SUPPLEMENTARY AGREEMENT

TAYLOR COMMUNITY AGREEMENT

THIS SUPPLEMENTARY AGREEMENT (this "**Supplementary Agreement**") made effective as of the ____4^{th}____ day of November, 2016 (the "**Effective Date**")

BETWEEN:

BRITISH COLUMBIA HYDRO AND POWER AUTHORITY, a British Columbia Crown Corporation, having its head office at 333 Dunsmuir Street, Vancouver, B.C., V6B 5R3

("**BC Hydro**")

AND:

DISTRICT OF TAYLOR, a municipality located in the Peace River Region of British Columbia and having its district office at Box 300, 10007 – 100th A Street, Taylor, B.C., V0C 2K0

("**Taylor**")

WHEREAS:

A. BC Hydro and Taylor have entered into an agreement dated January 27, 2014 as amended, supplemented or restated from time to time (the "**Agreement**");

B. Subsequent to entering into the Agreement, BC Hydro and Taylor discussed options for protection of the water treatment plant and pump house from potential changes in the water regime due to the Project. It was identified that more information would be valuable regarding the potential changes in the hydraulic conditions at this location given that the area is not currently prone to shoreline erosion;

C. Modelling of hydraulic conditions was conducted by BC Hydro based on a collaboratively developed Work Outline;

D. After reviewing the results, BC Hydro and Taylor staff identified that shoreline protection is not needed at this time. Staff identified that the modeling used current information about flows post-construction and this information may change as construction progresses.

E. BC Hydro and Taylor agreed that modelling should be repeated approximately two (2) years prior to the start of reservoir filling using the most current information at the time.

F. BC Hydro and Taylor wish to amend the Agreement in the manner provided in this Supplementary Agreement.

NOW THEREFORE in consideration of the mutual covenants and conditions contained in this Supplementary Agreement, BC Hydro and Taylor agree as follows:

1.0   INTERPRETATION

1.1.   Definitions

In this Supplementary Agreement, unless the context otherwise requires capitalized terms have the meanings set out in the Agreement.

2.0   AMENDMENTS

(a)   Point number 4 within the Concern Raised by Taylor *"A safe and secure municipal water supply and infrastructure"* (on Page 2 of the Agreement), shall be removed in its entirety and replaced with the following:

"At Taylor's agreement and direction, BC Hydro will implement measures to protect the water treatment plant and pumphouse from potential shoreline erosion by the start of reservoir filling."

(b)   In addition to the above substitution, the following will also be added to Point number 4:

(i)   BC Hydro and Taylor will review the December 17, 2015 Final Work Outline for Shoreline Protection Modeling and update the scope of work to reflect updated information approximately 2 years prior to the start of reservoir filling; and

(ii)   BC Hydro will then complete the updated modelling based on the new scope of work and will discuss the results with Taylor to determine if shoreline protection measures are needed due to the Project and if so, what the measures should entail.

3.0   NO OTHER AMENDMENTS

Except as expressly amended by this Supplementary Agreement, the Agreement remains in full force and effect.

4.0   GOVERNING LAW

This Supplementary Agreement will be governed by and construed in accordance with the Laws of the Province of British Columbia and the federal Laws of Canada applicable in British Columbia.

5.0   COUNTERPARTS

This Supplementary Agreement may be executed and delivered in several counterparts, including by facsimile (or other similar electronic means, including via pdf), each of which when so executed and delivered will be deemed to be an original and such counterparts together will be one and the same instrument.

IN WITNESS WHEREOF the parties hereto have executed this Supplementary Agreement as of the day and year first above written.

BRITISH COLUMBIA HYDRO AND POWER AUTHORITY

Per: ███████████████████   Nov 4/2016.
      Authorized Signatory

DISTRICT OF TAYLOR

Per: ████████████ Nov 7, 2016
      Authorized Signatory