

Nak'azdli Whut'en

LNG Pipeline Benefits

Agreement Ratification

Information Package

July 2015



Information Package for LNG Pipeline Benefits Agreement Ratification

- Information Sessions Poster for Nak'azdli Band Members
- Referendum Voting Dates Poster
- Summary of Pipeline Benefits Agreements for both Coastal GasLink Pipeline
 Project (CGL) & Prince Rupert Gas Transmission(PRGT) Project
- Frequently Asked Questions (FAQs) about the Pipeline Benefit Agreements

Coastal GasLink (CGL) Pipeline Project

- Update to Nak'azdli Band
- Coastal GasLink Pipeline Project, Natural Gas Pipeline Benefits Agreement
- Proposed Route Map, CGL Project

Prince Rupert Gas Transmission (PRGT) Project

- Activity Update #25, June-July 2015
- Prince Rupert Gas Transmission Project, Natural Gas Pipeline Benefits
 Agreement
- Proposed Route Map, PRGT Project

For More Information:

Carla Howell, LNG Ratification Coordinator: lngratification@nakazdli.ca

Rosemarie Sam, or Tina Erickson

Natural Resource Development Department: (250)996-0088

Facebook group open to members only: Nak'azdli LNG Information



Attention: Nak'azdli Members Information Sessions

LNG Pipeline Benefits Agreement Ratification

Vancouver, B.C.

Vancouver Native Friendship Centre

Thursday July 16th, 2015

12:00 P.M. - 6:00P.M.

Address: 1607 East Hastings Street

Fort St. James, B.C.

Kwah Hall

Wednesday July 22nd, 2015

5:00PM to 7:00PM

Fort St. James, B.C.

Sana'aih Market

Tuesday, July 28th, 2015

3:00PM to 6:00PM.

Prince George, B.C.

Carrier Sekani Tribal Council

Wednesday August 5th, 2015

11:00AM to 3:00PM

Address: 1460-6th Avenue

For More Information:

Carla Howell, LNG Ratification Coordinator: lngratification@nakazdli.ca

Rosemarie Sam, or Tina Erickson

Natural Resource Development Department: (250) 996-0088 #126 Kwah Rd. Facebook group open to members only: Nak'azdli LNG Information



Referendum Voting Dates

LNG Pipeline Benefits Agreement Ratification

ADVANCE POLLS

Fort St. James, BC

Kwah Hall

Wednesday July 29th, 2015

11:00AM to 7:00PM

Prince George, BC

Carrier Sekani Tribal Council

Thursday, July 30th, 2015

11:00AM to 7:00PM

Address: 1460 6th Avenue, Prince George, BC

Fort St. James, BC

Kwah Hall

Thursday, August 13th, 2015

8:00AM to 8:00PM

REFERENDUM DATE

Fort St. James, BC

Kwah Hall

Thursday, August 27th, 2015

9:00 AM to 8:00PM

Mail-In Ballots can be requested from the contact below.

Information packages will be included with ballots. Mail-In Ballots will be accepted

until 6:00 pm, August 27th, 2015. * ID is required to vote in Referendum*

Carla Howell, LNG Ratification Coordinator: Ingratification@nakazdli.ca,

Rosemarie Sam, or Tina Erickson

Natural Resource Development Department: (250)996-0088

Pipeline Benefit Agreement ("the Agreements") Summary For both Coastal Gas Link (CGL) & Prince Rupert Gas Transmission (PRGT) Projects

The Agreements are between the Province of B.C. and Nak'azdli Band Council; which will give consent to the pipeline projects in exchange for monetary compensation.

The Agreements will not be legally binding until they are agreed upon by our community through a ratification process. Nak'azdli Band is asking all members aged 18 and over, both on and off reserve to vote on the Agreements in a referendum August 27th 2015.

The Purpose of the Agreements:

- To provide compensation to Nak'azdli and its members for the infringement and potential impacts caused by the building of the 2 natural gas pipelines within their territory.
- By agreeing Nak'azdli is giving its support for the project(s). There are a couple of items in the agreements which states that the band cannot legally challenge the project and also cannot interfere with any of the projects works, its contractors or employees.
- If accepted, we will be eligible along with 20+ other First Nations along the pipeline routes, to receive a portion (5-14%) of the \$10 Million, which will be paid annually by the Province, for the life of the operation of the pipeline. These numbers are not known at the moment.

