

**ENERGY SERVICES AGREEMENT**

THIS AGREEMENT dated for reference the \_\_ day of \_\_\_\_\_, 2014,

**BETWEEN:**

**[DEVELOPER]**, a company existing under the laws of **[British Columbia]**, with an address at **[ADDRESS]**

(the “**Developer**”)

**AND:**

**CORIX MULTI-UTILITY SERVICES INC.**, a company existing under the laws of British Columbia, with an address at 1160 - 1188 West Georgia Street, Vancouver, British Columbia V6E 4A2

(“**Corix**”)

**WHEREAS:**

- A. The Developer has entered into an **[Agreement]** with the with University of British Columbia (“**UBC**”), for its development of the Developer Lands (the “**Project**”);
- B. Pursuant to an Infrastructure Agreement dated September 2014 (the “**Infrastructure Agreement**”), Corix has been engaged by UBC to develop the NDES and to design, construct, own, operate and maintain the related Infrastructure; and
- C. The Parties wish to enter into this Agreement to record the terms and conditions on which the Infrastructure will connect to Buildings constructed on the Developer Lands.

**NOW THEREFORE** the Parties covenant and agree as follows:

**1. INTERPRETATION**

1.1 Definitions. In this Agreement, the following terms have the meanings set out below:

- (a) “Affiliate” has the meaning ascribed to it in the British Columbia *Business Corporations Act*;
- (b) “BCUC” means the British Columbia Utilities Commission or its successor entity;
- (c) “Building” means each permanent residential or other structure or building on or to be constructed on the Developer Lands and which will receive Energy Services;
- (d) “Building System” means the complete HVAC system and domestic hot water system and / or storage equipment to be installed and used for distributing and storing Thermal Energy in a Building, connected to but downstream of and excluding the Service Connection and Energy Transfer Station for that Building;
- (e) “Building System Commissioning” means, in relation to a Building System, the process by which the Building System is tested by the Developer (including operational and performance testing) to verify and confirm that it performs in accordance with the final Building System specifications agreed and approved pursuant to Section 3.1;

- (f) “Business Day” means any day except a Saturday, Sunday, statutory holiday in the Province of British Columbia or any other day on which banks are generally not open for business in Vancouver, British Columbia;
- (g) “CEP” means a central energy plant for the generation of Thermal Energy, including any or all of the following: natural gas boilers, wood waste boiler equipment, wood waste storage facilities and other energy equipment and all associated mechanical and electrical interconnections, control systems and structures;
- (h) “Changes of Law” means any change in, or the introduction of new, applicable Laws, industry standards or conditions affecting (i) the performance, operation, maintenance or routine repair of the Infrastructure; (ii) the provision of Energy Services; and/or (iii) the creation and provision of Thermal Energy;
- (i) “Contaminants” means any radioactive materials, asbestos materials, urea formaldehyde, underground or above ground tanks, pollutants, contaminants, deleterious substances, dangerous substances or goods, hazardous, corrosive, or toxic substances, hazardous waste, waste, pesticides, defoliants, or any other solid, liquid, gas, vapour, odour, heat, sound, vibration, radiation, or combination of any of them, the storage, manufacture, handling, disposal, treatment, generation, use, transport, remediation, or Release into the Environment of which is now or hereafter prohibited, controlled, or regulated under Environmental Laws;
- (j) “Community Energy Covenant” means an agreement made between UBC and a Developer and thereafter assigned to Corix, or between Corix and a Developer; pursuant to which such Developer grants to UBC or Corix, as the case may be, (i) a covenant under Section 219 of the Land Title Act (British Columbia) governing the construction, heating and occupancy of a Building and (ii) a statutory right of way under Section 218 of the Land Title Act (British Columbia) permitting the grantee, or a third party appointed by the grantee, to provide to the Building service from a community energy system and to access the Building and the lands on which it is built in connection with the provision of such service,.
- (k) “Contaminated Site” has the meaning ascribed to it in the *Environmental Management Act* (British Columbia);
- (l) “Customers” means any Persons who receive Energy Services pursuant to a Customer Agreement;
- (m) “Customer Agreement” means the agreement between a Customer and Corix that sets out the terms and conditions on which Energy Services will be provided to a Building or Buildings (a current copy of the standard form of this agreement, as approved by the BCUC, is attached as Schedule A), as amended in accordance with the terms;
- (n) “DCCP” means UBC's Department of Campus & Community Planning in its capacity as regulatory, inspection and permitting authority for UBC’s Vancouver Campus or such other department of UBC as becomes responsible for this function from time to time.
- (o) “Deadline” the meaning ascribed to it in Section 3.6;
- (p) “Design Guide” means the Design Guide for Compatibility with District Energy, as administered and issued by Corix, and as amended from time to time, a current version of which is attached to this Agreement as Schedule B.

- (q) “Development Areas” means, collectively, the Wesbrook Place, Acadia Road (including the Acadia West Neighbourhood and Acadia East student housing precinct), East Campus and Stadium neighbourhoods of UBC’s Vancouver Campus, all as designated in UBC’s Land Use Plan;
- (r) “Developer’s Engineer” means a professional engineer engaged by the Developer at the Developer’s sole cost and expense, which engineer must be acceptable to Corix, acting reasonably;
- (s) “Developer Group” means the Developer and its shareholders, directors, officers, employees, agents, successors, and permitted assigns;
- (t) “Developer Lands” means those lands subject to the Offer to Lease and Ground Lease and legally described as:  
  
[INSERT LEGAL DESCRIPTION]
- (u) “Distribution System” means, collectively, the system of hot water pipes, fittings and ancillary components connecting the CEP to the Service Connections;
- (v) “Encumbrance” means any mortgage, lien, pledge, judgement, execution, charge, security interest, restriction, claim or encumbrance of a financial nature, including, without limitation, builders liens and claims of the Workplace Safety and Insurance Board, Canada Revenue Agency and any other Governmental Authority;
- (w) “Energy Services” means the provision by Corix of Thermal Energy via the Infrastructure;
- (x) “Energy Services Commencement” the meaning ascribed to it in Section 7.1;
- (y) “Energy Transfer Station” means, collectively, the system of separate heat exchangers for space heating and domestic hot water (excluding domestic hot water storage tanks), energy meter equipment (including temperature sensors and flow meter), control panel and all pipes, fittings and ancillary equipment and facilities necessary to measure and control the transfer of Thermal Energy from the Service Connection to a Building System;
- (z) “Environment” includes the air (including all layers of the atmosphere), land (including soil, sediment deposited on land, fill, lands submerged under water, buildings, and improvements), water (including oceans, lakes, rivers, streams, groundwater, and surface water), and all other external conditions and influences under which humans, animals, and plants live or are developed and “Environmental” has a corresponding meaning;
- (aa) “Environmental Credits” means any income, credit, right, benefit or advantage, whether in the form of greenhouse gas (GHG), monetary value or some other form or character, relating to Environmental matters including type and level of Environmental emissions, input sources and compliance with Environmental Laws, and any market instrument, including without limitation any Environmental emission allowances and Environmental emission reduction credits that accrue to businesses that perform better than certain government, industry, trade organization or Environmental international emission reduction guidelines;

- (bb) “Environmental Laws” means any and all applicable statutes, laws, regulations, orders, bylaws, standards, guidelines, protocols, permits, and other lawful requirements of any Governmental Authority now or hereafter in force relating to or for the Environment or its protection, environmental assessment, health, occupational health and safety, protection of any form of plant or animal life, or transportation of dangerous goods, including the principles of common law and equity;
- (cc) “Fees” means the fees to be charged by Corix and paid by Customers for Energy Services, as approved by the BCUC from time to time;
- (dd) “Force Majeure” has the meaning ascribed to it in Article 16;
- (ee) “Functional” means, in relation to a Building System, when that Building System fully complies with Article 3, has satisfied Building System Commissioning and is performing the function for which it was designed;
- (ff) “Governmental Authority” means any federal, provincial, regional, municipal, local or other government, governmental or public department, court, tribunal, arbitral body, commission, board, bureau or agency and any subdivision, agent, commission, board or authority, including without limitation the DCCP and the BCUC.
- (gg) “Ground Lease” means the lease between the Developer and UBC dated [INSERT DATE] for the Developer Lands;
- (hh) “Infrastructure” means, collectively, the CEP, Distribution System, Energy Transfer Stations, Service Connections, connections to alternate energy source(s), and any ancillary equipment and facilities;
- (ii) “Infrastructure Agreement” has the meaning set forth in Recital B;
- (jj) “Laws” means any law, statute, regulation, bylaw, code, Permit, order or legal requirement of or issued by or under the direction or authority of any Governmental Authority having jurisdiction;
- (kk) “NDES” means the neighbourhood district energy utility system developed or being developed by Corix to provide Energy Services to the Development Areas (including the Developer Lands);
- (ll) “Offer to Lease” means the offer to lease between the Developer and the UBC dated [INSERT DATE] for the Developer Lands;
- (mm) “Party” means either the Developer or Corix and “Parties” means both of them;
- (nn) “Permits” means all permits, licences, certificates, approvals, authorizations, consents and the like issued by any Governmental Authority for the Project Infrastructure or the provision of Energy Services;
- (oo) “Person” means an individual or his or her legal personal representative, an unincorporated organization or association, or a corporation, partnership, trust, trustee, syndicate, joint venture, limited liability company, union, Governmental Authority or other entity or organization;
- (pp) “Project” has the meaning ascribed to it in Recital A;

- (qq) “Project Infrastructure” means those portions of the Infrastructure located on the Developer Lands;
- (rr) “Project Infrastructure Work” means the design, engineering, installation and verification by Corix of Project Infrastructure on the Developer Lands;
- (ss) “Release” includes any release, spill, leak, pumping, pouring, emission, emptying or discharge, injection, escape, leaching, migration, disposal, or dumping;
- (tt) “Service Connection” means the system of hot water pipes, all ancillaries and all fittings necessary to connect a Building to the Distribution System via an Energy Transfer Station;
- (uu) “Statutory Right of Way” means a statutory right of way agreement, substantially in the form attached as Schedule D, which permits Corix access to the Developer Lands for the purpose of performing its obligations under this Agreement and Customer Agreements;
- (vv) “Target Date” the meaning ascribed to it in Section 3.2;
- (ww) “Thermal Energy” means thermal energy for space heating and domestic hot water;
- (xx) “UBC” means the University of British Columbia, a corporation continued under the *University Act*, R.S.B.C. 1196, c. 468.
- (yy) “UBC’s Land Use Plan” means the land use plan adopted by the Minister of Community and Rural Development pursuant to Part 10-2010 of the Municipalities Enabling and Validating Act (No.3) [SBC 2001], c.44.
- (zz) “UBC’s Vancouver Campus” means the lands within the boundaries described in the Point Grey Campus Lands Regulation (195/2010); and
- (aaa) “Zoning Regulation” means the Development and Building Regulations of the DCCP, as amended and replaced from time to time.

1.2 Interpretation. Unless otherwise expressly provided, in this Agreement:

- (a) “this Agreement” means this Agreement as it may from time to time be supplemented or amended by the Parties, and includes the attached Schedules;
- (b) all references in this Agreement to a designated “Article”, “Section”, “subsection” or “Schedule” is to the designated Article, Section or subsection of or Schedule to this Agreement;
- (c) the headings are for convenience only, do not form a part of this Agreement and are not intended to interpret, define or limit the scope, extent or intent of this Agreement or any provision hereof;
- (d) the singular of any term includes the plural, and vice versa; the use of any term is equally applicable to any gender and, where applicable, a body corporate;
- (e) the word “including” is not limiting whether or not non-limiting language (such as “without limitation” or “but not limited to” or words of similar import) is used with reference thereto;

- (f) references to time of day or date mean the local time or date in the city of Vancouver, British Columbia; and
- (g) all references to amounts of money mean lawful currency of Canada.

1.3 Governing Law. This Agreement and each of the documents contemplated by or delivered under or in connection with this Agreement are governed exclusively by, and are to be enforced, construed and interpreted exclusively in accordance with, the laws of British Columbia and the laws of Canada applicable in British Columbia which will be deemed to be the proper law of the Agreement.

1.4 Severability. Each provision of this Agreement is severable. If any provision of this Agreement is or becomes illegal, invalid or unenforceable in any jurisdiction, the illegality, invalidity or unenforceability of that provision will not affect:

- (a) the legality, validity or enforceability of the remaining provisions of this Agreement, or
- (b) the legality, validity or enforceability of that provision in any other jurisdiction, except that if:
  - (i) on the reasonable construction of this Agreement as a whole, the applicability of the other provision presumes the validity and enforceability of the particular provision, the other provision will be deemed also to be invalid or unenforceable, and
  - (ii) as a result of the determination by a court of competent jurisdiction that any part of this Agreement is unenforceable or invalid and, as a result of this section, the basic intentions of the parties in this Agreement are entirely frustrated,

the Parties will use all reasonable efforts to amend, supplement or otherwise vary this Agreement to confirm their mutual intention in entering into this Agreement.

1.5 Time of Essence. Time is of the essence of this Agreement.

1.6 Statutory References. Unless otherwise specified, each reference to a statute is deemed to be a reference to that statute and to the regulations made under that statute as amended or re-enacted from time to time.

1.7 Schedules. The following are the Schedules to this Agreement:

- Schedule A Form of Customer Agreement
- Schedule B Design Guide for Compatibility with District Energy
- Schedule C Thermal Energy Delivery Parameters Document
- Schedule D Form of Statutory Right of Way
- Schedule E Developer-Provided Energy Transfer Station Requirements
- Schedule F Supplementary Terms and Conditions of Construction Use

## **2. DEVELOPMENT OBLIGATIONS OF DEVELOPER**

2.1 Development of Project. The Developer will, at its own cost and expense, develop the Project in accordance with the lease agreement with UBC, applicable zoning, applicable Laws (including without limitation the Zoning Regulation), the Design Guide, the Community Energy Covenant and this Agreement. The Developer will, forthwith upon Corix's request, provide Corix with a copy of all sections of the lease agreement that pertain to the design, construction or operation of the Infrastructure or the Building System or the provision of Energy Services and any other portions of the lease agreement that

Corix reasonably requests. The Developer may redact any commercially-sensitive financial information contained therein.

- 2.2 No Alternate System or Service Provider. The powers and rights granted to Corix under this Agreement are exclusive to Corix and, except as expressly provided hereunder, the Developer will not itself perform, provide, install or realize, nor allow any other Person to perform, provide, install or realize any other system to provide primary domestic hot water and space heating to any Building, nor use or allow or consent to any other Person supplying or distributing Thermal Energy or Energy Services to the Developer Lands. Fireplaces located in individual residential units are not prohibited by this Section 2.2, nor are other supplemental heating system(s) in any areas of a Building where Thermal Energy is either: prohibited by applicable Laws; or is not feasible, as mutually agreed by the Parties, each acting reasonably.
- 2.3 Sources of Energy. Corix and UBC may, without the need to obtain any approval from the Developer and without any recourse by the Developer, from time to time incorporate other sources of energy or other energy supply systems into the NDES, if Corix is still able to meet its obligations to the Developer.

