

TERMS OF INSTRUMENT – PART 2

**ASSIGNMENT AND ASSUMPTION AGREEMENT**

THIS AGREEMENT, dated as of the • day of •, 2014,

BETWEEN:

**THE UNIVERSITY OF BRITISH COLUMBIA**, Room 107,  
Old Administration Building, 6328 Memorial Road, Vancouver,  
British Columbia V6T 1Z2

(the “**Assignor**”)

OF THE FIRST PART

AND:

**CORIX MULTI-UTILITY SERVICES INC.**, Suite 1160 – 1188  
West Georgia Street, Vancouver, British Columbia V6E 4A2

(the “**Assignee**”)

OF THE SECOND PART

WITNESSES THAT WHEREAS:

A. The Assignor is the registered owner in fee-simple of the lands and premises (the “**Lands**”) legally described in Item 2 of the attached Land Title Act Form C (General Instrument – Part 1) which forms part of this Agreement;

B. Pursuant to a lease described in Schedule “A” hereto (the “**Lease**”), the Assignor has leased the Lands to a third party (the “**Developer**”) for the purpose of allowing the Developer to construct thereon one or more buildings (collectively, the “**Building**”) containing commercial, residential or industrial space;

C. The Developer has agreed to design and construct the Building so as to be heated by hot water and so that hot water for space heating, for domestic use and heat for ventilation make up air in the Building could in the future be supplied (the “**Service**”) by a community energy system, so long as such community energy system, if and when developed, is compatible with the relevant equipment and fittings installed in the Building by the Developer, and in such event, the Developer has agreed to make, or cause to be made, an application for the Lands and the Building to be connected to and to use the Service;

D. The Assignor and the Developer have also entered into the community energy covenant described in Schedule “B” hereto (the “**Assigned Contract**”), pursuant to which the Developer has granted to the Assignor (i) a covenant under Section 219 of the *Land Title Act* that governs the construction, heating and occupancy of the Building and (ii) a statutory right of way under Section 218 of the *Land Title Act* to permit the Assignor, or a third party appointed by the Assignor, to operate the Service and to access the Lands and the Building in connection with the provision of the Service;

E. The Assignor and the Assignee have entered into an Infrastructure Agreement made as of **September 1**, 2014 (the “**Infrastructure Agreement**”) providing, among other things, that the Assignee will design, construct, operate and maintain a community energy system on the Assignor’s Vancouver Campus and operate the Service; and

F. To facilitate the exercise by the Assignee of its rights and discharge of its obligations under the Infrastructure Agreement, the Assignor wishes to assign, and the Assignee wishes to acquire and assume, all the rights and obligations of the Assignor under and in relation to the Assigned Contract;

NOW THEREFORE in consideration of the premises, covenants and agreements herein contained and other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged), the parties hereto hereby covenant and agree as follows:

1. Assignment. As of the date of this Agreement (the “**Effective Date**”), the Assignor absolutely and unconditionally assigns, transfers and sets over to the Assignee all of the Assignor’s right, title and interest in, to and under the Assigned Contract.

2. Assumption. As of the Effective Date, the Assignee hereby assumes all the covenants and obligations of the Assignor in, to, under and in respect of the Assigned Contract and covenants and agrees with the Assignor that from and after the Effective Date, the Assignee will observe and perform all of the covenants, agreements, obligations and liabilities of the Assignor under and in respect of the Assigned Contract (the “**Assumed Obligations**”) to be observed and performed from and after the Effective Date.

3. Indemnity of Assignor. The Assignee will indemnify and hold harmless the Assignor from and against any loss, cost, damage, claim, demand or cause of action (including all actual legal costs on a solicitor and own client basis) in any way resulting from, connected with or arising out of, any breach or non-observance by the Assignee of any of the Assumed Obligations arising at any time from and after the Effective Date.

4. Indemnity of Assignee. The Assignor will indemnify and hold harmless the Assignee from and against any loss, cost, damage, claim, demand or cause of action (including all actual legal costs on a solicitor and own client basis) in any way resulting from, connected with or arising out of, any breach or non-observance by the Assignor of any of the Assumed Obligations arising at any time prior to the Effective Date.

5. Release of Assignor. Despite anything to the contrary in the Assigned Contract, the Assignor will, in accordance with this Agreement, be relieved of all of its covenants, agreements, obligations and liabilities under the Assigned Contract from and after the Effective Date.

6. Representations by Assignor. The Assignor represents and warrants to the Assignee (and acknowledges that the Assignee is relying thereon) that, as of the date hereof:

- (a) the Assignor has not previously assigned the Assigned Contract, and the Assignor has full and sufficient right and authority to assign the Assigned Contract to the Assignee;
- (b) to the knowledge of the Assignor, no party to the Assigned Contract has breached, or is in default of, the Assigned Contract;
- (c) to the knowledge of the Assignor, there are no claims, actions or proceedings which are pending or threatened:
  - (i) pursuant to a party's obligations under the Assigned Contract in respect of "Losses", as defined in the Assigned Contract;
  - (ii) that allege that any of the parties to the Assigned Contract has breached, or is in default of, the Assigned Contract; or
  - (iii) that could affect the ability of any of the parties to the Assigned Contract to comply with its obligations thereunder;
- (d) the Assignor does not hold, nor has demanded, from any party to the Assigned Contract any payments pursuant to Sections 4.1(b)(ii), 4.1(e) and 4.2 of the Assigned Contract;
- (e) except for the Assigned Contract there are no agreements between the parties thereto with respect to the "Service", as defined in the Assigned Contract; and
- (f) the Lease is in full force and effect, has not been modified or amended and is in good standing.

7. Mutual Representations. Each of the Assignor and the Assignee represents and warrants to the other that it has the capacity and power to enter into this Agreement, to observe and perform its obligations under this Agreement and that all action required to authorize the execution and delivery of this Agreement and the performance of such obligations has been duly taken.

8. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the Province of British Columbia.

9. Enurement. This Agreement shall enure to the benefit of and be binding on each of the Assignor and the Assignee and their respective successors and assigns.

10. Further Assurances. Each of the parties hereto will from time to time do all such acts and things and execute all such additional deeds, transfers and instruments as may reasonably be necessary or desirable to give effect to this Agreement.

IN WITNESS WHEREOF the parties hereto have executed this Agreement by executing the attached *Land Title Act* Form C (General Instrument – Part 1) which forms part of this Agreement.

**Schedule "A"**

**Lease**

Lease which is registered against title to the Lands under No. ●.

**Schedule "B"**

**Assigned Contract**

Community Energy Covenant registered against title to the Lands under No. ●.

END OF DOCUMENT