The PRGT project will impact Nak'azdli territory by the building of approximately 115 kms of pipeline and an 850 person camp/stockpile site, as well as a future compressor station at the eastern edge of the territory. These projects will be built and travel through 6 Keyoh areas within Nak'azdli territory. The cash benefits from this agreement, known as the "Upfront Payment", is a total of \$2.89 Million (one-time payment) which includes a signing bonus of \$378,000; which a portion has already been paid to Nak'azdli Band. This signing bonus money does <u>NOT</u> commit Nak'azdli to this or any other agreement.

- The PRGT project already has most of the provincial government regulatory permits in place; the Construction Environmental Management Plans (have not yet been approved by the Environmental Assessment Office (EAO) and the affected First Nations.
- The company is also awaiting their Final Investment Decision for clearing to commence; this decision is expected at any time.

The CGL project will impact Nak'azdli territory by the building of approximately 100 kms of pipeline, a camp and a compressor station. This project will impact 5-6 Keyohs within Nak'azdli Territory. The cash benefits from this agreement, also known as the "Upfront Payment" totals \$4.99 Million (one-time payment), which includes a signing bonus of \$651,000 which Nak'azdli has been paid a portion. The signing bonus money does NOT commit Nak'azdli to this or any other agreement.

- The CGL project, like the PRGT, already has most of the Provincial Government regulatory permits in place, only their Construction Environmental Management Plans (CEMP) have not yet been approved by the Environmental Assessment Office (EAO) and the affected First Nations.
- CGL requires their Final Investment Decision to be able to start construction start-up for 2016.

If you have any questions in regard to the Pipeline Benefits Agreements, please feel free to call Tina Erickson or Rosemarie Sam at the Natural Resource Dept. (250) 996-0088 or stop by our office at # 26 Kwah Road. You can also email Carla Howell, Ratification Coordinator at lngratification@nakazdli.ca

Frequently Asked Questions FAQs: Nak'azdli Pipeline Benefits Agreements

- Q1. If we agree to this pipeline project(s), do we agree to any fracking activities in our territory?
- A1. No, we would only be agreeing to the pipeline(s) that carries the natural gas.
- Q2. Has a cost-benefit analysis been completed? What are the benefits compared to the impacts?
- **A2**. For the construction impact on the **PRGT line**; we will receive (this one-time payment) approximately \$4,417 per hectare or \$22,086 per kilometre of pipe.

For the construction impact on the **CGL line**; we will receive (this one-time payment) approximately \$8,678 per hectare, or \$43,391 per kilometre of pipe.

We do not know ongoing benefits (revenue-sharing) from the Province, this will be decided upon soon. The options vary between 5% - 14.24% of the \$10million per year (per project).

- Q3. Are we receiving any monies from the Company?
- A3. The company have tabled offers; those will also be brought to the community in the near future.
- Q4. What do the different impacted Keyoh holders say?
- **A4.** Some have not stated any position. Some do support and seek to be included in benefits/employment. Some do oppose the line going through their Keyoh. Some have been involved in reviewing the applications and providing input through land use mapping.
- Q5. What will happen if the community does not ratify the agreements?
- A5. The agreement will not become legally effective, what that means in practical terms is that Nak'azdli would not be entitled to any payments under the Pipeline Benefits Agreement. Nak'azdli would need to communicate the non-ratification to BC. BC would be highly disappointed. They understood they took a risk that not all First Nations that signed PBA's would ratify them or take other steps to make them legally effective. We suspect BC will work harder to gain Nak'azdli's support. (as stated by Gowlings, Nak'azdli Legal counsel)
- Q6. Will it affect any of the negotiations e.g. G2G/Rights and Title?
- **A6.**There may be a political, but not a legal, effect on the G2G and title negotiations if Nak'azdli and/or any of the other CSFNs do not ratify the PBA's. Legally, the Collaboration Agreement (CA) and the