### 3. BUILDING SYSTEMS

- 3.1 Review and Approval of Specifications. To achieve compatibility between each Building System and the Infrastructure and to achieve appropriate energy loads, the Developer will:
- (a) before installation of a Building System, review the Design Guide attached hereto at Schedule B and submit the specifications for each Building System, including all design and engineering components and the Developer's proposed energy loads, temperatures and any connection requirements, for review by Corix. The Developer will allow Corix a reasonable opportunity to discuss and comment on such specifications and where Corix, acting reasonably, determines that any change(s) to any specifications are necessary to achieve compatibility with the Infrastructure, such additions, repairs or alterations will be promptly made by the Developer at its sole expense. The final energy loads (at peak design conditions) and the maximum supply and return temperatures (at such peak design conditions) for the Building System will be mutually agreed between the Developer and Corix and approved by the Developer's Engineer, in each case as evidenced by their respective signature on a completed final Thermal Energy delivery parameters document in the form attached as Schedule C;
  - (b) at any time and from time to time provide Corix, in a timely manner, with such access and copies of specifications, drawings and other information as Corix may reasonably require to confirm that the Building Systems conform to the final Thermal Energy delivery parameters as agreed and approved pursuant to subsection (a) above. Where, acting reasonably, Corix determines additions, repairs or alterations to any portion of a Building System are necessary to achieve compatibility with the Infrastructure, such additions, repairs or alterations will be promptly made by the Developer at its sole expense; and
  - (c) except pursuant to subsection (b) above in relation to additions, repairs or alterations identified by Corix, not amend the final Thermal Energy delivery parameters agreed and approved pursuant to subsection (a) above in any manner that does or may affect Corix under this Agreement without the prior written consent of Corix, not to be unreasonably withheld. In all cases, the Developer will provide to Corix written notice of any proposed or contemplated amendment to such agreed and approved final Thermal Energy delivery parameters. In connection with any proposed or contemplated amendment to such agreed and approved final Thermal Energy delivery parameters that Corix determines will or may affect its rights hereunder, the Parties will review and agree on

any amendments to the final Thermal Energy delivery parameters and this Agreement that may be necessary to:

- (i) reflect necessary or desired, consequential alterations to any part of the Building System or the Project Infrastructure and the manner in which such alterations are executed;
- (ii) adjust the timing of any of the Project Infrastructure Work; and
- (iii) compensate Corix for any costs incurred or to be incurred by it in connection with such amendments. The Developer will pay or reimburse (as applicable) Corix for any additional costs reasonably incurred by Corix in connection with such amendments.

3.2 Construction and Installation. The Developer will construct and install each Building System in accordance with the Design Guide and with the final Thermal Energy delivery parameters agreed and approved pursuant to Section 3.1. The Developer will keep Corix reasonably informed regarding the progress of construction and installation of each Building System. Without limiting the generality of the foregoing, the Developer will provide at least 90 days' written notice to Corix of the Developer's scheduled target date (the "**Target Date**") by which: (a) the Developer will have completed the construction and installation of each Building System in accordance with this Section 3.2; (b) the Developer will have each Building System ready for connection to the Energy Transfer Station in accordance with Section 3.3; and (c) each Building will be ready to receive Energy Services from Corix.

3.3 Connection to Energy Transfer Station. Upon completion of construction and installation of each Building System, the Developer will provide to Corix documentation from the Developer's Engineer (in a form that is satisfactory to Corix, acting reasonably) verifying that the Building System has been designed, constructed and installed in full compliance with the final Thermal Energy delivery parameters agreed and approved pursuant to Section 3.1, has been flushed and cleaned and is capable of performing the function for which it was designed. Each Building System will be connected to the Energy Transfer Station by the Developer, in the presence of a Corix representative, as and when such full compliance of such Building System has been so verified by the Developer's Engineer. Notwithstanding anything to the contrary in this Agreement, the Parties acknowledge and agree that a Building System will not be connected to the Infrastructure before the Target Date, unless the Parties mutually agree otherwise in writing.

3.4 Building System Commissioning. Upon connection of each Building System to the Energy Transfer Station pursuant to Section 3.3, the Developer will perform Building System Commissioning. During Building System Commissioning, the Developer will take all required steps to remedy any defects in the design, engineering, construction or installation of the Building System identified by the Developer's Engineer within such period of time as may be reasonably required to remedy such defects and will promptly provide to Corix documentation from the Developer's Engineer (in a form that is satisfactory to Corix, acting reasonably) verifying that the Building System is Functional.

3.5 The Developer's Responsibility. Notwithstanding anything to the contrary in this Article 3, Corix will not be responsible for any aspect of the design, engineering, permitting, construction or installation of any Building System; each Building System has or will be engineered, designed, constructed and installed by the Developer solely at its own expense and in a good and workmanlike manner consistent with industry standards and in compliance with all applicable Laws and this Agreement. The Developer will ensure that each Building includes a Building System that complies with this Article 3.

3.6 Delays. If Energy Services Commencement has not occurred within 60 days from the Target Date or such other date that is mutually agreed by the Parties in writing (the "**Deadline**") so that a Building has not commenced receiving Energy Services in accordance with Section 7.1 by the Deadline, the Developer



will commence paying Corix the Basic Charge (as specified in the Rate Schedule in the standard form of the Customer Agreement attached as Schedule A) with effect as of the Deadline as if Corix had commenced providing Energy Services to the Building as of the Deadline. The Developer will pay such Basic Charge whether or not it has signed a Customer Agreement by the Target Date or the Deadline. Notwithstanding the foregoing, the Developer will not be required to pay such Basic Charge if Corix is the direct cause of the delay (in which case Corix will use commercially reasonable efforts to commence providing Energy Services as soon as possible, and in any event no later than 30 days from the Deadline).

#### **4. PROJECT INFRASTRUCTURE**

4.1 Project Infrastructure Work. Subject to Sections 3.2, 3.6 and 4.2, Corix will:

- (a) at its own cost and expense, perform the Project Infrastructure Work in a good and workmanlike manner, consistent with industry standards and in compliance with all applicable Laws and this Article 4 and will use reasonable efforts to obtain all requisite Permits associated therewith, in all cases based on the final Thermal Energy delivery parameters agreed and approved pursuant to Section 3.1 and in advance of the commencement of any Project Infrastructure Work; and
- (b) to the extent reasonably possible in light of other obligations of Corix under the Infrastructure Agreement and Corix's services, customer and other agreements with other developers and Customers receiving Energy Services, in performing the work set out in subsection (a) above:
  - (i) work in a timely manner compatible with the Developer's construction/installation schedule;
  - (ii) keep the Developer reasonably informed regarding the progress of the Project Infrastructure Work; and
  - (iii) install the Project Infrastructure in utility corridors and other rights of way, and the Developer will for nominal consideration provide access to and space in utility corridors for such purposes.

4.2 Installation Costs Borne by the Developer. The Developer will, at its sole cost and expense, provide the items and fulfil the requirements described in Schedule E to facilitate the Project Infrastructure Work. Additionally, to the extent the Parties are able to coordinate their construction and installation activities on the Developer Lands, the Developer will pay all costs relating to excavation, bedding material and backfilling of trenches where such items and activities are related to both the construction activities of the Developer and installation of the Project Infrastructure.

4.3 Ownership. Notwithstanding any degree of annexation or affixation, or rule of law or equity to the contrary, all components of the Project Infrastructure and all additions or extensions will be and remain the property of and vest in Corix. Pursuant to the Infrastructure Agreement, Corix may sell the Infrastructure to the UBC upon termination of that agreement or other specified occurrences.

4.4 Permits. Corix will apply for and use commercially reasonable efforts to obtain and maintain all requisite Permits for the Project Infrastructure Work and for the operation of the Project Infrastructure. If requested to do so by Corix, the Developer will use reasonable efforts to assist Corix obtain such Permits.

4.5 Grants and Environmental Credits. Any grants from any Governmental Authority, crown corporation or non-governmental authority that may be derived from a reduction in costs for consumption of heat and hot water by the Buildings and all right, title and interest in the potential or actual commercial value of any Environmental Credit that may arise or accrue by virtue of the installation or operation of the

Infrastructure (or any portion) or the NDES will be used in accordance with the Infrastructure Agreement to reduce rates for NDES Customers.

## **5. COOPERATION AND COORDINATION**

The Parties will cooperate and coordinate with each other and with any applicable Governmental Authority to permit each Party to perform its obligations under this Agreement. Without limiting the generality of the foregoing, the Developer will work and cooperate with Corix as may be reasonably required to:

- (a) make all applications to and filings with, and otherwise correspond and work together with BCUC and other Governmental Authorities for the Energy Services; and
- (b) make application for all exemptions, reductions and other relief from property taxes related to the Infrastructure as may be available from time to time.

Each Party agrees not unduly to interfere with or interrupt the activities of the other Party or any applicable Governmental Authority on the Developer Lands.

## **6. ACCESS TO DEVELOPER LANDS**

The Developer grants and covenants to secure for Corix and its subcontractors, agents, employees and representatives, by licenses, statutory rights of way, easements, leases or other agreements, and for nominal consideration, non-exclusive access to, on, over and under the Developer Lands for the purposes of performing its obligations under this Agreement and Customer Agreements. Without limiting the generality of the foregoing, the Developer will, forthwith upon Corix's request, grant or cause to be granted to Corix and duly register in the relevant Land Title Office the Statutory Right of Way for each lot comprising a part of the Developer Lands and otherwise as required to allow Corix to perform its obligations under this Agreement and Customer Agreements. Each Statutory Right of Way granted pursuant to this Section 6 will have priority over any Encumbrance. The access granted pursuant to this Section 6 will be adequate, in the sole discretion and determination of Corix, to allow Corix to efficiently and effectively carry out its obligations and pursuant to the Customer Agreements without undue disturbance or interference from the Developer or any of its contractors, agents, employees or representatives.

Each statutory right of way, lease or other registrable interest granted pursuant to this Section 6 may be registered by Corix (at Corix's sole cost) in the relevant Land Title Office, together with any priority agreements as Corix may deem necessary or advisable.

## **7. PROVISION OF ENERGY SERVICES BY CORIX**

7.1 Provision of Energy Services. Corix will provide Energy Services to a Building, subject to and provided that the following conditions have been satisfied:

- (a) that the Building System for such Building has been connected to the Infrastructure in accordance with Article 3; and
- (b) that the relevant Customer Agreement has been completed, executed and delivered in accordance with Section 7.2.

Such conditions are for the sole benefit of Corix and may be waived only by Corix. The date and time when heat is first transferred between the Infrastructure and the Building System will be the “**Energy Services Commencement**”.

7.2 Customer Agreements. The Developer will:

- (a) before Building System Commissioning in accordance with Section 3.4:
  - (i) complete, execute and deliver to Corix a Customer Agreement covering such Building; and
  - (ii) cause any strata corporation then existing or subsequently created by the filing or registration of a strata plan for the applicable Building to complete, execute and deliver to Corix a Customer Agreement covering such Building; provided, however, that there will be only one Energy Transfer Station per Building, and therefore to the extent that there are multiple strata corporations created for a Building, the Developer will cause the strata corporation whose premises include the space occupied by the Energy Transfer Station to complete, execute and deliver to Corix a Customer Agreement for such Building;
- (b) before a strata corporation being created by filling or registration of a strata plan for the Building, forthwith upon Corix’s request, cause any Person to whom the Developer transfers or otherwise disposes, whether directly or indirectly, all or any portion of its interest in the Project to complete, execute and deliver to Corix a Customer Agreement covering such Building; and
- (c) if any such strata corporation or Person referred to in subsections (a)(ii) or (b) above refuses to execute a Customer Agreement for a Building as required by this Section 7.2, forthwith pay to Corix the sum equal to the full cost (including without limitation, the capital investment) of all Infrastructure associated with the provision of Energy Services to such Building (including the applicable Energy Transfer Station and Service Connection) in order to ensure other existing and potential Customers of the NDES are not adversely impacted.

7.3 Construction Heat. The Parties acknowledge and agree that the Developer may, subject to the specific advance approval in writing of Corix (to be granted or not in its sole discretion), use Energy Services for purposes related to its ongoing construction work on the Developer Lands, in lieu of or in addition to the domestic purposes for which the Energy Services are intended. In all cases where the Developer uses Energy Services in connection with any construction or other activities on the Developer Lands that are not usual domestic applications, the terms and conditions of construction use, as set out on Schedule F, will apply in addition to the Thermal Energy Service Terms & Conditions comprising part of the Customer Agreement.

7.4 Permits. Corix will use reasonable efforts to obtain from all Government Authorities all Permits related to the provision of Energy Services. If requested to do so by Corix, the Developer will use reasonable efforts to assist Corix in obtaining such Permits.

**8. ENERGY CHARGES**

8.1 NDES Energy Charges. Subject to Section 3.6, Corix will charge each Customer the applicable Fees, commencing on Energy Services Commencement.

- 8.2 Adjustment to Fees. Subject in each instance to approval by the BCUC, Corix may adjust the Fees at any time and from time to time in accordance with the applicable Customer Agreement(s) so it earns a fair market return.
- 8.3 Recovery of Costs and Expenses through Fees. Corix will, to the extent possible, recover all costs and expenses incurred by it in connection with the Infrastructure or Energy Services, including without limitation design, inspection, construction and operation costs, Permit fees, and all federal, provincial, regional and municipal taxes (including property taxes), levies and fees, through Fees.

Corix will through its applications to BCUC seek an appropriate rate of return for its Energy Services, as determined in light of risks assumed by Corix, number of Customers and other relevant factors, which rate of return may, depending on the circumstances, exceed the standard rate of return allowed by BCUC for large utility companies.

- 8.4 Collection and Use of Data. The parties acknowledge and agree that Corix may from time to time to collect and provide to UBC data regarding the performance of the NDES on a system-wide or specific basis as UBC may reasonably request under the Infrastructure Agreement.

The Developer hereby expressly consents to the following collection and use of data:

- (a) the collection by Corix and provision to UBC of data regarding the performance of the NDES specific to the Building, for purposes relating to the administration or performance of the Infrastructure and the Infrastructure Agreement, and
- (b) the collection by Corix and provision to UBC of data regarding other aspects of the NDES, the Infrastructure or the NDES Customers, for academic research purposes only.

## **9. REPRESENTATIONS AND WARRANTIES**

- 9.1 Representations and Warranties of the Developer. The Developer represents and warrants to Corix the following, and acknowledges that Corix is relying on such representations and warranties in entering into the transactions contemplated by this Agreement.

- (a) *Status of the Developer.* The Developer is a company duly incorporated and validly existing under the laws of the [Province of British Columbia], with full power and authority to enter into and perform all of its obligations under this Agreement.
- (b) *Litigation.* To the best of its knowledge, the Developer is not a party to any action, suit or legal proceeding, actual or threatened, and there are no circumstances, matters or things known to the Developer that might give rise to any such action, suit or legal proceeding, and there are no actions, suits or proceedings pending or threatened against the Developer before or by any Governmental Authority, that could affect the Developer's ability to perform its obligations under this Agreement.
- (c) *No Breach of Agreement.* This Agreement and the performance by the Developer of its obligations does not and will not breach any provisions of any other agreement or Law that is binding on or applicable to the Developer.
- (d) *No Conflict with Constatng Documents.* Neither the entering into of this Agreement nor the consummation of the transactions contemplated hereby will result in a breach of any of the terms or provisions of the constating documents of the Developer or of any indenture or other agreement, written or oral, to which the Developer is a party, and all necessary corporate action on the part of the Developer has been or will be taken to authorize and approve the execution and delivery of this Agreement and the performance by the Developer of its obligations.

- (e) *Resident.* The Developer is not a non-resident of Canada within the meaning of the *Income Tax Act* (Canada).
- (f) *Offer to Lease.* The Offer to Lease is in full force and effect, has been prepaid in full, and the Developer knows of no breach, condition or circumstance that could affect the validity of or lead to early termination of the Offer to Lease.
- (g) *Ground Lease.* The Ground Lease is in full force and effect, has been prepaid in full, and the Developer knows of no breach, condition or circumstance that could affect the validity of or lead to early termination of the Ground Lease. The Developer is therefore the lawful lessee of the Developer Lands and has authority to enter into this Agreement.

9.2 Corix's Representations and Warranties. Corix represents and warrants to the Developer the following, and acknowledges that the Developer is relying on such representations and warranties in entering into the transactions contemplated by this Agreement.

- (a) *Status of Corix.* Corix is a company duly incorporated and validly existing under the laws of British Columbia, with full power and authority to enter into and perform all of its obligations under the Agreement.
- (b) *Litigation.* To the best of its knowledge, Corix is not a party to any action, suit or legal proceeding, actual or threatened, and there are no circumstances, matters or things known to Corix that might give rise to any such action, suit or legal proceeding, and, to Corix's knowledge, there are no actions, suits or proceedings pending or threatened against Corix before or by any Governmental Authority, that could affect Corix's ability to perform its obligations under this Agreement.
- (c) *No Breach of Agreement.* To its knowledge, this Agreement and the performance of the obligations of Corix under this Agreement does not and will not breach any provisions of any other agreement or Law that is binding on or applicable to Corix as of the date of this Agreement.
- (d) *No Conflict with Constating Documents.* Neither the entering into of this Agreement nor the consummation of the transactions contemplated hereby will result in a breach of any of the terms or provisions of the constating documents of Corix or of any indenture or other agreement, written or oral, to which Corix is a party, and all necessary corporate action on the part of Corix has been or will be taken to authorize and approve the execution and delivery of this Agreement and the performance by Corix of its obligations.
- (e) *Resident.* Corix is not a non-resident of Canada within the meaning of the *Income Tax Act* (Canada).

