustee or Investment Counsellor of the Fund during the period of the appointment. The Trustee or Investment Counsellor so appointed from time to time shall be deemed to be the Trustee or Investment Counsellor for the purposes of this Agreement. Except in appointing and terminating the Trustee or Investment Counsellor of the Fund from time to time, Hope Township Council shall have no authority over the investment decisions made by the Trustee or the Investment Counsellor.

8. For greater clarity, "lower tier municipal taxes or levies" are the annual taxes or levies imposed by Hope Township or by its successor on ratepayers who own assessed property within the geographic area of Hope Township as it exists as of the date that the Township of Hope signed this Agreement. The term "lower tier municipal taxes or levies" does not include general county or upper tier taxes or levies, special county or upper tier taxes or levies, and education taxes or levies.

9. The Trustee, if appointed, or the Municipality, shall pay Canada an amount equal to the opening capital of the Fund being Ten Million (\$10,000,000.00) Dollars on the last to occur of both:

(1) the day on which a licence is refused by the Canadian Nuclear Safety Commission to construct the New Hope Township Waste Management Facility as contemplated by this Agreement; and,

(2) the first day after the Cameco Waste - Welcome has been removed from the Township of Hope and the site of the Welcome Waste Management Facility has been cleaned up in accordance with the intent of this Agreement including, without limitation, Schedule 2.

10. If a licence to construct the New Hope Township Waste Management Facility is granted by the Canadian Nuclear Safety Commission, on the date of the issuance of the licence the Trustee's obligation in favour of Canada regarding the use and investment of the Fund shall terminate.

AMENDMENT #2 TO
AN AGREEMENT FOR THE CLEANUP
AND THE LONG-TERM SAFE MANAGEMENT OF
LOW-LEVEL RADIOACTIVE WASTE
SITUATE IN THE TOWN OF PORT HOPE, THE TOWNSHIP OF HOPE
and THE MUNICIPALITY OF CLARINGTON

AMONG

THE CORPORATION OF THE MUNICIPALITY OF PORT HOPE,
A Municipal corporation pursuant to the Ontario Municipal Act
(hereinafter referred to as the “Municipality of Port Hope”)

OF THE FIRST PART

THE CORPORATION OF THE MUNICIPALITY OF CLARINGTON,
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OF THE SECOND PART

AND

HER MAJESTY THE QUEEN IN RIGHT OF CANADA
as represented by the Minister of Natural Resources
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OF THE THIRD PART

WHEREAS the Municipality of Port Hope, the Municipality of Clarington, and the former Corporation of the Township of Hope entered into An Agreement for the Cleanup and the Long-Term Safe Management of Low-Level Radioactive Waste Situate in the Town of Port Hope, the Township of Hope, and the Municipality of Clarington on March 29, 2001 (hereinafter referred to as the “Original Agreement”);

AND WHEREAS, as a result of municipal restructuring in the Province of Ontario, effective January 1, 2001, the Corporation of the Township of Hope and the Corporation of the Town of Port Hope became the Municipality of Port Hope;

AND WHEREAS the parties amended the Original Agreement on October 7, 2003;

AND WHEREAS in the context of an environmental assessment of the long-term management of low-level radioactive wastes in the Municipality of Port Hope, an assessment of alternative means of carrying out the project has resulted in the recommendation that wastes in the former Township of Hope and Town of Port Hope be consolidated at one site within the Municipality of Port Hope,

AND WHEREAS the Municipality of Port Hope, by resolution NO. 91/2005, provided written consent, as set out in Section 4.1.3 of the agreement, for the recommended consolidation option to be submitted for federal review,

AND WHEREAS the consolidation requires amendment to the Original Agreement as set out in Section 4.1.4 of the agreement;

NOW, THEREFORE, in consideration of the mutual covenants contained herein, the Municipality of Port Hope, the Municipality of Clarington, and Canada agree to amend the Original Agreement as follows:

1. Section 1.1 of the Original Agreement is amended as follows:

In the definitions of “Element”, “Facility” and “Low-Level Radioactive Waste Management Project”, the references to “New Welcome Waste Management Facility” and “New Town of Port Hope Waste Management Facility” are replaced with “New Port Hope Waste Management Facility” in each definition.