Environmental and Socio-Cultural Initiatives (ESCIA) Agreements are not linked to, or dependant on ratification of the PBA's. BC would still, therefore, be required to perform its obligations under the CA and the ESCIA even if Nak'azdli did not ratify the PBA's. That being said if non-ratification of the PBA's caused or contributed to BC not realizing its LNG dream I would strongly suspect that might change BC's tune at the negotiation table. Another key issue to remember is that the funding commitment of \$1.35 million per year is only for three years. A non-ratification of one or more PBAs would likely impact BC's thinking when it comes time to renew funding under the agreements. (as stated by Gowlings, Nak'azdli legal counsel)

- Q7. If we agree to the pipeline benefits agreement, are we agreeing to all LNG pipelines in our territory?
- A7. We will only be giving consent only to the building of the PRGT & CGL pipelines; no other pipelines.
- Q8. What will the status of the right of way be? Will we be giving up that land forever?
- **A8.** The right of way will be managed by the company and the area on top of the pipeline cannot be used for anything while the pipe is in the ground. The agreement says it will continue "as long as the project is making deliveries to the terminus facilities"; in other words as long as the pipeline can stay in operation. The environmental certificate granted is for 35 years of operation.

Coastal GasLink Pipeline Project

Update to Nak'azdli Band

Summer 2015



Coastal GasLink Pipeline Ltd. is a wholly-owned subsidiary of TransCanada PipeLines Limited. The proposed project involves the construction and operation of an approximately 670 kilometre natural gas pipeline from the Groundbirch area near Dawson Creek, B.C. to the proposed LNG Canada liquefied natural gas export facility near Kitimat, B.C. Coastal GasLink is subject to regulatory approvals and a Final Investment Decision by LNG Canada.

Coastal GasLink is committed to meaningful and respectful engagement with Aboriginal communities. Sharing information, answering questions and learning about what is important to those living along the proposed route is our priority. The final pipeline route will take into consideration Aboriginal and stakeholder input, the environment, archaeological and cultural values, land use compatibility, safety, constructability and economics.

2012 –Launched project and began engagement with Aboriginal communities, local governments, landowners and other stakeholders. Our engagement program will continue throughout the life cycle of the project. 2014 – Coastal GasLink filed an Environmental Assessment Application with the BC Environmental Assessment Office, and a detailed project design application to the BC Oil and Gas Commission. End of Decade - The proposed pipeline will be in operation in time to supply natural gas to the proposed LNG Canada facility in Kitimat.

2013 – Began environmental and engineering studies along the pipeline study corridor. Additional studies continued along the proposed route in 2014 and 2015. 2016 – Pending regulatory approval and a positive investment decision by our partners, start of construction is anticipated in 2016.



You Asked, We Listened

Coastal GasLink is committed to ensuring that Aboriginal community questions, input, and concerns with respect to the Project are answered honestly and accurately to allow for informed, effective and meaningful engagement. Here are some of the questions you have asked us, and our responses:

How do you install pipeline through watercourses?

Installing a pipeline at a water-crossing is carried out either by using a trench through the watercourse, or by using a trenchless method which avoids disturbing the stream bed. In some cases a trenchless crossing installation method may be used such as horizontal directional drilling. Pipeline installation methods will be determined based on site-specific conditions, environmental sensitivities, and constructability. The project team will develop a construction environmental management plan in order to protect fish and fish habitat in the project area during construction.

How often do you monitor the pipeline?

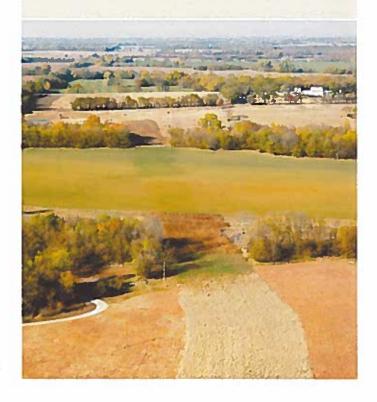
Coastal GasLink monitors our pipeline system through a centralized high-tech control centre 24 hours a day, 365 days a year. We use satellite technology that sends data every five seconds to our monitoring centre. If a drop in pressure is detected, we can isolate any section of our pipeline by remotely closing valves on the system within minutes.

How do pipeline construction activities affect the environment?