## 10. ENVIRONMENTAL MATTERS

10.1 Control and Management of Site. For the purposes of applicable Environmental Laws, the Developer and UBC will be deemed to have control and management of the Developer Lands with respect to their environmental condition except as otherwise expressly provided in this Agreement.

10.2 Environmental Condition of the Developer Lands. The Developer represents and warrants to Corix as of the date of this Agreement that:

- (c) the Developer Lands are free of Contaminants, except in amounts that are permissible under Environmental Laws and which have been disclosed in writing to Corix;
- (d) no part of the Developer Lands is a Contaminated Site;
- (e) the Developer has disclosed to Corix all site investigations, assessments, audits and reports relating to the Developer Lands conducted by or on behalf of the Developer or of which the Developer has a copy; and
- (f) there are no actions, proceedings, investigations, claims (including remediation cost recovery claims) pending, or to the best of the Developer's knowledge, threatened, that relate to the presence or Release of Contaminants on the Developer Lands.

10.3 The Developer Environmental Covenants. The Developer covenants with Corix as follows:

- (a) not to use or permit the Developer Lands to be used for the sale, storage, manufacture, disposal, handling, treatment, use or any other dealing with any Contaminants, except in compliance with Environmental Laws; and
- (b) to comply with and to continue to comply with, and at its own cost to cause the Developer Lands to comply with Environmental Laws and to use its best efforts to cause any tenants, subcontractors or other occupants or users of the Developer Lands to comply with Environmental Laws in their use and occupancy of the Developer Lands.

10.4 The Developer Environmental Indemnity. The Developer will release, indemnify and hold harmless Corix from any and all liabilities, actions, damages, claims (including remediation cost recovery claims), losses, costs, orders, fines, penalties and expenses (including all consulting and legal fees and expenses on a solicitor-client basis) and the costs of removal, treatment, storage and disposal of Contaminants and remediation of the Developer Lands and any affected adjacent property which may be paid by, incurred by or asserted against any member of the Corix Group arising from or in connection with:

- (a) any breach of or non-compliance by the Developer with the provisions of this Article 10 that pertain to it;
- (b) any Release or alleged Release of any Contaminants at or from the Developer Lands related to or as a result of the presence of any pre-existing Contaminants at, on, under or in the Developer Lands, including without limitation surface and ground water at the date of this Agreement or as a result at any time of the operations of the Developer or any act or omission of the Developer or its tenants or other occupants or any person for whom it is in law responsible; or
- (c) the presence of any Contaminants on, in or under the Developer Lands except to the extent that such presence arises from any breach or non-compliance by Corix with the provisions of this Article 10 that pertain to it.

10.5 Corix Environmental Covenants. Corix will not install or use in the Project Infrastructure, or on, in or under the Developer Lands any materials, equipment or apparatus the installation, use or storage of which is likely to cause the generation, accumulation or migration of any Contaminants in contravention of the terms of this Agreement and any applicable Environmental Laws. Without limiting the generality of the foregoing, Corix will in no event use the Developer Lands to dispose of, handle or treat any Contaminants in a manner in whole or in part that would violate applicable Environmental Laws and/or cause the Developer Lands, or any adjacent property to become a Contaminated Site under applicable Environmental Laws.

- 10.6 Corix Environmental Indemnity. Corix will indemnify and hold harmless the Developer Group from any and all liabilities, actions, damages, claims (including remediation cost recovery claims), losses, costs, orders, fines, penalties and expenses (including all consulting and legal fees and expenses on a solicitor-client basis) and the costs of removal, treatment, storage and disposal of Contaminants and remediation of the Developer Lands and any affected adjacent property which may be paid by, incurred by or asserted against the Developer Group arising directly and exclusively from any breach of or non-compliance by Corix with the provisions of this Article 10 that pertain to it.
- 10.7 Survival. Notwithstanding any other provision in this Agreement, the indemnities granted in this Article 10 will survive the expiry or termination of this Agreement.

## 11. COVENANTS OF DEVELOPER

In addition to the other obligations set out in this Agreement, the Developer covenants and agrees with Corix at all times and from time to time as follows:

- (a) Continued Existence. The Developer will maintain its status in good standing with the Registrar of Companies at all times while this Agreement remains in effect.
- (b) Assist in Recovery of Third Party Damage. The Developer will report to Corix any malicious damage or damage to the Infrastructure of which it becomes aware and will assist Corix to recover from and against third parties for such damage to the Infrastructure, to the extent Corix is not able, as if the Developer owned the Infrastructure.
- (c) Compliance with Laws. The Developer will, at its sole cost and expense, abide by and comply with all applicable Laws (including Environmental Laws) in discharging its obligations.
- (d) Compliance with Offer to Lease and Ground Lease. The Developer will at all times abide by and comply with all provisions of the Offer to Lease and the Ground Lease and will immediately give Corix notice of any breach by the Developer with any of the terms and of any change to the terms that is material to the interests of Corix.
- (e) Disclosure Statement. To the extent that the Project will comprise strata lots that are intended to be sold by the Developer, the Developer will ensure that the disclosure statement provided to the Developer's purchasers includes information regarding the NDES and discloses this Agreement, the Customer Agreement and the Statutory Right of Way.

## 12. INSURANCE

- 12.1 Developer Insurance. The Developer will obtain and maintain at its own expense throughout the term of this Agreement the following insurance coverage:
- (a) Comprehensive General Liability Insurance against claims for personal injury, death or property damage arising out of its operations, in amounts it deems adequate but in any event, not less than \$5 million per occurrence;
  - (b) Property Insurance insuring the property of the Developer and property owned by others but for which the Developer is legally responsible, against perils normally included in a standard "all risk" policy, in an amount equal to 100% of the current replacement cost, and adjusted at least annually to reflect changes in replacement value due to inflation or other factors;

- (c) All Risks Builder's Risk policy covering the Project against fire and other perils from time to time included in such policies affecting similar properties in British Columbia with extended or additional perils supplemental coverage as would be insured against by a prudent owner in an amount not less than 100% of the replacement cost;
- (d) boiler and machinery insurance, written on a comprehensive form, including repair and replacement coverage, in an amount not less than \$5 million per occurrence;
- (e) a standard automobile policy including standard contractual liability endorsement against claims for bodily injury, death and damage to property, in an amount of not less than \$2 million per occurrence; and
- (f) the Developer and/or the Developer's Engineer will provide errors and omissions liability insurance for a value of not less than \$2 million in the aggregate.

12.2 Responsibility. The Developer will be responsible for the full amount of all premiums and deductibles required under Section 12.1. All policies required must be effective as at the date the Developer commences any construction and/or installation activities on the Developer Lands and must, to the extent obtainable, provide that the insurance will not be cancelled without the insurer giving at least 30 days written notice to Corix. Insurance will be purchased from reputable insurers registered and licensed to underwrite insurance in British Columbia. Where the Developer fails to comply with requirements of this Article 12, Corix may take all necessary steps to effect and maintain the required insurance coverage at the Developer's expense.

12.3 Evidence of Insurance. The Developer will deliver or cause to be delivered to Corix evidence of all insurance policies required to be obtained and maintained by the Developer under this Article 12 and any amendments, modifications or replacements.

12.4 Corix Insurance. Corix will obtain and maintain at its own expense throughout the term of this Agreement the following insurance coverage:

- (a) Comprehensive General Liability Insurance against claims for personal injury, death or property damage, covering its operations, in an amount not less than \$5 million per occurrence;
- (b) Property Insurance insuring the Project Infrastructure against perils normally included in a standard "all risk" policy, in an amount equal to 100% of the current replacement cost of the Project Infrastructure, and adjusted at least annually to reflect changes in replacement value due to inflation or other factors;
- (c) All Risks Builder's Risk policy covering the Project Infrastructure against fire and other perils from time to time included in such policies affecting similar properties in British Columbia with extended or additional perils supplemental coverage as would be insured against by a prudent owner in an amount not less than 100% of the replacement cost;
- (d) boiler and machinery insurance covering relevant equipment owned by Corix from time to time, written on a comprehensive form, including repair and replacement coverage, in an amount not less than \$5 million per occurrence;
- (e) a standard automobile policy including standard contractual liability endorsement against claims for bodily injury, death and damage to property, in an amount of not less than \$2 million per occurrence; and



(f) Corix and/or its prime engineering consultant will provide errors and omissions liability insurance for a value of not less than \$2 million in the aggregate.

12.5 Responsibility. Corix will be responsible for the full amount of all premiums and deductibles required under Section 12.4. All policies required must be effective as at the date that Corix commences the Project Infrastructure Work and must, to the extent obtainable, provide that the insurance will not be cancelled without the insurer giving a least 30 days written notice to the Developer. Insurance will be purchased from reputable insurers registered and licensed to underwrite insurance in British Columbia. Where Corix fails to comply with requirements of this Section 12.5, the Developer may take all necessary steps to effect and maintain the required insurance coverage at Corix's expense.

12.6 Evidence of Insurance. Corix will deliver or cause to be delivered to the Developer evidence of all insurance policies required to be obtained and maintained by Corix under this Article 12 and any amendments, modifications or replacements.

12.7 Additional Insured. Where applicable, each Party will ensure that the other Party is an additional insured under the insurance to be obtained and maintained pursuant to Section 12.1 and Section 12.4 and in the event of a claim the insurance carried by the Party responsible for actions which give rise to such claim will be the primary insurance with respect to such claim.

### **13. INDEMNITY**

13.1 Corix Indemnity. Without limiting any other obligation of Corix provided herein, Corix will indemnify, defend, and save harmless the Developer Group from any and all liabilities, actions, damages, claims, losses, costs, orders, fines, penalties, and expenses (including the full amount of all legal fees and expenses on a solicitor-client basis) which may be paid by, incurred by, or asserted against the Developer Group or any one of them arising from or in connection with any negligence or wilful misconduct perpetrated by Corix or those for whom it is in law responsible.

13.2 Developer Indemnity. Without limiting any other obligation of the Developer provided herein, the Developer will indemnify, defend, and save harmless the Corix Group from any and all liabilities, actions, damages, claims, losses, costs, orders, fines, penalties, and expenses (including the full amount of all legal fees and expenses on a solicitor-client basis) which may be paid or incurred by, or asserted against the Corix Group, arising from or in connection with any negligence or wilful misconduct perpetrated by the Developer or anyone for whom it is in law responsible.

13.3 Damages Limitation. Notwithstanding any other provision of this Agreement, in no event will either Party be liable to the other Party for any indirect or consequential loss, cost or expense, including any indirect or consequential loss of profits, revenues or other indirect or consequential economic loss and punitive damages, suffered by the other Party or its Affiliates or their respective officers, directors, shareholders, employees, contractors, agents, successors or permitted assigns.

13.4 Survival. Notwithstanding any other provision in this Agreement, the indemnities set out in this Article 13 will survive the termination or expiry of this Agreement.

### **14. TERMINATION**

14.1 Subject to the provisions of Section 14.2 and Article 15, this Agreement and the obligations of the Parties will terminate on the date that:

(a) the Project, including the installation of all Building Systems has been completed in accordance

with this Agreement;

- (b) each Building System has been connected to the Infrastructure in accordance with Section 3.3;
- (c) all required Customer Agreements have been executed and delivered by the appropriate parties for each Building in the Project in accordance with Section 7.2; and
- (d) the Parties have otherwise carried out their respective obligations under this Agreement, except to the extent such obligations are expressly stated to survive termination of this Agreement.

14.2 Notwithstanding anything else in this Agreement to the contrary, this Agreement and the obligations of the Parties will automatically terminate if the Infrastructure Agreement terminates. If this Agreement terminates pursuant to this Section 14.2, then neither Party will have any further obligation to, or recourse against, the other Party for the subject matter of this Agreement.

## **15. TERMINATION FOR DEFAULT**

15.1 Default. A Party (the “Defaulting Party”) will be in default under this Agreement (a “Default”) if:

- (a) it passes a resolution for its winding-up or dissolution, is adjudged bankrupt or insolvent by a court of competent jurisdiction, commences or consents to the institution of bankruptcy proceedings, proposes a compromise or an arrangement, files any petition seeking re-organization, arrangement, composition, liquidation or similar relief for itself, has a receiver or a receiver-manager appointed for its affairs, or makes a general assignment for the benefit of its creditors under any Law relating to bankruptcy, insolvency or other relief for or against debtors generally;
- (b) it is in breach of a material term, covenant, agreement, condition or obligation under this Agreement, the SRW or the Community Energy Covenant, or is in breach of multiple terms, covenants, agreements, conditions or obligations under the SRW or the Community Energy Covenant or this Agreement which in the aggregate are material, and fails to cure such default within 30 days after receipt from the non-Defaulting Party of written notice or, if such default is not capable of being cured within such 30 day notice period, fails to commence in good faith the curing of such default forthwith upon receipt from the non-Defaulting Party of written notice and to continue to diligently pursue the curing of such default until cured; or
- (c) in the case of the Developer, it:
  - (iii) fails or refuses to make to Corix any payment due under this Agreement on the date that such payment is due; or
  - (iv) is in default of any term or condition of any Permit.

In the event of a Default, the non-Defaulting Party may, at its option and without liability therefor or prejudice to any other right or remedy it may have, terminate this Agreement by (further, where applicable) written notice to the Defaulting Party.

In addition, in the event of a Developer Default, Corix may, at its option and without liability or prejudice to any other right or remedy it may have, suspend its work until the default has been fully remedied, and no such suspension or refusal will relieve the Developer from any of its obligations under this Agreement.

- 15.2 Amounts Owed. Upon termination of this Agreement under Section 14.1 or Section 15.1, the Parties will forthwith pay to each other all sums due and owing to the date of termination.
- 15.3 Reimbursement of Corix's Costs. Without limiting the generality of Section 15.2, if this Agreement is terminated by Corix pursuant to Section 15.1, the Developer will, upon request by and receipt of invoices from Corix, reimburse Corix for all of its costs and expenses (including all third party costs and expenses) incurred in connection with the Project Infrastructure Work to the date.
- 15.4 Abandonment. Upon termination of this Agreement, notwithstanding Section 4.3, Corix may, in its sole discretion, abandon and leave all or part of the Project Infrastructure, provided that the Project Infrastructure to be abandoned is safely decommissioned and does not pose or constitute any environmental hazard, and release the rights granted to Corix under this Agreement in relation thereto. Upon the release of the rights granted to Corix by this Agreement, any abandoned Project Infrastructure will belong to the owners of the lands on which the Project Infrastructure is located (except to the extent otherwise expressly agreed with an interested party under the relevant statutory right of way).
- 15.5 Survival. Upon the expiry or termination of this Agreement for any reason, all claims, causes of action or other outstanding obligations remaining or being unfulfilled as of the expiry or termination date and all of the provisions in this Agreement relating to the obligation of either Party to account to or indemnify the other and to pay to the other any amount owing as at the date of expiry or termination in connection with this Agreement will survive such expiry or termination

## **16. FORCE MAJEURE**

- 16.1 Suspension. Subject to the other provisions of this Article 16, if either Party is unable or fails by reason of Force Majeure to perform in whole or in part any of its obligations or covenants set forth in this Agreement (except an obligation or covenant to pay), such inability or failure will be deemed not to be a breach of such obligation or covenant and the obligations of both Parties under this Agreement will be suspended to the extent necessary during the continuation of any inability or failure so caused by such Force Majeure.
- 16.2 Definition of Force Majeure. For purposes of this Agreement, "Force Majeure" means any event or occurrence not within the control of the Party claiming Force Majeure, and which by the exercise of reasonable diligence such Party is unable to prevent or overcome, including any acts of nature, including lightning, earthquakes, storms, washouts, landslides, avalanches, fires, epidemics and floods; strikes, lockouts or other industrial disturbances; acts of the Queen's or public enemies, sabotage, wars, blockades, insurrections, riots or civil disturbances, fires, explosions, breakages of or accidents to machinery or lines of pipe; any delay by or action of any Governmental Authority; and any Changes of Law. For the purposes of this Article 16, a party is deemed to have control over the actions or omissions of those Persons to which it, its agents, contractors or employees, have delegated, assigned or subcontracted its obligations and responsibilities.
- 16.3 Exceptions. Neither party will be entitled to the benefit of Section 16.1 under any of the following circumstances:
- (a) to the extent that the inability or failure was caused by the negligence or contributory negligence of the Party claiming Force Majeure;
  - (b) to the extent that the inability or failure was caused by the Party claiming Force Majeure having failed to diligently attempt to remedy the condition and/or to resume the performance of such covenants and obligations with reasonable dispatch;

- (c) if the inability or failure was caused by lack of funds or is for any amount due; or
- (d) unless, as soon as possible after the happening of the occurrence relied upon or as soon as possible after determining that the occurrence was in the nature of Force Majeure and would affect the claiming Party's ability to observe or perform any of its covenants or obligations under this Agreement, the claiming Party will have given to the other Party notice to the effect that the claiming Party is unable by reason of Force Majeure (the nature whereof will be therein specified) to perform the particular covenants or obligations.