The definitions of “New Welcome Waste Management Facility” and “New Town of Port Hope Waste Management Facility” are revoked and replaced with the following definition:

“New Port Hope Waste Management Facility” means the activities and structure contemplated in the “Description of the Preferred Option”, attached as Schedule B to the Municipality of Port Hope Resolution NO. 91/2005, dated April 19, 2005.”

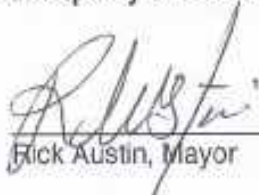
2. Section 1.17 of the Original Agreement is amended by revising the Schedule 3 title to read “Property for the New Port Hope Waste Management Facility”.
3. Section 3.1.1 of the Original Agreement is amended by replacing the references to “New Welcome Waste Management Facility” and “New Town of Port Hope Waste Management Facility” with the single reference to the “New Port Hope Waste Management Facility”.
4. Section 6.1 of the Original Agreement is revoked.
5. Sections 6.2 and 6.3 of the Original Agreement are amended by replacing any references to “New Welcome Waste Management Facility” with “New Port Hope Waste Management Facility”, and revoking Section 6.3.1 c).
6. Schedule 1 Part A and B of the Original Agreement is replaced with Schedule 1 Part A and B attached hereto.

6. Schedule 1 Part A and B of the Original Agreement is replaced with Schedule 1 Part A and B attached hereto.
7. Schedule 3 of the Original Agreement is replaced with Schedule 3 attached hereto.
8. Schedule 8 (as amended October 7, 2003) is amended by replacing any references to "New Hope Township Waste Management Facility" with "New Port Hope Waste Management Facility".

IN WITNESS WHEREOF this Amendment has been executed on behalf of the Municipality of Port Hope, the Municipality of Clarington, and Canada by duly authorized representatives.

The Municipality of Port Hope

per:


Rick Austin, Mayor
September 18, 2006
August


~~Frances Ark Clerk Deputy CAO~~
Connie Martinell, Deputy Clerk

The Municipality of Clarington

per:


John Mutton, Mayor
September 12, 2006


(Rati Baris, Municipal Clerk)
C. Anne Greentree, Deputy Clerk

Her Majesty the Queen in Right of Canada

per:


Cassie J. Doyle, Deputy Minister
Natural Resources Canada
September __, 2006
October 20

SCHEDULE 1

PART A

Description of the Low-Level Radioactive Waste Management Project

The Project includes all work necessary and incidental to the achievement of the following:

- (a) the completion of all socio-economic, engineering and environmental research necessary to acquisition of an approval, permit, licence or other such authorization or the reaching of a required determination under applicable federal or provincial legislation;
- (b) the submission of the design of each Facility and the process for carrying out the Elements of the Project within the community in order to comply with the environmental assessment requirements;
- (c) the finalization of the design of the New Port Hope Waste Management Facility and the New Port Granby Waste Management Facility, and the process for carrying out the Project in order to comply with the regulatory requirements;
- (d) the submission of each finalized design of each new Facility and the process for carrying out the Elements of the Project within the community for applicable regulatory approvals;
- (e) the acquisition of all properties necessary for the construction and operation of the new Facilities;
- (f) the operation of the Welcome Waste Management Facility and the Port Granby Waste Management Facility following Canada's acquisition thereof;
- (g) the construction and subsequent operation of the new Facilities;
- (h) the Cleanup of Historic Low-Level Radioactive Waste at the sites in the former Town of Port Hope as identified in the Port Hope LLRW Management Policy Review Committee's Report titled *Report on Conceptualization of Low-Level Radioactive Waste Storage Facility Designs in the Town of Port Hope*, dated March 1999 and the relocation of the Historic Low-Level Radioactive Waste to the New Port Hope Waste Management Facility;
- (i) the acceptance of the Cameco Decommissioning Waste at the New Port Hope Waste Management Facility;
- (j) the Cleanup of Industrial Waste at the sites in the former Town of Port Hope as hereinafter identified; and,

- (k) the completion of all surface remedial work and landscaping associated with the completion of the construction of the new Facilities.

PART B

Without limiting the generality of the above description, the Project includes all work necessary and incidental to the achievement of the components set out below.

Municipality of Port Hope

The construction of the New Port Hope Waste Management Facility.

Location:

- the Facility will be located just south of Highway 401 and west of Baulch Road at the site of the current Welcome Waste Management Facility.