Coastal GasLink is developing mitigation measures to avoid or lessen the potential adverse effects that pipeline construction may have on the environment. Pipeline construction requires that a construction right-of-way (or corridor) be cleared of trees and vegetation for access and installation of pipe. Some of the soils in the right-of-way must be disturbed or excavated during construction in order to bury pipelines. Following construction, we will reclaim the land to an equivalent land capability by implementing measures identified in the approved Environmental Protection Plan. We take significant measures to prevent erosion and establish and maintain vegetative cover that is compatible with surrounding land use.

We're on Twitter!

Coastal GasLink is excited to launch a Twitter account!
Check out the new Coastal GasLink Twitter page:
@CoastalGasLink and learn about the latest news on the project. Join us and stay in the loop.

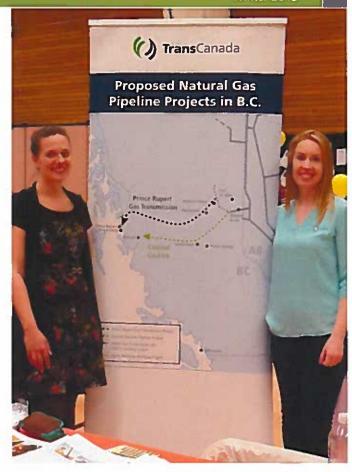


Coastal GasLink Engagement with Nak'azdli Band

Coastal GasLink initiated its engagement with Nak'azdli Band in June 2012 by providing notification of the proposed Project. Since then, Coastal GasLink has attended over 50 meetings with Nak'azdli Band, including four meetings with the Nak'azdli community. Nak'azdli Band members also participated in three helicopter flyovers of the proposed route through Nak'azdli Band traditional territory, focusing on the Stuart and Salmon River areas. Coastal GasLink regularly shares project information with Nak'azdli Band through email, phone calls, in-person meetings and a webbased SharePoint site.

Here are some highlights of Coastal GasLink's engagement activities with Nak'azdli Band:

- January 2013: Coastal GasLink held an Open House with Nak'azdli Band community members to introduce and provide an overview of the Project.
- November 2013: Coastal GasLink held an Open House with Nak'azdli Band community members to provide information related to the Project, including regulatory processes, training and employment, environmental field programs, and environmental mitigation strategies.
- April 2014: Coastal GasLink held an Open House with Nak'azdli Band community members to provide information related to the Project, including routing, contracting, education and training, environmental issues, field studies, and socio-economic baseline data collection.
- April 2014: Coastal GasLink coordinated and attended a Shell
 Presentation on hydraulic fracturing ("fracking") in the Nak'azdli Band
 community. The presentation was followed by a Q&A session where
 community members asked Shell representatives about such topics as
 water usage and line decommissioning.
- July 2014: Announcement of the TransCanada Corporation Carrier Sekani Award, a scholarship available to University of Northern British Columbia students from any Carrier Sekani Tribal Council member Nation.
- August 2014: A partnership between Coastal GasLink and Prince George Nechako Aboriginal Employment and Training Association (PGNAETA) was announced. Coastal GasLink funding will assist PGNAETA as it offers 16-week programs aimed at building transferable, essential skills in Aboriginal communities and meeting the demand for local, skilled labour required by energy-related projects.
- October 2014: Coastal GasLink met with Keyoh holders of Nak'azdli Band to provide an update on the Project and engage in introductory discussions about environmental mitigation meeting.



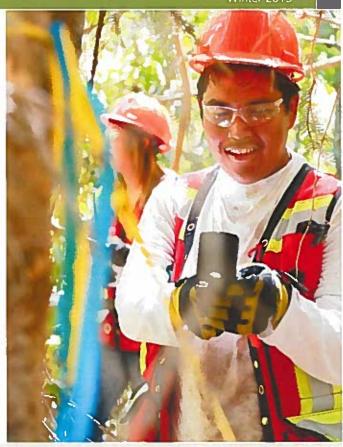
Breanne Whyte, PRGT Aboriginal Liaison, and Sadie Donovan, Coastal GasLink Aboriginal Liaison, attend the Think Big Career and Education Fair

- October 2014: Representatives from Nak'azdli Band and Coastal GasLink attended a workshop hosted by the BC Oil and Gas Commission (OGC). Coastal GasLink and the OGC provided technical presentations on the topics of watercourse crossings, access roads, wildlife habitat, heritage resources, reclamation, post construction monitoring, pipeline safety, and emergency management.
- May 2015: Representatives from Coastal GasLink attended the 'Think Big' career fair in Fort St. James to share information on TransCanada's skills and training initiatives and partnerships with local post-secondary organizations and education agencies.