16.4 Resumption of Obligations. As soon as possible after the Force Majeure condition is remedied or discontinued, the Party claiming Force Majeure will give notice to the other Party of such remedy, and that such Party has resumed, or is then in a position to resume, the performance of its suspended covenants and obligations either in whole or in part.

16.5 Settlement of Labour Disputes. Notwithstanding any of the provisions of this Article 16, but subject to Section 16.3, the settlement of labour disputes or industrial disturbances in which a Party is involved is entirely within the discretion of that Party, which Party may make settlement of it at the time and on terms and conditions as it may deem to be advisable and no delay in making settlement will deprive the Party of the benefit of Section 16.1.

16.6 No Exemption for Payments. Force Majeure will not in any event relieve or release either Party from its obligations to make payments to the other Party under this Agreement.

## 17. DISPUTE RESOLUTION

17.1 Informal Dispute Resolution. The Parties will make a *bona fide* attempt to settle all disputes that may arise under, out of, in connection with or in relation to this Agreement by amicable negotiations and will provide frank and timely disclosure to one another of all relevant facts and information to facilitate negotiations.

17.2 Arbitration. If any dispute remains unresolved within 15 days of either Party requesting that the other Party engage in negotiations to resolve the dispute, or if the Parties otherwise agree, the dispute may be referred to and resolved by arbitration before a single arbitrator.

In the event the Parties cannot agree on the appointment of an arbitrator within five Business Days, either Party may refer the matter to the British Columbia International Commercial Arbitration Centre, or such mediation or arbitration centre as may be mutually agreed upon. The arbitration will:

- (a) to the extent possible, and with the necessary modifications as determined by the arbitrator, be administered in accordance with the Shorter Rules for Domestic Commercial Arbitration or similar rules; and
- (b) be conducted in Vancouver, British Columbia.

Notwithstanding the above, no one will be nominated to act as an arbitrator who is in any way financially interested in the business affairs of any of the Developer or Corix.

The arbitrator will issue a written award that sets forth the essential findings and conclusions on which the award is based.

If the arbitrator fails to render a decision within 30 days following the final hearing of the arbitration, either Party may terminate the arbitration and a new arbitrator will be appointed in accordance with these

provisions. If the Parties are unable to agree on an arbitrator or if the appointment of an arbitrator is terminated in the manner provided for above, then any party to this Agreement will be entitled to apply to a judge of the British Columbia Supreme Court to appoint an arbitrator and the arbitrator so appointed will proceed to determine the matter *mutatis mutandis* in accordance with the provisions of this Article 17.

17.3 Arbitrator's Authority. The arbitrator will have the authority to award:

- (a) monetary damages;
- (b) interest on unpaid amounts from the date due;
- (c) specific performance; and
- (d) permanent relief.

The costs and expenses of the arbitration, but not those incurred by the Parties, will be shared equally, unless the arbitrator determines that a specific party prevailed. In such a case, the non-prevailing party will pay all costs and expenses of the arbitration, but not those of the prevailing party.

17.4 Continuation of Services. Except as otherwise expressly provided herein, each of the Parties will perform all of its respective obligations under this Agreement notwithstanding the existence of any dispute that arises from time to time between the Parties for any matter related to this Agreement or during the resolution of any dispute in accordance with this Article 17 except where to do so would threaten public health and safety or the environment.

17.5 Injunctive Relief. Nothing in this Article 17 will preclude either Party from applying to a court of competent jurisdiction for interlocutory or interim relief.

## 18. GENERAL

18.1 Notices. Any notice or other communication required or permitted to be given under this Agreement will be effective only if in writing and when it is actually delivered (which delivery may be by telecopy or other telecommunications device) to the party for whom it is intended at the following address or such other address in British Columbia as such Party may designate to the other Party by notice in writing delivered in accordance with this Section 18.1:

- (a) if to Corix:

Corix Multi-Utility Services Inc.  
Suite 1160, 1188 West Georgia Street  
Vancouver, British Columbia V6E 4A2

Attention: Eric van Roon  
Facsimile: 604.697.6703

- (b) if to the Developer:

Attention: [insert]  
Facsimile: [insert]

Notwithstanding the foregoing, notices with respect to Force Majeure will be given in writing by facsimile, or orally in person or by telephone (to be confirmed by facsimile), to the person or persons designated from time to time by the Parties as the person or persons authorized to receive such notices.

18.2 Confidentiality. Each Party (the “Receiving Party”) will treat as confidential the terms of this Agreement and all Confidential Information (as defined below) of the other Party (the “Disclosing Party”) and will at all times during the term of this Agreement and for a period of two years thereafter hold the same in confidence and will not, without the prior written consent of the Disclosing Party, disclose or divulge to any Person the terms of this Agreement or any Confidential Information of the Disclosing Party, provided that nothing in this Section 18.2 will restrict or prevent any Party from making any disclosure of such terms or any Confidential Information:

- (a) that is reasonably necessary or desirable for the Receiving Party to carry out and give full effect to the terms, conditions and intent of this Agreement;
- (b) that is required by any Law or Governmental Authority;
- (c) to an Affiliate of the Receiving Party or to the directors, officers or employees of such Party or its Affiliates;
- (d) to the professional advisors of the Receiving Party;
- (e) that the Receiving Party, in its sole discretion determines is required, prudent or necessary to be disclosed by that Party in connection with any prospectus filing, public securities offering or other applicable securities matters or laws; and
- (f) that is already in the public domain, that was in the possession of the Receiving Party before its receipt of the information from the Disclosing Party or that was disclosed to the Receiving Party by a third party free of any obligation of confidentiality.

For the purposes of this Section 18.2, “Confidential Information” means proprietary information of the Disclosing Party such as data, plans, drawings, manuals, or specifications which have been provided by the Disclosing Party or its employees, contractors, agents, subcontractors or Affiliates to the Receiving Party pursuant to this Agreement, or proprietary information conceived or developed by or for the Disclosing Party concerning construction practices, operation and maintenance practices, agreements, marketing plans and strategies, profits, costs, pricing and systems of procedure, but excluding information developed or conceived by the Receiving Party without using the Confidential Information of the Disclosing Party.

18.3 No Waiver. No waiver by either Party of any default by the other in the performance of any of the provisions of this Agreement will operate or be construed as a waiver of any other or future default or defaults, whether of a like or different character.

18.4 Enurement. This Agreement will enure to the benefit of and be binding upon the Parties and their respective successors and permitted assigns.

18.5 Entire Agreement. This Agreement contains the whole agreement between the Parties for the subject matter hereof and supersedes any pre-existing written or oral agreement or understanding, express or implied, between the Parties.

- 18.6 Further Assurances. Each Party will execute and deliver all such further documents and do all such further things as may be reasonably requested by the other Party to give full effect to the intent and meaning of this Agreement.
- 18.7 Counterparts and Facsimile. This Agreement may be executed in counterparts and by facsimile with the same effect as if the Parties had signed the same original document. All counterparts will be construed together and will constitute one and the same agreement and, if signed by facsimile, each Party will promptly dispatch an original to the other Party.
- 18.8 Assignment. The Developer may not assign this Agreement or any of its rights or obligations without the prior written consent of Corix, such consent not to be unreasonably withheld. Corix may assign this Agreement or any of its rights or obligations (including, without limitation, by way of the sale of the majority of its shares or business or its material assets or by way of an amalgamation, merger or other corporate reorganization) to any of its Affiliates or to any other Person without the consent of the Developer, provided such Affiliate or Person is duly qualified to carry out this Agreement and agrees to be bound by the terms and conditions of this Agreement. Forthwith upon such assignment, Corix will be released from its obligations and responsibilities.
- 18.9 Relationship. Nothing in this Agreement will create a partnership or joint venture, or a relationship of landlord and tenant between the Developer and Corix.

**IN WITNESS WHEREOF** the Parties have executed this Agreement as of the day and year first above written.

**[DEVELOPER]**

Per: \_\_\_\_\_

Name:

Title:

**CORIX MULTI-UTILITY SERVICES INC.**

Per: \_\_\_\_\_

Name:

Title:

**SCHEDULE A**  
**FORM OF CUSTOMER SERVICE AGREEMENT**

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CORIX MULTI-UTILITY SERVICES INC.

THERMAL ENERGY SERVICE  
TERMS & CONDITIONS  
OF CUSTOMER SERVICE

CONTAINING  
DEFINITIONS, TERMS AND CONDITIONS OF SERVICE, SCHEDULES AND SERVICE APPLICATION

Effective: \_\_\_\_\_

These Terms and Conditions are available for public inspection during business hours at the office of Corix Multi-Utility Services Inc. in Vancouver, British Columbia and at the office of the British Columbia Utilities Commission in Vancouver, British Columbia.



## SECTION A - DEFINITIONS

Unless the context otherwise requires, in these Terms and Conditions the following terms have the following meanings:

**Affiliate:** has the meaning ascribed to it in the British Columbia *Business Corporations Act*.

**Applicant:** means a Person applying to become a Customer in accordance with these Terms and Conditions.

**Application for Service:** means the application referred to in Section 1.

**Basic Charge:** means a fixed charge required to be paid by a Customer for Energy Services during a prescribed period as specified in the Rate Schedule.

**Building:** means a residential or other building or facility which is subject to a Customer Agreement.

**Building System:** means the system of water pipes and heat and domestic hot water delivery and / or storage equipment to be installed and used for distributing and storing Thermal Energy in a Building, connected to but downstream of and excluding the Service Connection and Energy Transfer Station for that Building.

**Contaminants:** means any radioactive materials, asbestos materials, urea formaldehyde, underground or above ground tanks, pollutants, contaminants, deleterious substances, dangerous substances or goods, hazardous, corrosive, or toxic substances, hazardous waste, waste, pesticides, defoliants, or any other solid, liquid, gas, vapour, odour, heat, sound, vibration, radiation, or combination of any of them, the storage, manufacture, handling, disposal, treatment, generation, use, transport, remediation, or Release into the environment of which is now or hereafter prohibited, controlled, or regulated under environmental laws.

**Customer:** means a Person receiving Energy Services pursuant to a Customer Agreement.

**Customer Agreement:** means an agreement between the Utility and a Customer for the provision of Energy Services to a Building or Buildings, which Agreement is comprised of an Application for Service and these Terms and Conditions.

**Development Areas:** means, collectively, the Wesbrook Place, Acadia Road (including the Acadia West Neighbourhood and Acadia East student housing precinct), East Campus and Stadium neighbourhoods of UBC's Vancouver Campus, all as designated in UBC's Land Use Plan;

**Distribution Extension:** means an extension or upgrade of the Distribution System, not including the installation of a Service Connection or an Energy Transfer Station, for the provision of Energy Services to Customer(s).

**Distribution System:** means, collectively, the system of water pipes, fittings and ancillary components connecting the central thermal energy plant to the Service Connections.

**Energy Services:** means the provision by the Utility of Thermal Energy via the Thermal Energy System.

**Energy Transfer Station:** means the separate heat exchanger for space heating and domestic hot water (excluding domestic hot water storage tanks), energy meter including temperature sensors and flow meter, control panel and all pipes, fittings and other associated equipment that control the transfer, and measure Thermal Energy from the Distribution System to a Building System.

**Person:** means an individual or his or her legal personal representative, an unincorporated organization or association, or a corporation, partnership, trust, trustee, syndicate, joint venture, limited liability company, union, government agency or other entity or organization.

**Rate Schedule:** means that schedule attached to and forming part of these Terms and Conditions, which sets out the rates for Energy Services and certain related terms and conditions, as amended from time to time by the Utility with the approval of, and as filed with, the British Columbia Utilities Commission.

**Release:** means any release, spill, leak, pumping, pouring, emission, emptying or discharge, injection, escape, leaching, migration, disposal, or dumping.

**Service Connection:** means the system of water pipes and all ancillaries and fittings necessary to connect a Building System to the Distribution System via the Energy Transfer Station.

**Standard Fees and Charges Schedule:** means that schedule attached to and forming part of these Terms and Conditions which sets out certain standard fees and charges which may be charged to the Customer in accordance with these Terms and Conditions.

**Terms and Conditions:** means these Thermal Energy Service Terms & Conditions, including the definitions and schedules hereto, all as amended from time to time by the Utility with the approval of, and as filed with, the British Columbia Utilities Commission.

**Thermal Energy:** means thermal energy for space heating and domestic hot water.

**Thermal Energy System:** means the district energy system by which the Utility delivers Thermal Energy to Customers, including the central thermal energy plant, the Distribution System, the Service Connections and the Energy Transfer Stations.

**Utility:** means Corix Multi-Utility Services Inc. carrying on the business of a Thermal Energy distribution utility.

**Utility's Representatives:** means any Person who is an officer, director, employee, agent, contractor, subcontractor, consultant or advisor of either the Utility or any Affiliate of the Utility.

**Variable Charge:** means a metered charge required to be paid by a Customer for Energy Services during a prescribed period as specified in the Rate Schedule.

## SECTION B - TERMS AND CONDITIONS

### 1. Application for Energy Services

The Utility will provide Energy Services to Customers solely in accordance with these Terms and Conditions. Persons seeking to become Customers must apply for Energy Services in accordance with this Section.

Application for Energy Services can be made in person or in writing. Applicants will be required by the Utility to complete and sign an Application for Service form which, together with these Terms and Conditions, constitutes a Customer Agreement. The Customer Agreement will become binding on the parties thereto only and forthwith upon commencement by the Utility of Energy Services at the relevant Building(s). Applicants may be required to provide reference information and identification acceptable to the Utility in connection with an Application for Service.

If an Applicant is requesting Energy Services at more than one Building, the Utility will determine in its sole discretion whether to consider the Applicant the same Customer for all Buildings or to consider the Applicant a separate Customer for each of the Buildings. If an Applicant is requesting Energy Services for more than one unit, area or premises within the same Building, the Applicant will be considered the same Customer for all such unit(s), area(s) or premises. The Utility intends that there will be no more than one Customer per Building.

The Utility may refuse to provide Energy Services to an Applicant if there is an unpaid account for Energy Services in respect of such Applicant or the relevant Building(s).

### 2. Assignment

A Customer may not assign a Customer Agreement or any of its rights or obligations thereunder without the prior written consent of the Utility, such consent not to be unreasonably withheld. The Utility may assign a Customer Agreement or any of its rights or obligations thereunder (including, without limitation, by way of the sale of the majority of its shares or business or its material assets or by way of an amalgamation, merger or other corporate reorganization) to any of its Affiliates or to any other Person without the consent of the Customer, provided such Affiliate or Person is duly qualified to carry out the Customer Agreement and agrees to be bound by the terms and conditions of the Customer Agreement. Forthwith upon such assignment, the Utility shall be released from its obligations and responsibilities under the Customer Agreement.