Materials to be accommodated:

- the Facility will have a capacity of approximately 1.9 million cubic meters of Low-Level Radioactive Waste and non-radioactive Industrial Waste, consisting of three categories presently situated in the Municipality of Port Hope:
 1. Historic Low-Level Radioactive Waste – This type of Low-Level Radioactive Waste comprises approximately 577,500 cubic metres of material situated at licensed sites in the former Town of Port Hope operated by the Low-Level Radioactive Waste Management Office, at major sites, including those identified on the table following, and at small-scale unlicensed sites.

MAJOR KNOWN SITES OF HISTORIC LOW-LEVEL RADIOACTIVE WASTE IN PORT HOPE	
PORT HOPE HARBOUR	ALEXANDER RAVINE
HIGHLAND DRIVE LANDFILL	HIGHLAND DRIVE SOUTH RAVINE
PINE STREET N. CONSOLIDATION SITE*	PINE STREET N. STORAGE SITE*
MILL STREET SOUTH	WATERWORKS SITE
PINE STREET N. ROADWAY	STRACHAN STREET CONSOLIDATION SITE*
CN/CP VIADUCTS SITE	SEWAGE TREATMENT PLANT TEMPORARY STORAGE SITE*
HIGHLAND DRIVE ROADWAY	JOHN STREET SOUTH SITE

* these are temporary storage sites licenced by the CNSC.

- in addition, the Facility will accommodate additional Historic Low-Level Radioactive Waste located in other sites within the former Town of Port Hope including those identified by past or future surveys performed by LLRWMO or the FOA.

2. Cameco Waste

a) Cameco Decommissioning Waste – This type of Low-Level Radioactive Waste comprises Cameco-owned materials in the former Town of Port Hope and includes an inventory of 3,822 cubic metres of Low-Level Radioactive Waste materials that have been in storage at the Cameco facility since prior to 1988 and materials that would result from the decommissioning of Cameco-owned and/or operated processing facilities and associated properties utilized by Eldorado in the former Town of Port Hope prior to 1988. This includes Low-Level Radioactive Waste at the main plant site at 1 Eldorado Place and the Dorset Street East warehousing facilities (117,000 cubic meters) and at the Centre Pier property (30,000 cubic meters). The estimated total volume is approximately 150,000 cubic meters.

b) Cameco Waste - Welcome – Approximately 620,000 cubic metres of waste located at the Welcome Waste Management Facility.

3. Industrial Waste – This category includes non-radioactive materials that the former Town of Port Hope identified in its proposal to the government as wastes that it wants included in the Facility. The category consists of (i) waste material (including sludge) at a former wastewater lagoon site at Lake Street, (ii) dried sewage sludge currently stored in an engineered facility at the Lake Street Sewage Treatment Plant, (iii) wastes from a former coal gasification plant adjacent to John Street between Park and Alexander Streets and (iv) waste from the former Crane Sanitary Company located at the Center Pier and at the Lions

Recreational Centre Park. The estimated volume from these four components is approximately 51,250 cubic metres.

Conceptual design:

- the conceptual design, originally described in
 - a) the Final Report of the Port Hope LLRW Management Policy Review Committee entitled, *Report on Conceptualization of Low-Level Radioactive Waste Storage Facility Designs in the Town of Port Hope, March 15, 1999* as Approach 3, and
 - b) the Final Report of the Township of Hope Low-Level Radioactive Waste Ad Hoc Committee entitled, *Report on Concept Design Options for a Low-Level Radioactive Waste Storage Mound at the Welcome Site, September 10, 1998* as Conceptual Approach 1C, has been revised and now involves the consolidation of the waste at a single long-term waste management facility as described in Schedule B of the Municipality of Port Hope Resolution NO. 91/2005, dated April 19, 2005.
- the conceptual design involves:
 - the construction of a waste containment mound that is partially below-grade with an appropriate liner and cover system to house all excavated Low-Level Radioactive Waste, marginally contaminated soils, and miscellaneous Industrial Waste
 - the remediation of contaminated sites and the transfer of the contaminated material to the new waste management facility
 - the integration of the waste at the Welcome Waste Management Facility into the new waste management facility
- final designs will be completed through the detailed engineering and technical studies which commenced at the signing of this Agreement

Project costs:

- Canada agrees to pay or absorb the Project costs, including:
 - survey for contamination and, if required, cleanup and restoration of roadways, including infrastructure, and properties where there is reason to believe that Historic Low-Level Radioactive Waste may exist
 - improvements to infrastructure required for the construction and operation of the Facility including:

A2-8

- all reasonable capital costs related to road improvements, including extensions, widenings, replacements, and resurfacing of roads as a result of the development and operation of the site including transportation routes to or from the Facility;
- all reasonable capital costs related to providing or improving other services to the site including sewage, water, and lighting;
- development of the New Port Hope Waste Management Facility, in a manner consistent with the original conceptual designs, including post-closure recreational elements, the construction of which may be staged; and,
- establishing an ongoing communications program to fully-inform residents about the Project

Additional cleanup of Port Hope Industrial Waste:

- Canada agrees to pay the costs of removal of certain Industrial Waste within the Municipality of Port Hope, as earlier described in Schedule 1, the transportation of those wastes to the New Port Hope Waste Management Facility, the restoration, the backfilling and landscaping of the site from which the wastes were removed

Administrative costs:

- Canada agrees to reimburse to the Municipality of Port Hope, reasonable future administrative, legal, and external communications expenses incurred from March 29, 2001, the date Canada signed the Agreement, for the duration of the Project
- following the signing of the Agreement, Canada and the Municipality of Port Hope will establish a process whereby such administrative expenses will be identified, quantified, and paid

Clarington

- The construction of the New Port Granby Waste Management Facility.

Location:

- the Facility will be located at or approximate to the site of the Port Granby Low-Level Radioactive Waste Management Facility

Materials to be accommodated:

- the Facility will accommodate approximately 500,000 cubic metres of Cameco Waste - Port Granby at the Port Granby Low-Level Radioactive Waste Management Facility, including approximately 100,000 cubic metres of calcium fluoride, neutralized raffinate and marginally contaminated soils and contaminated industrial trash from the East Gorge of the current site
- in addition, the Facility will accommodate any Historic Low-Level Radioactive Waste located within the Municipality of Clarington as identified by surveys to be performed by Canada.

Conceptual design:

- the conceptual design is described in the Final Report of the Port Granby Low-Level Radioactive Waste Advisory Committee entitled, *Report on Conceptualization of On-Site Low-Level Radioactive Waste Storage Facility Designs for the Port Granby Waste Management Facility, June 28, 1999* as Concept Design B, Option 2 as endorsed by Clarington Council
- the conceptual design involves:
 - the construction of a groundwater diversion trench and perimeter barrier wall on the eastern, northern, and western perimeters of the existing Port Granby Waste Management Facility;
 - the construction of an on-site mound for roughly 100,000 cubic metres of material from the East Gorge of the current site;
 - installation of an appropriate cover on the existing waste facility;
 - bluff stabilization and the construction of a toe berm to retard further erosion
- final designs will be completed after the detailed engineering and technical studies which will commence at the signing of the Agreement

Project costs:

- Canada agrees to pay or absorb the Project costs, including:
 - improvements to infrastructure required for the construction and operation of the new Facility including:

A2-10

- all reasonable capital costs related to road improvements, including extensions, widenings, replacements, and resurfacing of roads required for the development and operation of the site;
- all reasonable capital costs related to providing or improving other services to the site including sewage, water, and lighting;
- survey and, if required, cleanup and restoration of roadways and properties where there is reason to believe that Historic Low-Level Radioactive Waste may exist;
- development of the re-engineered Facility as a site that is appropriate for natural heritage and passive recreational uses, including the Waterfront Trail;
- establishing an ongoing communications program to fully-inform residents about the Project

Administrative costs:

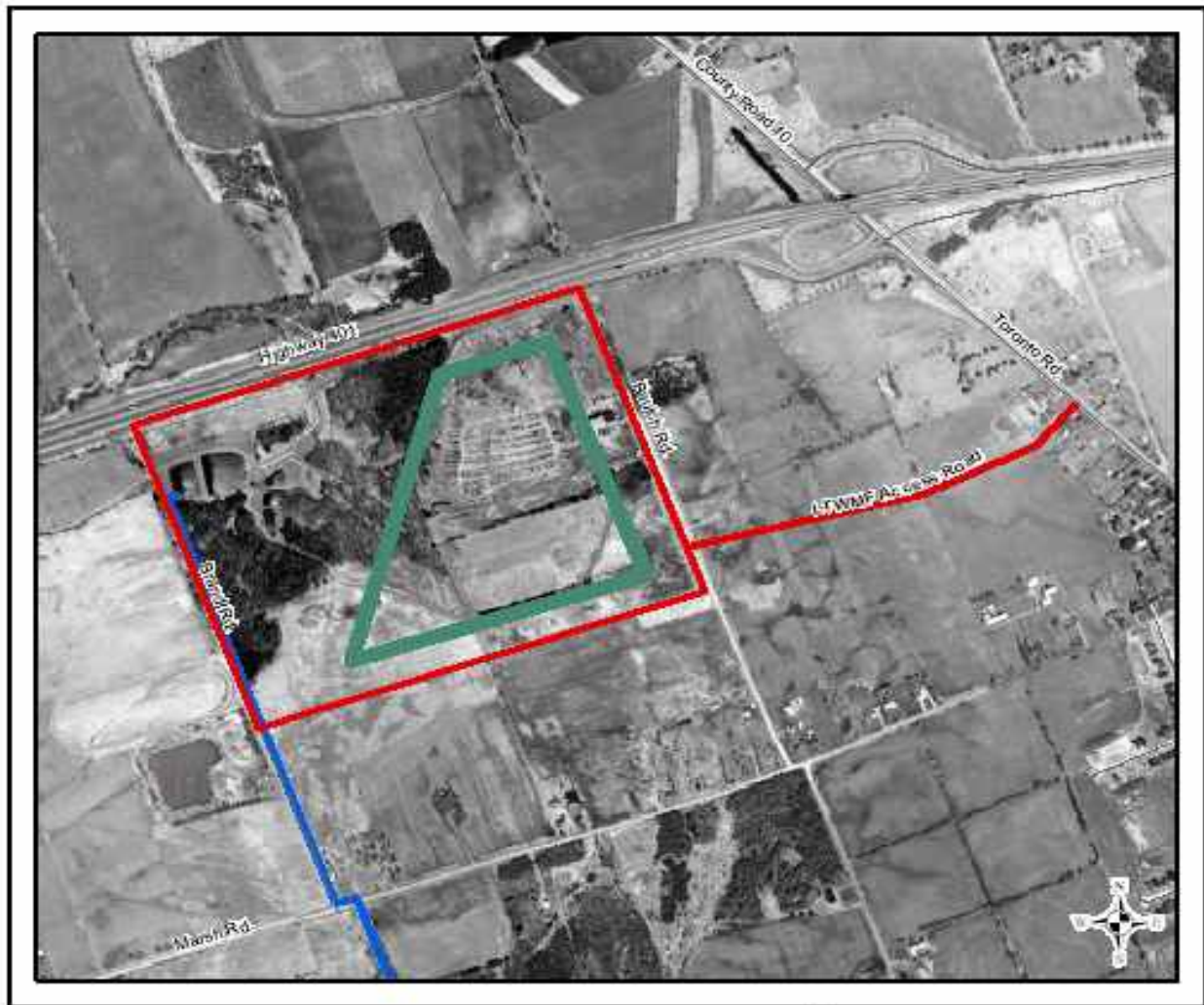
- Canada agrees to reimburse to the Municipality of Clarington, reasonable future administrative and legal expenses incurred from March 29, 2001, the date Canada signed the Agreement, for the duration of the Project
- following the signing of the Agreement, Canada and the Municipality of Clarington will establish a process whereby such administrative expenses will be identified, quantified, and paid

Other conditions:

- in the consideration of Concept Design Option B2 as an alternative in the environmental assessment process, Canada in consultation with the Municipality of Clarington will retain consultants to examine and prepare reports on, among other issues, the following:
 - the concentration of thorium-230 in the wastes located in the East Gorge;
 - groundwater flow through the East Gorge and contact with the wastes deposited in the middle till and lower sands area;
 - potential impacts of shoreline erosion control measures on other shoreline properties in the area; and,
 - a contingency plan for the relocation of the wastes, including marginally contaminated soil, in the event of system failure

SCHEDULE 3

**PROPERTY FOR THE NEW
PORT HOPE WASTE MANAGEMENT FACILITY**



Legend

-  LTWMF Site Boundary
-  LTWMF Containment Mound



AMENDMENT #3 TO

**AN AGREEMENT FOR THE CLEANUP
AND THE LONG-TERM SAFE MANAGEMENT OF
LOW-LEVEL RADIOACTIVE WASTE
SITUATE IN THE TOWN OF PORT HOPE, THE TOWNSHIP OF HOPE
and THE MUNICIPALITY OF CLARINGTON**