Education and Training Programs

Pathway to Pipeline Readiness Program: Focuses on skills that are relevant to pipeline construction, but potentially transferable to other industries. Coastal GasLink is in discussion with the College of New Caledonia, Northern Lights College, Northwest Community College, and the University of Northern British Columbia on initiatives that would enhance the colleges' training programs, including the development of scholarships or bursaries.

Education Legacy Program: Provides support for the development of community capacity at the high school and elementary school level, and in education initiatives that support long-term community development. A large initiative under this program is the Breakfast Club program which provides healthy breakfasts to elementary school students in Vanderhoof, Terrace, and Prince George.

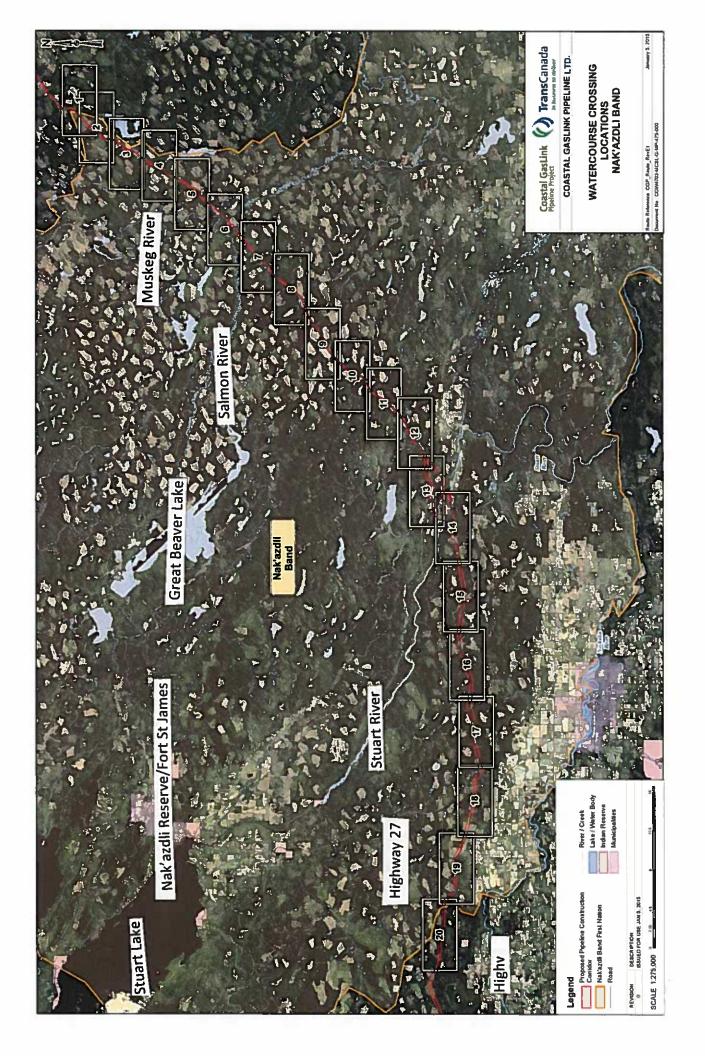


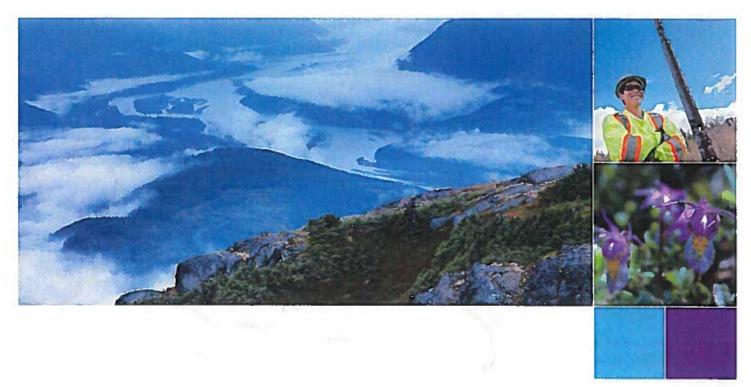
Meet Your Community Liaisons

Brittannia Haroid and Sadie Donovan are the Coastal GasLink key contacts for Nak'azdli Band. Brittannia can be reached at brittannia_harold@transcanada.com or 778.328.5312. Sadie can be reached at sadie_donovan@transcanada.com or 778.328.5328.

Tina Erickson and Rosemarie Sam, TK Researchers with Nak'azdli Band, can be reached at the Natural Resources Office. Please phone Tina and Rosemarie at 250.996.0088 with any questions about the Project or Coastal GasLink's engagement with the community.







Prince RupertGas Transmission Project

PRGT Project Activity Update #25

June - July 2015

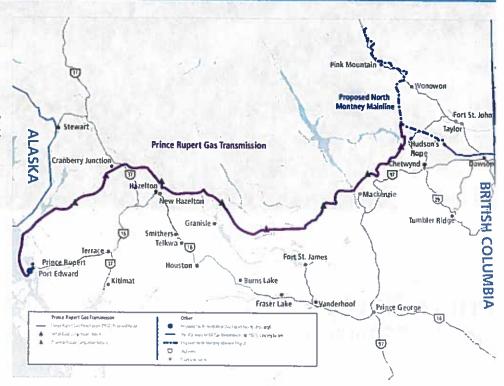


PRGT Project Activity Update #25

About the Project

The proposed Prince Rupert Gas
Transmission (PRGT) Project is an
approximately 900 kilometre natural gas
pipeline to be routed from north of Hudson's
Hope B.C. to the proposed Pacific NorthWest
LNG export facility on Lelu Island within
the District of Port Edward. Upon receiving
all approvals, PRGT will be constructed and
operated with safety and environmental
stewardship as top priorities.

Once it's operating, the project will generate an estimated \$25 million each year in property taxes. This revenue will help support school and hospital districts, emergency services, recreation services, recycling programs and other local programs vital to sustaining strong communities.