### 3. Use of Thermal Energy

A Customer will use Thermal Energy only for space heating and domestic hot water within the Building(s).

Unless authorized by the Utility in writing and in advance, a Customer will not sell or supply to any other Person Thermal Energy provided by the Utility, nor use Thermal Energy supplied by the Utility for any purpose other than as specified in this Section.

### 4. Applicable Rate Schedule

A Customer must not significantly change its connected load without the prior written approval of the Utility. The Utility may conduct periodic reviews of the quantity of Thermal Energy delivered and the rate of delivery of Thermal Energy to a Customer for the purpose of, among other things, determining whether to substitute a more applicable Rate Schedule.

### 5. Ownership and Care of Thermal Energy System

Notwithstanding any degree of annexation or affixation, or rule of law or equity to the contrary, the Utility owns all components of the Thermal Energy System and all additions or extensions thereto will be and remain the property of and vest in the Utility, whether located inside or outside of Building(s). No component of the Thermal Energy System shall be moved or removed from a Customer's lands (whether located inside or outside of Building(s)) without the advance written permission of the Utility. The Utility will not, under any circumstances whatsoever (including, without limitation, if the Utility is not providing Energy Services for any reason or if the

Customer Agreement is terminated for any reason), be required to remove any component of the Thermal Energy System from the Customer's lands (whether located inside or outside of Building(s)).

The Customer will take reasonable care of and protect all components of the Thermal Energy System in, on or under the Customer's lands (whether located inside or outside of Building(s)) against damage and must advise the Utility promptly of any damage to or disappearance of the whole or part of any such component. Further, the Customer will pay to the Utility promptly upon request the cost of any broken, missing or damaged component of the Thermal Energy System (or part thereof), except to the extent that the Customer demonstrates that such component (or part thereof) was broken, missing or damaged due to a defect therein or to any act or omission of the Utility or any of the Utility's Representatives.

#### 6. Meter Reading

The amount of Thermal Energy registered by the Energy Transfer Station during each billing period will be converted to gigajoules and rounded to the nearest one-tenth of a gigajoule.

The interval between consecutive meter readings will be at the sole discretion of the Utility.

The meter will typically be read at monthly intervals.

#### 7. Meter Testing

Any Customer who doubts the accuracy of a meter comprising part of an Energy Transfer Station may request to have the meter tested by the original equipment manufacturer.

If the testing indicates that the meter is recording correctly, the Customer must pay the Utility for the cost of removing, replacing and/or testing the meter as set out in the Standard Fees and Charges Schedule and the reconnection charge as set out in Section 10.

If the meter is found to be inaccurate by the manufacturer, the Utility will incur the cost of removing, replacing and/or testing the meter or (if applicable) refund such costs to the Customer.

#### 8. Maintenance

The Utility will repair, maintain and replace all components of the Thermal Energy System in, on or under the Customer's lands (whether located inside or outside of Building(s)), from time to time at its own cost to keep the same in good working order. For greater certainty, except for the Utility's obligation to repair, maintain and replace such components of the Thermal Energy System as aforesaid, the Utility is not, and will not be, responsible for repairing, maintaining or replacing any other facility or equipment in, on or under a Customer's lands (whether located inside or outside of Building(s)), including without limitation any Building System(s).

The Customer will repair, maintain and replace the Building System in all Building(s) from time to time at its own cost to keep the same in good working order.

#### 9. Connections and Disconnections

No connection, disconnection, reconnection, extension, installation, replacement or any other change is to be made to any component of the Thermal Energy System by anyone except by the Utility's Representatives authorized by the Utility.

#### 10. Energy Services Reconnections

If:

- (a) Energy Services are discontinued to a Customer for any of the reasons specified in Section 16; or
- (b) a Building System is disconnected from the Thermal Energy System or Energy Services are discontinued to a Customer:
  - (i) at the request of the Customer with the approval of the Utility; or

- (ii) to permit a test of a meter at the request of the Customer, which meter is subsequently determined by the Utility to be accurate;

and such Customer or the employee, agent or other representative of such Customer re-applies for Energy Services for the same Building within 12 months of such discontinuance or disconnection (as applicable), then if the Building's Building System is reconnected to the Thermal Energy System or if Energy Services are restored to such Customer, such Customer will pay, as part of fees owing for the first month of Energy Services, a reconnection charge equal to the sum of:

- (c) the costs that the Utility estimates it will incur in reconnecting the Building's Building System to the Thermal Energy System or restoring Energy Services to such Customer; and
- (d) the Basic Charge that such Customer would have paid had Energy Services continued during the period between the date of discontinuance or disconnection (as applicable) and the date of such re-application.

If a Building System is disconnected from the Thermal Energy System or Energy Services are discontinued to a Customer for public safety or Utility service requirement reasons, there will be no reconnection charge to reconnect the Building's Building System to the Thermal Energy System or to restore Energy Services to such Customer.

## 11. Distribution Extensions

The Customer acknowledges the following terms and conditions which will apply to the Utility's determination of whether or not to complete a Distribution Extension in order to assess the economic impact of such Distribution Extension on existing Customers.

- (a) System Expansion. The Utility will complete Distribution Extensions as necessary in accordance with Thermal Energy System development requirements.
- (b) Ownership. All components of Distribution Extensions will be and remain the property of the Utility.
- (c) Economic Test. Applications to extend Energy Services to one or more new Customers will be subject to an economic test, a model which is accepted by the British Columbia Utilities Commission. The economic test will be a discounted cash flow analysis of the projected revenue and costs associated with the Distribution Extension. The Distribution Extension will be deemed to be economic and constructed if the results of the economic test indicate a zero or positive net present value.
- (d) Revenue. The projected revenue used in the economic test will be established by the Utility by:
  - (i) estimating the number of Customers to be served by the Distribution Extension;
  - (ii) establishing consumption estimates for each Customer;
  - (iii) projecting when the new Customers will be connected to the Distribution Extension; and
  - (iv) applying appropriate revenue margins for each Customer's consumption.

The revenue projection will also take into consideration the estimated number and type of Thermal Energy appliances used and the effect of variations in weather conditions on consumption.

- (e) Costs. The costs used in the economic test will include, without limitation:
  - (i) the full projected labour, material, and other costs necessary to serve the new Customers including such costs applicable to new mains (subject to the provisions of this paragraph (e)), Service Connection(s), Energy Transfer Station(s) and related facilities;
  - (ii) the appropriate allocation of Utility overhead associated with construction of the Distribution Extension; and
  - (iii) projected incremental operating and maintenance expenses necessary to serve the new Customers.

In addition to these costs, the economic test will incorporate applicable taxes and the appropriate return on investment as approved by the British Columbia Utilities Commission.

In cases where a larger Thermal Energy distribution main is installed to satisfy anticipated future demand requirements, the difference in cost between the installed, larger main and a smaller main that would be adequate to serve only those Customers supporting the particular application may be eliminated from the economic test.

- (f) Contributions in Aid of Construction. If the economic test results indicate a negative net present value, the Distribution Extension may proceed provided that the shortfall in revenue is eliminated by contributions in aid of construction by or on behalf of Customers to be served by the Distribution Extension, or if there are non-financial factors offsetting the revenue shortfall that are deemed to be acceptable by the British Columbia Utilities Commission, the Utility may finance the contributions in aid of construction for Customers.
- (g) Security. In those situations where the financial viability of a Distribution Extension is uncertain, the Utility may require a security deposit in cash or an equivalent form acceptable to the Utility.

## 12. Billing

- (a) Bills will be rendered to the Customer in accordance with the Customer's Customer Agreement, including the Rate Schedule.
- (b) Subject to paragraph (d) below, if meter readings cannot be obtained for any reason, consumption may be estimated by the Utility for billing purposes and the next bill that is based on actual meter readings will be adjusted for the difference between estimated and actual use over the interval between meter readings.
- (c) If any meter fails to register or registers incorrectly, the consumption may be estimated by the Utility for billing purposes, subject to Section 13.
- (d) If the Customer terminates a Customer Agreement, the final bill rendered to the Customer will be based on an actual meter reading.
- (e) Bills will be rendered as often as deemed necessary by the Utility, but generally on a monthly basis. The due date for payment of bills shown on the face of the bill will be the first business day after:
  - (i) the 21<sup>st</sup> calendar day following the billing date; or
  - (ii) such other period as may be specified in the Application for Service or otherwise agreed in writing by the Customer and the Utility.
- (f) Bills will be paid in the manner specified therein, which may include payment by regular mail, payment at a designated office of the Utility and/or payment by on-line banking or electronic funds transfer.
- (g) Customers requesting historic billing information may be charged the cost of processing and providing this information.

## 13. Back-billing

Minor adjustments to a Customer's bill, such as an estimated bill or an equal payment plan billing, do not require back-billing treatment.

- (a) Back-billing means the re-billing by the Utility for Energy Services rendered to a Customer because the original billings were discovered to be either too high (over-billed) or too low (under-billed). The discovery may be made by either the Customer or the Utility. The cause of the billing error may include any of the following non-exhaustive reasons or combination thereof:

- (i) stopped meter;
  - (ii) metering equipment failure;
  - (iii) inaccurate meter, as determined pursuant to Section 7;
  - (iv) switched meters;
  - (v) double metering;
  - (vi) incorrect meter connections;
  - (vii) incorrect use of any prescribed apparatus respecting the registration of a meter;
  - (viii) incorrect meter multiplier;
  - (ix) the application of an incorrect rate;
  - (x) incorrect reading of meters or data processing; or
  - (xi) tampering, fraud, theft or any other criminal act.
- (b) Where the Customer requests that the meter be tested, the provisions of Section 7 will apply in addition to those set forth in this Section.
- (c) Where metering or billing errors occur and the Customer does not request that the meter be tested, the consumption and demand will be based on the records of the Utility for the Customer or on the Customer's own records to the extent they are available and accurate or, if not available, on reasonable and fair estimates made by the Utility. Such estimates will be on a consistent basis within each Customer class or according to a contract with the Customer, if applicable.
- (d) If there are reasonable grounds to believe that the Customer has tampered with or otherwise used the Thermal Energy or any component of the Thermal Energy System in an unauthorized way, or there is evidence of fraud, theft or another criminal act, back-billing will be applied for the duration of the unauthorized use, subject to the applicable limitation period provided by law, and the provisions of paragraphs (g), (h), (i) and (j) below will not apply.

In addition, the Customer is liable for the direct (unburdened) administrative costs incurred by the Utility in the investigation of any incident of tampering, including the direct costs of repair, or replacement of equipment.

Under-billing resulting from circumstances described in this paragraph (d) will bear interest at the rate specified in the Application for Service on unpaid accounts from the date of the original under-billed invoice until the amount under-billed is paid in full.

- (e) In every case of under-billing or over-billing, the cause of the error will be remedied without delay, and the Customer will be promptly notified of the error and of the effect on the Customer's ongoing bill.
- (f) In every case of over-billing, the Utility will refund to the Customer all money incorrectly collected for the duration of the error, subject to the applicable limitation period provided by law. Simple interest, computed at the short-term bank loan rate applicable to the Utility on a monthly basis, will be paid to the Customer.
- (g) Subject to paragraph (d) above, in every case of under-billing, the Utility will back-bill the Customer for the shorter of:
- (i) the duration of the error; or
  - (ii) one year, or as otherwise agreed by the Customer and the Utility in writing.

- (h) Subject to paragraph (d) above, in every case of under-billing, the Utility will offer the Customer reasonable terms of repayment. If requested by the Customer, the repayment term will be equivalent in length to the back-billing period. The repayment will be interest free and in equal instalments corresponding to the normal billing cycle. Delinquency in payment of such instalments will be subject to the usual late payment charges.
- (i) Subject to paragraph (d) above, if a Customer disputes a portion of a back-billing due to under-billing based upon either consumption, demand or duration of the error, the Utility will not threaten or cause the discontinuance of Energy Services for the Customer's failure to pay that portion of the back-billing, unless there is no reasonable ground for the Customer to dispute that portion of the back-billing. The undisputed portion of the bill will be paid by the Customer and the Utility may threaten or cause the discontinuance of Energy Services if such undisputed portion of the bill is not paid.
- (j) Subject to paragraph (d) above, in all instances of back-billing where changes of occupancy have occurred, the Utility will make a reasonable attempt to locate the former Customer. If, after a period of one year, such Customer cannot be located, the over-billing or under-billing applicable to them will be cancelled.

#### 14. Late Payment Charge And Collection Charge

If the amount due on any bill has not been paid in full on or before the due date shown on such bill, a further bill will be rendered to include the overdue amount plus a late payment charge as set out in the Standard Fees and Charges Schedule. Notwithstanding the due date shown, to allow time for payments made to reach the Utility and to co-ordinate the billing of late payment charges with scheduled billing cycles, the Utility may, in its discretion, waive late payment charges on payments not processed until a number of days after the due date. If the Customer's account is overdue and requires additional effort to collect, the Utility may charge the Customer a collection charge as set out in the Standard Fees and Charges Schedule.

#### 15. Dishonoured Payments Charge

If a cheque received by the Utility from a Customer in payment of any account is returned by the Customer's bank, trust company or financial institution because of insufficient funds (NSF), or any reason other than clerical error, a returned cheque charge as set out in the Standard Fees and Charges Schedule will be added to the amount due and payable by the Customer whether or not the applicable Building System has been disconnected from the Thermal Energy System or Energy Services have been discontinued to the Customer.

#### 16. Refusal to Provide Energy Services and Discontinuance of Energy Services

The Utility may refuse to provide Energy Services to any Applicant, or the Utility may, after having given 48 hours prior written notice, discontinue providing Energy Services to any Customer, who:

- (a) fails to fully pay for any Energy Services provided to any Building(s) on or before the due date for such payment; or
- (b) fails to provide or pay by the applicable date required any security deposit, equivalent form of security or guarantee or any requisite increase thereof.

The Utility may refuse to provide Energy Services to any Applicant, or the Utility may, without having to give any notice, discontinue providing Energy Services to any Customer, who:

- (a) refuses to provide reference information and identification acceptable to the Utility when applying for Energy Services or at any subsequent time on request by the Utility;
- (b) breaches the terms and conditions of the applicable Customer Agreement (including, without limitation, these Terms and Conditions);
- (c) has defective pipes, appliances, or Thermal Energy fittings in any part or parts of Building(s);



- (d) uses the provided Thermal Energy in a manner that, in the opinion of the Utility, may:
  - (i) lead to a dangerous situation; or
  - (ii) cause undue or abnormal fluctuations in the temperature of any component of the Thermal Energy System;
- (e) fails to make modifications or additions to the Customer's equipment as required by the Utility to prevent the danger or control the fluctuations described in paragraph (d) above;
- (f) negligently or fraudulently misrepresents to the Utility its use of Thermal Energy or the Thermal Energy load requirements of, or Thermal Energy volume consumed within and by, any Building(s);
- (g) terminates the applicable Customer Agreement pursuant to Section 20 or causes the termination of the applicable Customer Agreement for any reason; or
- (h) stops consuming Thermal Energy in the Building(s).

The Utility will not be liable for any loss, injury or damage suffered by any Customer by reason of the discontinuation of or refusal to provide Energy Services as set out in this Section.

#### 17. Security for Payment of Bills

- (a) A Customer who has not established or maintained credit to the satisfaction of the Utility may be required to provide a security deposit or equivalent form of security, the amount of which may not exceed the estimated total bill for the two highest consecutive months' consumption of Thermal Energy by the Customer.
- (b) A security deposit or equivalent form of security is not an advance payment.
- (c) The Utility will pay interest on a security deposit at the rate and at the times specified in the Standard Fees and Charges Schedule. If a security deposit is returned to a Customer for any reason, the Utility will credit any accrued interest to the Customer's account at that time. No interest is payable on any unclaimed deposit left with the Utility after the account for which it is security is closed, or on a deposit held by the Utility in a form other than cash.
- (d) A security deposit (plus any accrued interest) will be returned to the Customer after one year of good payment history, or when the Customer's Customer Agreement is terminated pursuant to Section 20, whichever occurs first.
- (e) If a Customer's bill is not paid when due, the Utility may apply all or any part of the Customer's security deposit or equivalent form of security and any accrued interest towards payment of the bill. Under these circumstances, the Utility may still elect to discontinue Energy Services to the Customer for failure to pay for Energy Services.
- (f) If a Customer's security deposit or equivalent form of security is appropriated by the Utility for payment of an unpaid bill, the Customer must re-establish the security deposit or equivalent form of security before the Utility will reconnect or continue Energy Services to the Customer.