AMONG:

THE CORPORATION OF THE MUNICIPALITY OF PORT HOPE,
A Municipal corporation pursuant to the Ontario Municipal Act
(hereinafter referred to as the "Municipality of Port Hope")

OF THE FIRST PART

THE CORPORATION OF THE MUNICIPALITY OF CLARINGTON,
A Municipal corporation pursuant to the Ontario Municipal Act
(hereinafter referred to as the "Municipality of Clarington")

OF THE SECOND PART

AND

HER MAJESTY THE QUEEN IN RIGHT OF CANADA
as represented by the Minister of Natural Resources
(hereinafter referred to as "Canada")

OF THE THIRD PART

WHEREAS the former Corporation of the Town of Port Hope, the Municipality of Clarington and the former Corporation of the Township of Hope entered into an Agreement for the Cleanup and the Long-Term Safe Management of Low-Level Radioactive Waste situate in the Town of Port Hope, the Township of Hope, and the Municipality of Clarington on March 29, 2001 (hereinafter referred to as the "Original Agreement");

AND WHEREAS, as a result of municipal restructuring in the Province of Ontario, effective January 1, 2001, the Corporation of the Township of Hope and the Corporation of the Town of Port Hope became the Municipality of Port Hope;

AND WHEREAS the parties amended the Original Agreement on October 7, 2003;

AND WHEREAS the parties further amended the Original Agreement on October 20, 2006 (the Original Agreement as amended is referred to hereinafter as the "Original Agreement As Amended");

AND WHEREAS the Municipality of Clarington has requested that the Original Agreement be further amended to incorporate a provision to clarify that no waste other than Waste provided for in the Agreement will be accepted at the New Port Granby Waste Management Facility or the New Port Hope Waste Management Facility;

AND WHEREAS the Municipality of Port Hope, the Municipality of Clarington, and Canada have approved this requested amendment;

NOW, THEREFORE, in consideration of the mutual covenants contained herein, the Municipality of Port Hope, the Municipality of Clarington, and Canada agree to amend the Original Agreement As Amended as follows:

1. Part B of Schedule 1 of the Original Agreement As Amended is further amended in respect of the New Port Hope Waste Management Facility by adding to the

section respecting the Municipality of Port Hope, at the end of the text under the sub-heading "Materials to be accommodated:" the following:

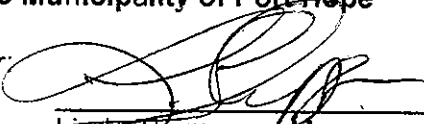
"- for clarity, only Waste located within the boundaries of the Municipality of Port Hope, as they existed on January 1, 2001, will be accommodated in the New Port Hope Waste Management Facility."


2. Part B of Schedule 1 of the Original Agreement As Amended is further amended in respect of the New Port Granby Waste Management Facility by adding to the section respecting the Municipality of Clarington at the end of the text under the sub-heading "Materials to be accommodated:" the following:

"- for clarity, only Waste located within the boundaries of the Municipality of Clarington, as they existed on January 1, 2001, will be accommodated in the New Port Granby Waste Management Facility."

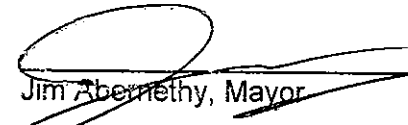
IN WITNESS WHEREOF this Amendment has been executed on behalf of the Municipality of Port Hope, the Municipality of Clarington, and Canada by duly authorized representatives.

The Municipality of Port Hope

Per: 
Linda Thompson, Mayor
~~October~~ ^{DEC} 1, 2009

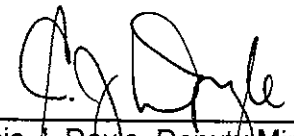

Susan Dawe, Municipal Clerk

The Municipality of Clarington

Per: 
Jim Abernethy, Mayor
October 26th, 2009


Patti L. Barrie, Municipal Clerk

Her Majesty the Queen in Right of Canada

Per: 
Cassie J. Doyle, Deputy Minister
Natural Resources Canada
~~October~~ ^{DEC} 21, 2009