Project Updates

PRGT continues to progress project development activities, including community and First Nations engagement, in preparation for the commencement of pipeline construction activities. The start of this construction activity is dependent on PRGT's receipt of all required permits and is aligned with Pacific NorthWest LNG's (PNW LNG) federal regulatory approvals. The start date of this initial construction activity is also dependent on PNW LNG making a final decision to proceed.

Once these approvals have been granted, PRGT will begin site preparation at camp locations and other ancillary sites. Following this initial construction activity, right-of-way clearing would begin with commencement of pipeline construction activities shortly thereafter.

Over the coming months, PRGT will be directly engaging with First Nations and local businesses to share information about opportunities in advance of pipeline construction activities. Please visit our website for more information on local contracting opportunities at:

http://www.princerupertgas.com/jobsandbenefits/contracting-and-jobs/.

Regulatory Update

Since the beginning of May, PRGT has continued to receive construction permits for the project from the BC Oil and Gas Commission (BC OGC). The permits include conditions related to notification and reporting, heritage conservation, First Nations, land clearing, wildlife, terrain stability, stream crossings, and engineering. The two permits received thus far represent approval for construction work stretching from the northeastern end of the route near Hudson's Hope to roughly 50km north of Fort St. James. In total, TransCanada has applied for 11 pipeline and facilities permits from the BC OGC and anticipates a decision on the remaining permits in the coming weeks.

In addition to permits required from the OGC, PRGT has started to secure Temporary Use Permits where necessary related to the project's camp, stockpile, and laydown sites from Regional Districts and municipalities across the route. We will continue to engage and work with these stakeholders to ensure all conditions of the permits are met as we move into construction.