#### 18. Account Charge

When a change of Customer occurs, an account charge, as set out in the Standard Fees and Charges Schedule, will be paid by the new Customer with respect to each account in that Customer's name for which a separate bill is rendered by the Utility.

#### 19. Term of Customer Agreement

The initial term of a Customer Agreement will be as follows:

- (a) where a new Service Connection is required to provide Energy Services, five years; or
- (b) where a Distribution Extension is required to provide Energy Services, for a period of time fixed by the Utility but not exceeding the number of years used to calculate the revenue in the Distribution Extension economic test.

The Customer Agreement will thereafter automatically be renewed from year to year unless:

- (a) specified otherwise in a special contract or supplement referred to in Section 28; or
- (b) the Customer Agreement is terminated pursuant to Section 20 below.

## 20. Termination of Customer Agreement

A Customer may, following the initial term specified in Section 19, terminate the applicable Customer Agreement by giving at least 30 days written notice to the Utility at the address specified in the most recent bill rendered to the Customer.

The Customer is not released from any previously existing obligations to the Utility by terminating the Customer Agreement.

The Customer acknowledges and agrees that if it terminates the Customer Agreement pursuant to this Section, the Utility may charge the Customer the full cost of all infrastructure associated with the provision of Energy Services to the Customer if the Utility determines that such charge is necessary to ensure other Customers on the Thermal Energy System are not adversely impacted by such termination.

Notwithstanding any termination by the Customer pursuant to this Section, and without derogating from the generality of Section 5, all components of the Thermal Energy System will remain the property of and vest in the Utility.

## 21. Liability

- (a) The Utility will endeavour to provide a regular and uninterrupted supply of Thermal Energy, but it does not guarantee a constant supply of Thermal Energy or the maintenance of unvaried temperatures. Neither the Utility, nor any of the Utility's Representatives is responsible or liable for any loss, injury (including death), damage or expense incurred by any Customer or any Person claiming by or through a Customer, that is caused by or results from, directly or indirectly, any discontinuance, suspension, or interruption of, or failure or defect in the supply, delivery or transportation of, or any refusal to supply, deliver, or transport Thermal Energy, or provide Energy Services, unless the loss, injury (including death), damage or expense is directly and solely attributable to the gross negligence or wilful misconduct of the Utility or any of the Utility's Representatives, provided however that neither the Utility nor any of the Utility's Representatives is responsible for any loss of profit, loss of revenue or other economic loss, even if the loss is directly attributable to the gross negligence or wilful misconduct of the Utility or any of the Utility's Representatives.
- (b) Energy Services may be temporarily suspended to make repairs or improvements to the Thermal Energy System or in the event of fire, flood or other sudden emergency. The Utility will, whenever reasonably practicable, give notice of such suspension to the Customer and will restore Energy Services as soon as possible. Telephone, newspaper, flyer, radio or other acceptable announcement method may be used for notice purposes. The Utility will not be liable for any loss, injury or damage caused by or arising out of any such suspension of Energy Services.
- (c) The Customer shall bear and retain the risk of, and hereby indemnifies and holds harmless the Utility and all of the Utility's Representatives from, all loss and damage to all components of the Thermal Energy System in, on or under the Customer's lands (whether located inside or outside of Building(s)) except to the extent any loss or damage is directly attributable to the negligence of the Utility or any of

the Utility's Representatives, or is caused by or results from a defect in the Thermal Energy System. The Customer must prove such negligence or defect.

- (d) The Customer agrees to indemnify and hold harmless the Utility and all of the Utility's Representatives from all claims, losses, damages, liabilities, costs, expenses and injury (including death) suffered by the Customer or any person claiming by or through the Customer or any third party and caused by or resulting from the use of the Customer's lands by the Utility as contemplated herein or the use of Thermal Energy by the Customer or the presence of Thermal Energy on or in any part of the Building(s) or from the Customer or the Customer's employees, contractors or agents damaging any component of the Thermal Energy System. This paragraph will survive any termination of the Customer Agreement.
- (e) The Customer acknowledges and agrees that the Utility will not in any way be responsible for any aspect of the design, engineering, permitting, construction or installation of any Building System.
- (f) The Customer will release, indemnify and hold harmless the Utility and all of the Utility's Representatives from any and all liabilities, actions, damages, claims (including remediation cost recovery claims), losses, costs, orders, fines, penalties and expenses whatsoever (including all consulting and legal fees and expenses on a solicitor-client basis) and the costs of removal, treatment, storage and disposal of Contaminants and remediation of the Customer's lands and any affected adjacent property which may be paid by, incurred by or asserted against the Utility or any of the Utility's Representatives arising from or in connection with the presence of Contaminants on, in or under the Customer's lands or any Release or alleged Release of any Contaminants at or from the Customer's lands related to or as a result of the presence of any pre-existing Contaminants at, on, under or in the Customer's lands, including without limitation surface and ground water at the date of the Customer Agreement or as a result at any time of the operations of the Customer or any act or omission of the Customer or its tenants or other occupants or any person for whom it is in law responsible.
- (g) The Customer will obtain and maintain at its own expense appropriate insurance coverage (including property and liability) throughout the term of the Customer Agreement and will provide the Utility with evidence of same upon request.

## 22. Access to Buildings and Equipment

The Utility's Representatives will have, at all reasonable times, free access to all components of the Thermal Energy System in, on or under the Customer's lands (whether located inside or outside of Building(s)) to ascertain the quantity or method of use of Energy Services, as well as for the purpose of reading, testing, repairing or removing the whole or any such component (or part thereof), turning Thermal Energy on or off, conducting system leakage surveys, stopping leaks, and examining pipes, fittings, connections and appliances.

In furtherance of the above, the Customer hereby grants and covenants to secure for the Utility and its subcontractors, agents, employees and representatives, by licenses, statutory rights of way, easements, leases or other agreements, and for nominal consideration, non-exclusive access to, on, over and under the Customer's lands for the purposes of performing its obligations under the Customer Agreement. Without limiting the generality of the foregoing, the Customer will, forthwith upon the Utility's request, grant or cause to be granted to the Utility and duly register in the relevant Land Title Office a statutory right of way in the Utility's standard form in respect of each lot comprising a part of the Customer's lands and otherwise as required to allow the Utility to perform its obligations under the Customer Agreement. Each statutory right of way granted pursuant to this Section will have priority over any financial encumbrance registered against title. For greater certainty, the access granted pursuant to this Section will be adequate, in the sole discretion and determination of the Utility, to allow the Utility to efficiently and effectively carry out its obligations pursuant to the Customer Agreement without undue disturbance or interference from the Customer or any of its contractors, agents, employees or representatives.

The Customer acknowledges and agrees that each statutory right of way, lease or other registrable interest granted pursuant to this Section may be registered by the Utility in the relevant Land Title Office, together with any priority agreements as the Utility may deem necessary or advisable.

To the extent there is a statutory right of way in favour of the Utility registered against the Customer's lands, the Customer hereby covenants and agrees to be bound by, and to comply with, such registered statutory right of way. If there is any inconsistency between the terms and conditions of the Customer Agreement and the terms and conditions of any such statutory right of way, the terms and conditions provided in the Customer Agreement will prevail.

### 23. Curtailement of Energy Services

In the event of a breakdown or failure of any component of the Thermal Energy System, or at any time to comply with the requirements of any law, the Utility will have the right to require any Customer or class or classes of Customers or all its Customers, until notice of termination of the requirement is given, or between specified hours, to discontinue use of Thermal Energy for any purpose or purposes or to reduce in any specified degree or quantity such Customer(s)' consumption of Thermal Energy for any purpose or purposes.

Any such requirement may be communicated to any Customer or Customers or to all Customers by either or both of public notices in the press and announcements over the radio, and may be communicated to any individual Customer by either or both of notice in writing (via e-mail, regular mail or personal delivery, or left at the relevant Building) and oral communication (including by telephone). Any notice of the termination of any such requirement may be communicated similarly.

If in the opinion of any official of the Utility any Customer has failed to comply with any requirement of the Utility communicated in accordance with this Section, the Utility will be at liberty, after notice to the Customer is communicated in accordance with this Section, to discontinue Energy Service to such Customer.

The Utility will not be liable for any loss, injury, damage or expense occasioned to or suffered by any Customer for or by reason of any discontinuance of Energy Services as contemplated by this Section.

### 24. Disturbing Use

All equipment for which Thermal Energy is supplied will be subject to the reasonable approval of the Utility and the Customer will take and use the Thermal Energy so as not to endanger apparatus or cause any undue or abnormal fluctuations on the Thermal Energy System.

The Utility may require the Customer, at the Customer's expense, to provide equipment which will reasonably limit such fluctuations or disturbances and may refuse to supply Thermal Energy or suspend the supply thereof until such equipment is provided.

### 25. Sources of Energy

The Customer acknowledges and agrees that the Utility may, without the need to obtain any approval from the Customer and without any recourse by the Customer, from time to time incorporate other sources of energy or other energy supply systems into the Thermal Energy System, provided the Utility is still able to meet its obligations to the Customer hereunder.

### 26. Taxes

The rates and charges set out in these Terms and Conditions do not include social services tax, goods and services tax, harmonized sales tax or any other tax that the Utility may be lawfully authorized or required to add to its normal rates and charges.

### 27. Rate Schedule

The rates to be charged by, and paid to, the Utility for Energy Services will be the Basic Charge and Variable Charge set out in the Rate Schedule from time to time in effect, which may be inspected during business hours at

the Utility's office in Vancouver, British Columbia and at the office of the British Columbia Utilities Commission in Vancouver, British Columbia.

#### 28. Special Contracts and Supplements

In unusual circumstances, special contracts and supplements to these Terms and Conditions may be negotiated between the Utility and the Customer and submitted for approval by the British Columbia Utilities Commission where:

- (a) a minimum rate or revenue stream is required by the Utility to ensure that the provision of Energy Services to the Customer is economic; or
- (b) factors such as system by-pass opportunities exist or alternative fuel costs are such that a reduced rate is justified to keep or to attach the Customer on the Distribution System.

#### 29. Conflicting Terms and Conditions

Whenever anything in these Terms and Conditions is in conflict with any special terms or conditions provided in any Rate Schedule, the terms or conditions provided in the Rate Schedule will prevail and whenever anything in these Terms and Conditions or in any Rate Schedule is in conflict with the terms of any special contract the terms of such special contract will prevail.

#### 30. Authority of Agents of the Utility

None of the Utility's Representatives has authority to make any promise, agreement or representation not incorporated in a Customer Agreement, and any such unauthorized promise, agreement or representation is not binding on the Utility.

**SECTION C - RATE SCHEDULE**

See attached.

## SECTION D - STANDARD FEES AND CHARGES SCHEDULE

**Account Charge:** **\$25.00**

The Account Charge is a single initial set up charge payable by each Applicant for Energy Services.

### ADMINISTRATIVE CHARGES

**Collection Charge:** **\$45.00**

**Dishonoured Payments Charge:** Equivalent to the Utility's lead bank's NSF charge effective 1 April of each year: currently \$20.00

**Late Payment Charge:** Interest on outstanding balance equal to the lesser of 1.5% per month (19.6 compounded annually) and the maximum legal interest rate allowable.

**Disputed Meter Testing Fees:** Actual costs of removal, replacement and/or testing.

#### Interest on Cash Security Deposit:

The Utility will pay interest on any cash security deposit at the Utility's prime interest rate minus 2%. The Utility's prime interest rate is defined as the floating annual rate of interest which is equal to the rate of interest declared from time to time by the Utility's lead bank as its "prime rate" for loans in Canadian dollars.

Payment of interest will be credited to the Customer's account in January of each year.

## Customer Application

**Corix Multi-Utility Services Inc.**

Corix Customer Care  
re: UBC

Customer Information		
<b>Name:</b>	Account Number:	Office use only
<b>Mailing Address:</b>	<b>Business Telephone:</b>	
<b>City</b> :	<b>Other Telephone:</b>	
<b>Postal Code:</b>	<b>Email:</b>	

Service Location Address (if different to above)	
	<b>Possession Date:</b>

Energy Service Information (office use only)	
Billing Start Date: Start Meter Reading: Meter Serial #: Install Date: Total Floor Area (metre <sup>2</sup> )	

Termination Notice (office use only)	
Reason for Termination	Date to Terminate On: _____
<input type="checkbox"/> New Application Received	<input type="checkbox"/> Termination Requested
<input type="checkbox"/> Non-Payment of Utilities	

**AGREEMENT:**

I/WE AFFIRM THAT THE INFORMATION CONTAINED IN THIS APPLICATION IS CORRECT AND I/WE UNDERSTAND THAT THE TERMS OF SERVICE REQUIRE PAYMENT IN FULL OF ALL ACCOUNTS WITHIN 21 DAYS (UNLESS OTHERWISE STATED IN WRITING) OF INVOICE DATE AND I/WE UNDERSTAND THAT INTEREST ON OVERDUE ACCOUNTS SHALL BE AT THE RATE STIPULATED ON THE INVOICE OR IF NO RATE IS STIPULATED AT A RATE EQUAL TO THE LESSOR OF 1.5% PER MONTH (19.6% COMPOUNDED ANNUALLY) AND THE MAXIMUM LEGAL INTEREST RATE ALLOWABLE. THE APPLICANT(S) CONSENT(S) TO CORIX (1) USING THE APPLICANT'S PERSONAL INFORMATION (INCLUDING FINANCIALLY-RELATED INFORMATION) WHEN IT IS NECESSARY IN ORDER TO SERVE THE APPLICANT AS A CUSTOMER, TO MEET LEGAL AND REGULATORY REQUIREMENTS, AND FOR INTERNAL AUDIT, STATISTICAL AND RECORD-KEEPING PURPOSES; AND (2) OBTAINING ANY REPORTS, INCLUDING ANY CREDIT, BACKGROUND AND OTHER PERSONAL INFORMATION ABOUT APPLICANT THAT CORIX DEEMS NECESSARY FROM ANY THIRD PARTIES INCLUDING CREDIT BUREAUS AND REPORTING AGENCIES OR OTHER CREDIT GRANTORS, AND CONSENTS TO THE DISCLOSURE AND EXCHANGE OF SUCH INFORMATION BY AND AMONG CORIX AND SUCH THIRD PARTIES (INCLUDING CREDIT AGENCIES AND BUREAUS AND OTHER CREDIT GRANTORS) FOR THE PURPOSES OF EVALUATING THE APPLICANT'S ELIGIBILITY FOR SERVICES THAT ARE REQUESTED BY APPLICANT.

THE UNDERSIGNED, BY APPLYING FOR SERVICE AND SIGNING THIS APPLICATION, ACKNOWLEDGES AN OBLIGATION TO PAY FOR SERVICES PROVIDED BY CORIX IN ACCORDANCE WITH THIS APPLICATION AND ALL APPLICABLE TERMS AND CONDITIONS AND RATES AND CHARGES AND TO BE BOUND BY AND COMPLY WITH ALL APPLICABLE TERMS AND CONDITIONS AND RATES AND CHARGES AS AMENDED OR REPEALED FROM TIME TO TIME AND AVAILABLE FOR INSPECTION AT CORIX'S OFFICE IN VANCOUVER, BRITISH COLUMBIA.