Project Agreements

Over the last two years, PRGT has engaged with First Nations along our route related to anticipated benefits as a result of the project. To date, we have signed Project Agreements with seven First Nations and continue this work as we move towards construction. While these agreements are not a pre-requisite to starting construction, they are part of PRGT's comprehensive approach to working with First Nations along our route and provide for the development of skills training and business opportunities. Additionally, these agreements will provide financial and other benefits related to the pipeline project, ensuring benefits from the project will be fully realized. PRGT is optimistic that we will be in a position to announce the signing of further Project Agreements in the coming months.

Field Work

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Geotechnical and geophysical work to evaluate the crossing at Shegunia River is ongoing and is expected to continue throughout the coming weeks. PRGT has begun a field survey of required access infrastructure and expects this work to wrap up near the end of June. Crews will also be conducting survey work at Nasoga Gulf to evaluate temporary workspace requirements for the offshore pipeline layout.

In addition to the technical activities taking place, work continues to complete outstanding archaeology and fisheries studies in the field. An aerial wildlife reconnaissance and habitat assessment survey kicked off on June 2 and wrapped up on June 5. Finally, field training programs for First Nation Construction Monitors and Environmental Field Assistants are currently being developed and will be implemented as construction work begins.

For questions related to this and any field work, please don't hesitate to contact us at the phone number or e-mail address provided at the end of the newsletter.

Management Plans

Over the past several months, PRGT has been developing a series of management plans in accordance with the commitments made in PRGT's Environmental Assessment Certificate (EAC) and the Conditions attached to the EAC certificate. These plans, designed to manage potential effects identified in the EA, address various topics related to traffic and access, socio-economic effects, and environmental management among many others. We have been engaging with the community on many of these plans and continue to work with Aboriginal groups and affected stakeholders to incorporate their input into plan development.

PRGT has now distributed the Socio-Economic Effects Management Plan (SEEMP) to First Nations, Nisga'a Nation, local governments and service providers to elicit feedback as a condition of our Environmental Assessment Certificate (EAC). This plan will describe how PRGT will be monitoring and reporting on our efforts to manage effects and will outline how PRGT will address concerns from First Nations, Nisga'a Nation, local governments, and service providers throughout the course of construction. The SEEMP must be approved by the BC EAO prior to time of highest impact to infrastructure and services (ie. prior to construction camps being occupied with the larger workforce for the purposes of mechanical construction). The SEEMP will govern how we report and engage on our efforts to reduce and monitor effects of our project throughout the course of mechanical construction.

In addition to circulating an early draft, upcoming engagement with communities and First Nations on the SEEMP development will include meeting with interested stakeholders throughout the development of the draft until the SEEMP is finalized.

PRGT Project Activity Update

June — July 2015

PRGT Project Activity Update #25

Did you know?

14 Municipalities and 5 Regional Districts engaged

\$184M spent in BC to date

\$2.24M Community Investment and Sponsorship dollars committed to date

\$2.25M Skills Training and Education dollars committed to date

For more information on our Community Investment program, or to apply for funding to the program, please visit: http://www.transcanada.com/community-investment.html

To see how Community Investment and Skills Training initiatives have benefited communities along the route, visit our website at: http://www.princerupertgas.com/community-engagement/community-investment/

To register your business as a local vendor, fill out our Vendor Registration Form at: http://www.princerupertgas.com/jobs-and-benefits/contracting-and-jobs/

Investing in the Community

Federation of Canadian Municipalities

Representatives from PRGT participated as part of a group from TransCanada to attend the Federation of Canadian Municipalities Annual Conference and Trade Show, held June 5-8 in Edmonton, AB. The exceptionally well-attended event featured captivating keynote speakers representing leaders from politics to industry, interesting workshops geared towards various topics affecting Canadian communities, and numerous study tours. With nearly 2000 delegates in attendance from across Canada, we greatly appreciated the opportunity to be part of this exciting event!

NWCC's 2nd Annual Golf Tournament and Student Bursary Fundraiser

Northwest Community College held their 2nd Annual Golf Tournament and Student Bursary Fundraiser on Friday, May 29 at the Skeena Valley Golf and Country Club. As a sponsor of one of the holes, TransCanada had a great time golfing with the other approximately 60 attendees and enjoyed the reception in the evening which included prizes such as Longest Drive. For those unable to attend in Terrace, NWCC will be hosting another tournament in Smithers on June 19 starting at 12:30.



Catie Underhill, Community Relations Liaison, Prince Rupert Gas Transmission Project, presents Councilor Ray Prevost from Bonnyville with a draw prize sponsored by TransCanada.



Adrian Carlick, Community Relations for PRGT, golfs in the 2nd Annual NWCC Golf Tournament and Student Bursary Fundraiser in Terrace.

PRGT Project Activity Update #25

Skills Training and Education

UA Piping Industry College of BC

TransCanada is excited to expand our Skills Training and Education program in Northeast BC through a partnership with the UA Piping Industry College of BC (UAPICBC). This investment will be used to financially support students in Treaty 8 Territory as they attend the Introduction to Construction course. This course will introduce students to a variety of different trades such as carpentry, drywalling, electrical, automotive, and piping trades, in addition to the essential skills, safety training, and career planning necessary to be successful as they complete the program.

The first cohort for this six-week course began at the beginning of May at the Fort St. John campus. A member of PRGT's construction team will be visiting the class on June 19th to lead a Pipeline 101 session and provide further information on careers in construction.

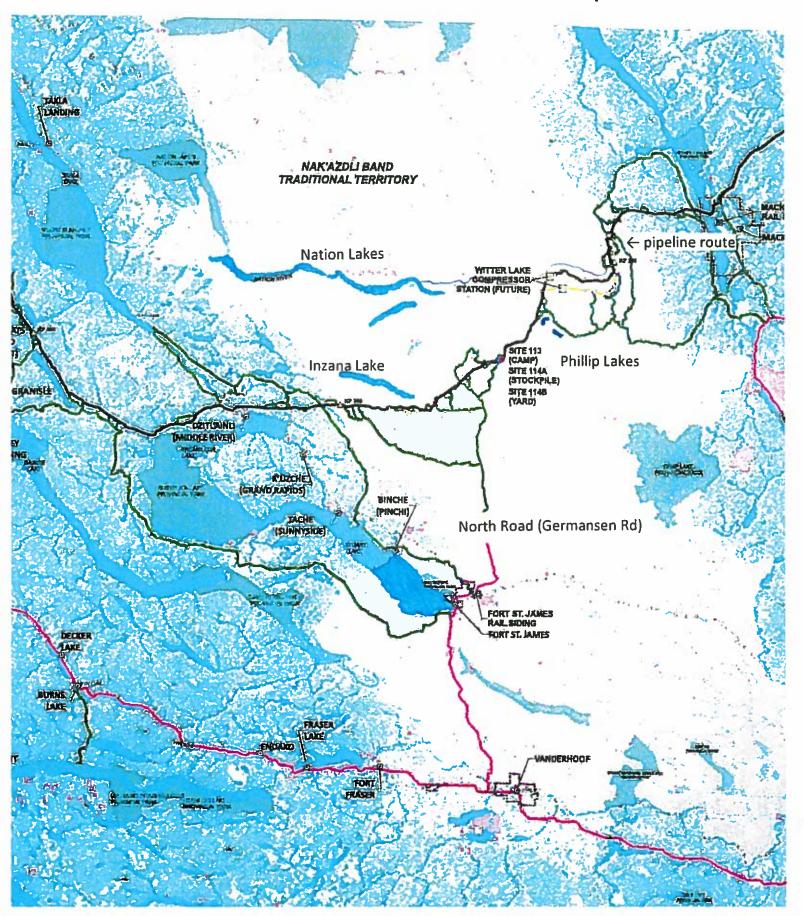
Tribal Resources Investment Corporation

TransCanada is proud to announce a partnership with Tribal Resources Investment Corporation (TRICORP), Service Canada and Employment & Social Development Canada. The investment of \$250,000 will contribute to the development and delivery of various essential skills and trades preparation programs, as well as various industry certification materials and training, for Aboriginal peoples in Northwest BC.

TRICORP, located in Prince Rupert, is contracted by Service Canada to be the delivery agent for the Northwest BC region for Aboriginal Skills and Employment Training Strategy (ASETS). Using an integrated approach, TRICORP Employment, Skills & Training Services (TESTS) links training needs to labour market demands.

The Basin's Billion Was Golf SHIRE

Prince Rupert Gas Transmission Natural Gas Pipeline



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