Date: \_\_\_\_\_ Signature: \_\_\_\_\_ Printed: \_\_\_\_\_



**SCHEDULE B**  
**DESIGN GUIDE FOR COMPATIBILITY WITH DISTRICT ENERGY**  
**Current as of the date of this Agreement - Attached**



- District Energy at UTown@UBC

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*Design Guide for Compatibility with District Energy*

Final Issued April 30, 2013

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## ● Definitions

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BAS	Building Automation System
CEC	Central Energy Centre
DE	District Energy
DE-Connected	Buildings that are connected to DE immediately (prior to commissioning).
Delta T; $\Delta T$	Temperature Difference
DE-Ready	New buildings that are designed and constructed to be compatible with DE, but do not initially receive DE service. DE-Ready buildings become DE-Connected upon connection to the DEU.
DEU	District Energy Utility
DHW	Domestic Hot Water
DPS	Distribution Piping System
ETS	Energy Transfer Station
GHG	Greenhouse Gas
HVAC	Heating, Ventilation & Air-Conditioning
UBC	University of British Columbia

## **1. Document Purpose**

---

The University of British Columbia (UBC) is committed to sustainability using District Energy (DE) to serve space heating and the domestic hot water needs of buildings in UTown@UBC.

This document provides preliminary information to developers, building owners, engineers and architects to tailor their designs to DEU conditions, thereby optimizing the benefits of the District Energy Utility (DEU). Corix and UBC will work closely with the developers of new buildings and their Heating, Ventilation & Air-Conditioning (HVAC) engineers to ensure good design integration between buildings and the DEU.

The developer and developer's mechanical engineers must collaborate with UBC and Corix on the HVAC and plumbing design in accordance with this document prior to issuance of the Building Permit.

## **2. Introduction to District Energy**

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### **a. What is District Energy?**

District Energy (DE), also known as Community Energy, Neighbourhood Energy, and District Heating, is a system that distributes thermal energy, typically in the form of hot water, from a central energy centre through a network of buried piping to individual customer buildings. The DEU interfaces indirectly via heat exchangers with the buildings' space heating and domestic hot water systems. No other heat sources are required.

The DEU will generally supply heat for all space heating and hot water demands in new buildings in UTown. The DEU may also connect existing buildings within UTown.

The DEU consists of three main systems:

1. Central Energy Centre(s) (CEC) – the energy source
2. Distribution Piping System (DPS) – the network
3. Energy Transfer Stations (ETS) – the building interface

### **b. Benefits of District Energy**

#### ***Sustainability***

DE is the result of a cooperative effort between local communities and developers to provide heating for a community in an efficient and sustainable way, balancing factors such as cost, exposure to fuel price fluctuations, reliability, and local Greenhouse Gas (GHG) emissions. This ultimately benefits society as a whole.

#### ***Reducing Reliance on Fossil Fuels***

Over the past 50 years, many communities around the world have realized significant reductions in fossil fuel consumption as a result of district energy. This is achieved by supplementing or replacing fossil fuel with renewable sources, sometimes later in a DE system's development.

#### ***Stable Energy Costs***

The capability of DE to access alternate and renewable energy is a crucial advantage. The business-as-usual approach locks building owners into long-term dependency on fossil fuels and electricity for their heating. In contrast, fuel switching and the implementation of the latest, most efficient technologies are far simpler, more accessible and more cost effective for a DEU.

### ***Direct Advantages of DE Service to Developers & Building Owners***

1. Simplified building design & reduced building capital and operating cost (relative to stand-alone hydronic heating).
2. Buildings are free from fired heat sources and combustible fuels, and less water treatment chemicals are required.
3. More floor space is available due to the smaller footprint of the heating equipment, plus no boiler stacks will be required.
4. Eliminating heating equipment from the building eliminates risks associated with operating and maintaining that equipment.
5. The risks associated with delivering heat are transferred to the DEU, while the Owner benefits from the assured cost of reliable service from the DEU.
6. DE is more reliable than in-building or in-suite mechanical systems and is quieter, safer and more resilient.
7. Mechanical system service calls are less frequent with no boilers or heat pumps on site.
8. Electrical service can be downsized compared to electrical resistance heating.

### **c. Energy Sources for the DEU**

DEU customer buildings are heated by hot water supplied by one or more CEC. The CEC's may employ different technologies to produce hot water; this will likely evolve over time in response to changing market conditions, technologies and social concerns.

Alternate energy technologies with reduced environmental impact are targeted for the UTown DEU. Once a baseload alternate energy source is implemented, natural gas boilers will provide peak heating and reliable backup capacity to ensure full and uninterrupted service to customers.

### **d. Cost of District Energy**

Capital costs of DE are financed through rate recovery from customers. Upon commencement of service, charges are expected to be competitive with conventional heating costs. In the medium and longer term, DEU charges will be more stable and less sensitive to changes in electricity and natural gas prices.

As with conventional systems, the Developer / building owner is responsible for the in-building hydronic system.

See Section 4 on page 12 for more details on customer requirements.

## **Building Heating System Design Implications**

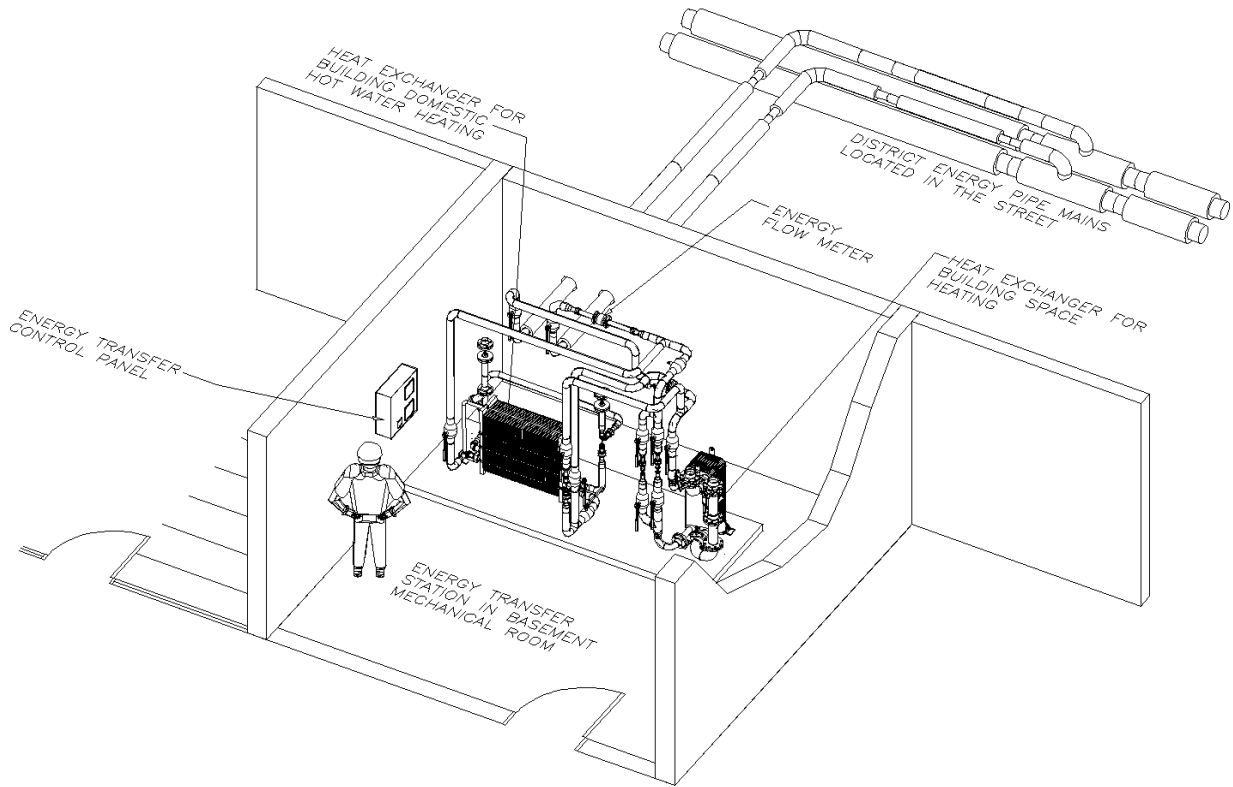
Developers are required to heat their buildings using hot water only, but have flexibility in designing the building internal heating systems in accordance with their preferences and specific requirements. The building hydronic space heating winter design temperatures cannot exceed 70°C supply and 45°C return. The domestic hot water supply temperature may remain at up to 60°C year round. The building designers will receive support and guidance from UBC in designing their HVAC systems to derive the most benefit from the DES. See Section 5 on page 17 for more details.

### **e. Energy Transfer Station Space Requirements**

The DEU designs and installs the necessary pipes, heat exchangers, associated controls, and energy meters to interface with the building heating systems. This equipment, referred to as the Energy Transfer Station (ETS), is owned and operated by the DEU and located inside the customer's building. ETS's are preferably located in the basement or parkade, and typically occupy approximately 20% of the space of a conventional boiler plant. The ETS can be located within the same mechanical room as the building heating and domestic hot water system equipment. See FIGURE 1 below as an example of a typical ETS located at an exterior wall near the DPS mains in the street. See Section 4 on page 11 for more details on mechanical room requirements.

The DEU distribution pipelines are buried in the roads throughout UTown. Branch lines from the DEU distribution pipelines connect to each building's ETS.

FIGURE 1: TYPICAL ETS INSTALLATION IN BUILDING BASEMENT



### f. DE-Ready Buildings

Some buildings in UTown@UBC will not be immediately connected to the DEU, but must still be compatible with the system. These “DE-Ready” buildings require their own natural gas boilers to serve space heating and DHW requirements. DE-Ready buildings are designed such that they can readily connect to the DEU in the future, which includes compatibility of the HVAC and plumbing systems and provision for future installation of DE equipment and interface with the building mechanical systems.



### **3. DEU Description**

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#### **a. Central Energy Centre(s)**

As with many other recent DE systems, the UTown DEU will be implemented in phases. An alternative energy source is expected to be introduced when justified by system development. This alternative energy source will serve base load requirements of the system and likely deliver the majority of the annual heating energy. Natural gas boilers will continue to provide peak heating and reliable backup capacity to ensure full and uninterrupted service to customers.

Production equipment and controls will be state-of-the-art, based on the best of today's commercially proven technology. Alternative energy conversion technologies will be continually evaluated in light of new opportunities and changing circumstances. The DE infrastructure will be designed to facilitate the future use of new renewable energy sources for heating and power.

Prior to final commissioning of any new connected building, the DEU will be capable of serving 100% of its thermal energy requirements from either temporary or permanent energy supply facilities.

The DEU will have a higher level of reliability than is generally found in standalone heating systems in individual homes or commercial and multi-use residential buildings.

#### **b. Thermal Distribution Piping System**

The DEU involves a closed loop two-pipe hot water distribution network: the same water is heated in the CEC, distributed to the buildings, through the ETS, and returned back to the CEC to be reheated and redistributed. No water is drained or lost in the system, and no additional water is required during normal operation.

The DPS is composed of an all-welded, pre-insulated direct bury piping system in UTown streets. The DPS is designed based on the size and location of customer buildings and CEC's. Distribution network modelling is completed to optimize system performance and efficiency, and to ensure that all customers will always receive sufficient thermal energy.

Variable speed pumps located at the CEC control flow through the DPS to maintain sufficient pressure and flow at every ETS. The DE supply temperature is automatically adjusted based on the outdoor air temperature (OAT), but is never less than 65°C, such that it can always serve all domestic hot water (DHW) loads directly<sup>1</sup>.

Achieving a large temperature difference (delta T;  $\Delta T$ ) between DEU supply and return water is critical to system operation. Low DE return water temperature is important for the optimal use of renewable and low-grade heat sources. DE return temperature is a function of the HVAC systems in customer buildings; hence, it is crucial for the utility to ensure that buildings connected to the system meet performance requirements.

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<sup>1</sup> I.e. without requiring other heat sources to elevate the temperature to meet the requirements of the building.

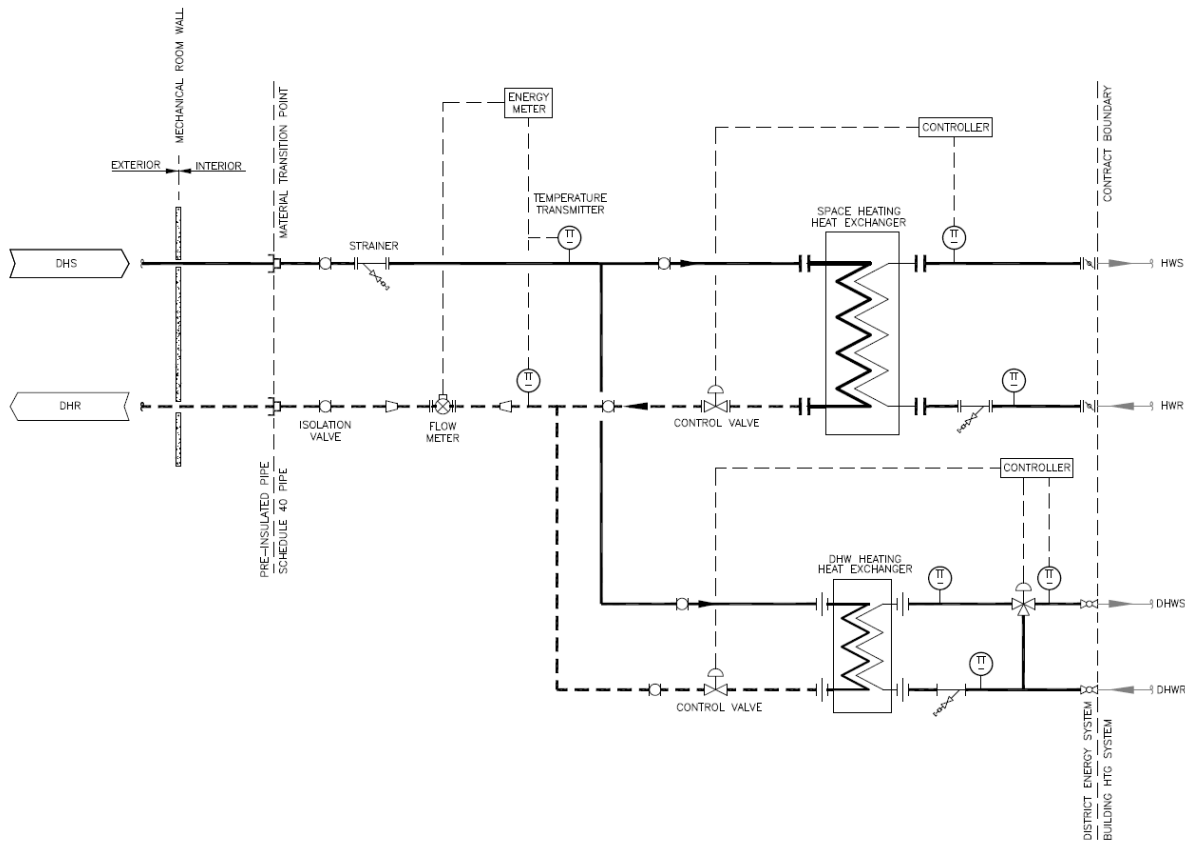
### **c. Energy Transfer Stations**

Each DE-Connected building houses an ETS that is owned by the DEU. The key components of an ETS include:

- DE supply and return pipes from the building penetration (interface with distribution system);
- Heat exchangers to transfer heat to the building's hydronic heating and DHW systems;
- Controls to regulate the flow required to meet the building's energy demand and maintain DEU return temperatures; and,
- Energy meters to monitor the energy used by each customer for billing and system optimization purposes.

ETS's generally have two heat exchangers: one for space heating, and a second to directly serve DHW. As shown in Figure 2 on page 10, flow through the primary (DE) side of the ETS is controlled to achieve the building's supply temperature set point.

FIGURE 2: TYPICAL ETS FLOW SCHEMATIC



- ### Thermal Energy Metering

Thermal energy metering is an important component of the ETS. Thermal energy meters consist of high quality and accurate components that meet current Canadian and international thermal energy metering standards: a flow meter, temperature sensors on both supply and return pipes, and an integrator / calculator.

The energy meter collects data on water flow, cumulative energy, peak demand, and temperatures. Data from each meter is transmitted to a central DEU computer for utility billing purposes and to monitor and optimize performance of the DEU and customer buildings.

### d. DE-Ready Buildings

DE-Ready buildings are not connected to the DEU. They do not house an ETS, though are required to provide space for future installation of an ETS. Provision must be made for future installation of an ETS and service lines through the building foundation to the ETS.

DE-Ready buildings provide their own thermal energy for space heating and DHW using natural gas boilers. This equipment is the sole responsibility of the building. UBC will provide guidance and support to ensure that DE-Ready buildings meet all DE compatibility requirements.

## 4. Division of Responsibility

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The following section outlines the responsibilities of the Developer and the District Energy utility to ensure efficient and seamless integration of the DEU into the customer building, and to ensure full compatibility for DE-Ready buildings.

### a. Developer's Responsibility

#### ▪ HVAC System

The building developer is responsible for designing and installing the building HVAC systems. There are some differences and similarities with conventional systems, as explained below.

The following conventional building elements are not required for DE-Connected buildings<sup>2</sup>:

- Boilers, furnaces, heat pumps, domestic hot water heaters or any other heat production equipment.
- Auxiliaries to heating systems such as stacks and breeching.
- Natural gas service.

The building will require internal thermal distribution systems, including:

- Internal distribution pumps and piping (i.e. a hydronic space heating distribution loop)
- Heating elements such as fan-coil units, air handling unit coils, and/or perimeter (baseboard) or in-floor radiant heating systems.
- All building heating requirements are to be supplied by DEU. Exceptions will be reviewed on a case-by-case basis.

The following are some design conditions that are specific to district energy:

- DE-Connected buildings host branch (service) lines from the DPS. The DEU branch lines enter the building, similar to other utilities, and transfer heat to the ETS.
- The building owner and DEU agree on a suitable location for the ETS. The ETS invariably requires less space than comparable heat production equipment (e.g. boilers) that the ETS displaces. To reduce DEU piping inside the building, the ETS should be located as close as possible to the DEU branch pipeline entering the building – generally on an exterior wall in the basement of the building, nearest to the main district energy pipe.

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<sup>2</sup> DE-Ready buildings will require this equipment to serve space and DHW heating requirements. However, heat pumps are not permitted in DE-Ready buildings.

- The DEU operates most effectively and efficiently with the use of low temperatures in the building heating systems.

Section 5 on page 17 discusses specific requirements of the hydronic space heating and DHW systems for compatibility with hot water district heating.

The DEU reviews the HVAC and plumbing design of each building, but is not responsible for the design (which is executed by the builder). The DEU may make suggestions as necessary to ensure appropriate integration with the DEU.

### **1. Use of Heat Recovery from Cooling**

1. Developers that plan to employ cooling systems within their buildings may wish to utilize heat recovery systems. This practice is considered suitable under the following conditions:

- Passive heat recovery systems (i.e. systems that do not use heat pumps) may be used continuously;
- Active heat recovery systems (i.e. systems that use heat pumps to recover heat) should be used only when the building is in cooling mode;
- Use of heat pump compressors in heating-only configurations is not acceptable;
- Use of heat recovery systems should not result in changes to the standard approach to servicing buildings from the NDES; and
- Heat recovery systems should be used only to improve overall building energy performance, and not to displace heat that would otherwise be purchased from the district energy utility.

### **2. Use of Other On-Site Alternative Energy Systems**

2. Sources of on-site heating energy other than heat recovery from cooling are not acceptable, as these would displace energy that would otherwise be provided by the district energy utility. However, other types of non-thermal on-site energy production, including photovoltaic systems would be considered acceptable. Examples of systems that are not acceptable include, but are not limited to:

- Gas or wood fireplaces;
- 2-pipe water-source heat pumps for heating;
- Sewer drain heat recovery devices that use heat pumps;
- Biomass-fired boilers;
- Air-source heat pumps; and
- Geoexchange systems.

3.

### **Installation and Operation Contract Boundary**

The customer is responsible for all piping and other components necessary to connect the hydronic heating and DHW systems to the ETS at the agreed demarcation point for the service boundary on the secondary side of the heat exchangers. This demarcation point will be clearly marked on the DEU engineering drawings for the ETS. A typical example is shown in Figure 2 on page 10.

DE-Ready buildings are responsible for all equipment within their building, including boilers for space heating and DHW; there is no DE demarcation point. Delineation from the DEU will be determined at time of connection to DE. DE-Ready buildings must provide full-size tees and isolation valves for future connection of the hydronic heating and DHW system to an ETS.

- **Preparation of Building for DE Service**

All customers (including both DE-Connected and DE-Ready buildings) will provide suitable space for the installation of the ETS, including space for service lines and interconnecting piping, in a mechanical room in an agreed-upon location. The ETS should generally be located at an exterior wall facing the street, in the first underground level (parkade).

The ETS room shall be ventilated and maintained at a temperature between 10°C and 35°C. A floor drain connected to the sanitary sewer system should be provided in the ETS room, as well as a domestic water source. A dedicated 15A 120V electrical service, with a lockable breaker, is required to power the ETS control panel. Allowance should be made in the Building Automation System (BAS), if applicable, to provide heating pump on/off status to the ETS control panel. If a BAS is not planned for the building then the DEU will directly monitor the heating pump on/off status via a hardwire connection. As well, one 20mm electrical metallic tubing (EMT) conduit from the ETS room to a north facing exterior wall is required for the outdoor air temperature sensor wiring.

The footprint of an ETS depends on a number of factors, including customer load, number of heat exchangers, configuration of the hydronic heating and DHW systems, and specific restrictions within the customer building. Generally, a typical ETS requires between 4 and 10 m<sup>2</sup> of floor space, with a minimum ceiling height of 2.7 m. The customer should provide a concrete housekeeping pad of the required size, on which the ETS heat exchangers are installed.

The customer is responsible for the DE service line building or foundation penetration, which meets the requirements of the DEU (size of opening, etc.) The exact location of the penetration will be agreed upon by the customer and DEU. The DEU will produce a penetration drawing during the detailed design stage. DE-Connected building penetrations may be core drilled (after foundation construction) or sleeved (during foundation construction). DE-Ready buildings will have cored penetrations installed at the time of DE connection. The DE utility installs the service line and seals the opening.

The DEU may also install one or more plastic (PVC or PE) conduits into the customer building to facilitate remote communication with the ETS. Communication allows for remote controls and monitoring of the ETS, as well as remote reading of the energy meter. The customer is also responsible for providing and maintaining the penetration for communication conduit(s).

The DEU will require uninterrupted access to the ETS and service line within a customer's building for installation, regular maintenance and repairs. This may be defined by an easement with UBC or a service contract directly with the DEU.

- **Hydronic Heating Water Quality & Expansion**

Building owners are responsible for filling and managing their own building hot water heating system. The DEU requires that water treatment for the building system meet the minimum criteria set forth below:

Chloride:	< 30 ppm
Nitrate:	< 5%
Hardness:	< 2 ppm
pH Level:	9.5-10
Iron	< 1 ppm

The customer shall employ the services of a water treatment subcontractor to provide the necessary chemicals, materials and supervision for a complete cleaning and flushing of all piping to the ETS demarcation point. ETS start-up and commissioning will only occur after acceptable water quality analysis results have been obtained. Certification from the water treatment contractor verifying that the water quality is adequate is required before the customer can flow water through the ETS.

Upon request by the customer, and with suitable compensation, the ongoing water quality may be maintained by the DEU.

Building owners will manage the expansion of the water in their own hot water system(s).

- **Commissioning**

Prior to commissioning of the ETS, the building owner shall flush and clean the building's internal hot water system. During commissioning, the building operator is responsible for the building's internal hot water system.

- **Changes to the Building System**

The Customer shall not materially change the design or substitute any pertinent equipment during the installation without approval from the DEU. After commissioning, any changes to the building's hydronic or DHW system that may impact DEU performance shall be reported to the DEU.

- **DE-Ready Buildings**

DE-Ready buildings are responsible for design, installation, commissioning, operation, and maintenance of all systems within their building, including all boilers. The DEU has no responsibilities within DE-Ready buildings.

## **b. DEU Responsibility**

### **▪ DEU Equipment within DE-Connected Buildings**

The DEU designs, installs, operates and maintains the ETS at the agreed-upon location. The DEU installs and maintains the primary (DE) distribution pipes up to the ETS. Branch pre-insulated pipelines are generally direct buried from the mainline to the building penetration. From that point, DE piping runs inside the building to the ETS.

The DEU provides strainers on the DE and building side at each heat exchanger, which are cleaned as necessary. The DEU services the energy metering equipment and verifies accuracy at regular intervals per manufacturers' recommendations.

The DEU provides temperature transmitters, pressure gauges, temperature gauges, thermowells, control valves, energy meters, and a control panels for the ETS. Temperature transmitters for the secondary side of the heat exchangers are also provided to facilitate monitoring and control of the building side heating and DHW systems.

### **▪ Make-up Water - District Energy Side**

The DEU provides the make-up water requirements for the DE system side. All necessary water treatment is accomplished at the CEC.

### **▪ Commissioning**

The DEU personnel, together with the building operator, commission the ETS. This includes flushing of the distribution system until clean as judged by DEU's water treatment contractor and start-up of control equipment.



## 5. Requirements for Building Heating Systems

This section summarizes technical requirements for hydronic space heating and domestic hot water systems for new developments at UTown. This section applies to both DE-Connected and DE-Ready buildings. The information provided in this document should be regarded as a general guideline only, and the developer's Engineer shall be responsible for the final building-specific design. The DEU will provide technical assistance to developers to improve integration of the customer building with the DEU. Heating system schematics, layouts, equipment schedules and sequence of operation or control strategies are required to assist in the DEU review process.

### a. Design Strategies

The following table identifies the key elements or strategies that should be followed when designing the building heating system.

Strategy	Reason
Centralized hydronic system	<ul style="list-style-type: none"> <li>• Water has four times the specific heating capacity of air.</li> <li>• Benefits from system load diversification.</li> <li>• Reduces utility interconnect costs.</li> <li>• Minimizes structural borne noise.</li> </ul>
Low <sup>3</sup> supply temperatures	<ul style="list-style-type: none"> <li>• Allows use of more energy efficient options to be employed.</li> <li>• Allows use of lower grade energy sources.</li> </ul>
Large temperature differentials	<ul style="list-style-type: none"> <li>• Reduce piping capital cost.</li> <li>• Reduce pumping capital &amp; operating costs.</li> </ul>
Variable flow with variable frequency drives	<ul style="list-style-type: none"> <li>• Reduces pumping operating costs.</li> <li>• Improves system control.</li> </ul>
Two-way control valves	<ul style="list-style-type: none"> <li>• Necessary to achieve variable flow and a large temperature differential.</li> </ul>

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<sup>3</sup> "Low" relative to traditional building HVAC design, which is typically >80°C on the building side of the ETS. The DEU is referred to as a "medium" temperature water system since it supplies water from 65°C up to 95°C and needs to be higher than the building side temperature.

Seasonal reset of supply temperatures	<ul style="list-style-type: none"> <li>• Improves energy efficiency.</li> <li>• Improves system control.</li> </ul>
Return temperature limiting	<ul style="list-style-type: none"> <li>• Improves energy efficiency.</li> </ul>
Direct Digital Control System	<ul style="list-style-type: none"> <li>• Allows more accurate control and greater control flexibility.</li> <li>• Potential opportunities for energy savings.</li> </ul>
Night setback settings & recovery times	<ul style="list-style-type: none"> <li>• Minimize equipment sizes by allowing reasonable recovery times.</li> <li>• Maximize recovery times from unoccupied to occupied mode.</li> </ul>

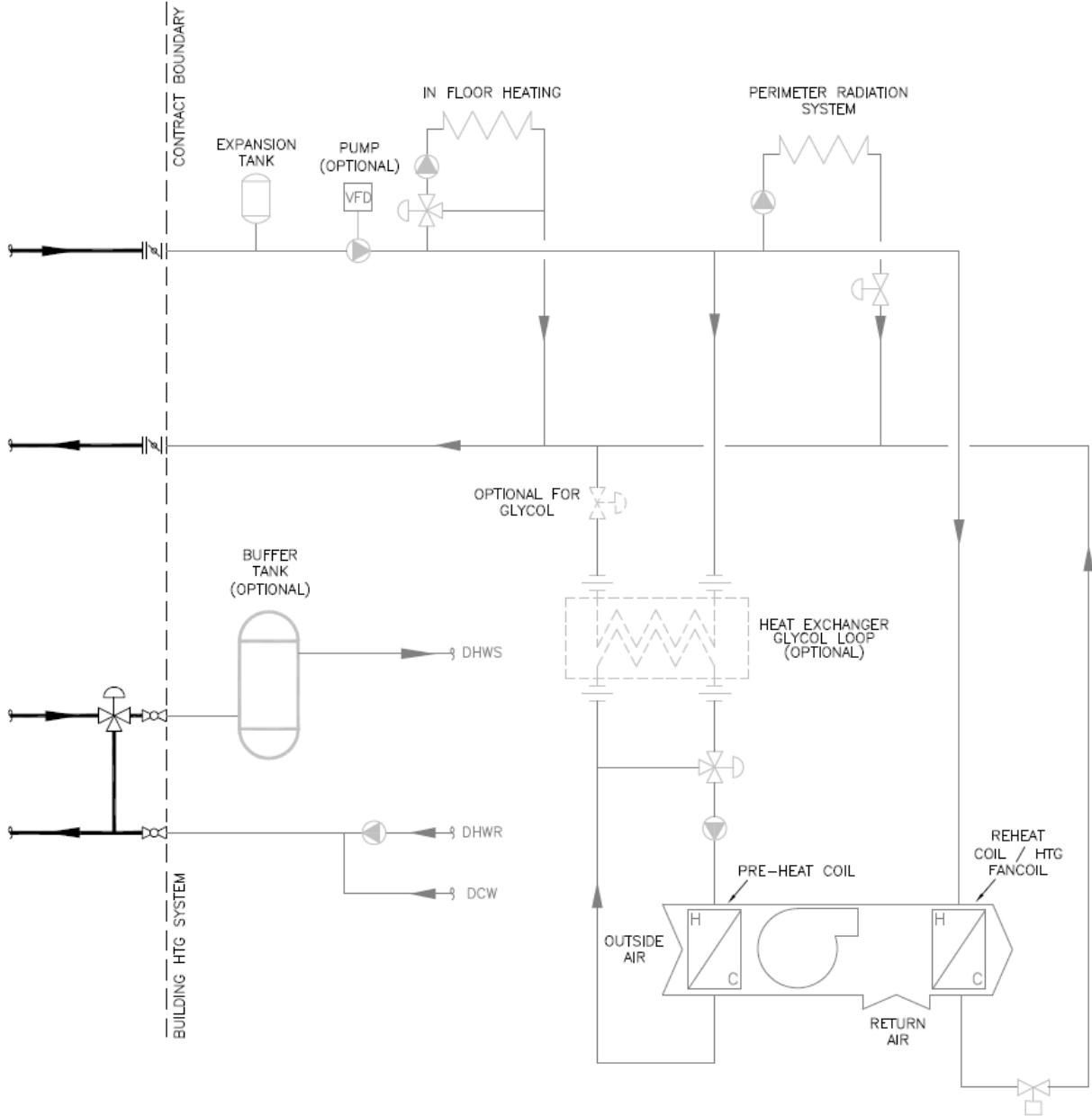
## **b. Pumping and Control Strategy**

The building hydronic heating system shall be designed to maximize  $\Delta T$  and minimize hot water return temperatures over all conditions.

The building heating system should be designed for variable hydronic flow (preferably with variable speed pumps to minimize pumping energy), using 2-way modulating (or on/off) control valves at terminal units (radiators, fan coil units, etc.) Alternatively, 3-way mixing valves at terminal units may be used. Bypass valves (e.g. 3-way bypass valves) are not permitted. See FIGURE 3 below for typical hydronic heating system configurations.

DE-Ready buildings may employ a primary-secondary system with a lower  $\Delta T$  (i.e. higher flow rate) and constant-speed pumps on the boiler loop. Any primary boiler loop will be abandoned when the building is connected to the DEU; the ETS will be connected directly to the hydronic secondary loop.

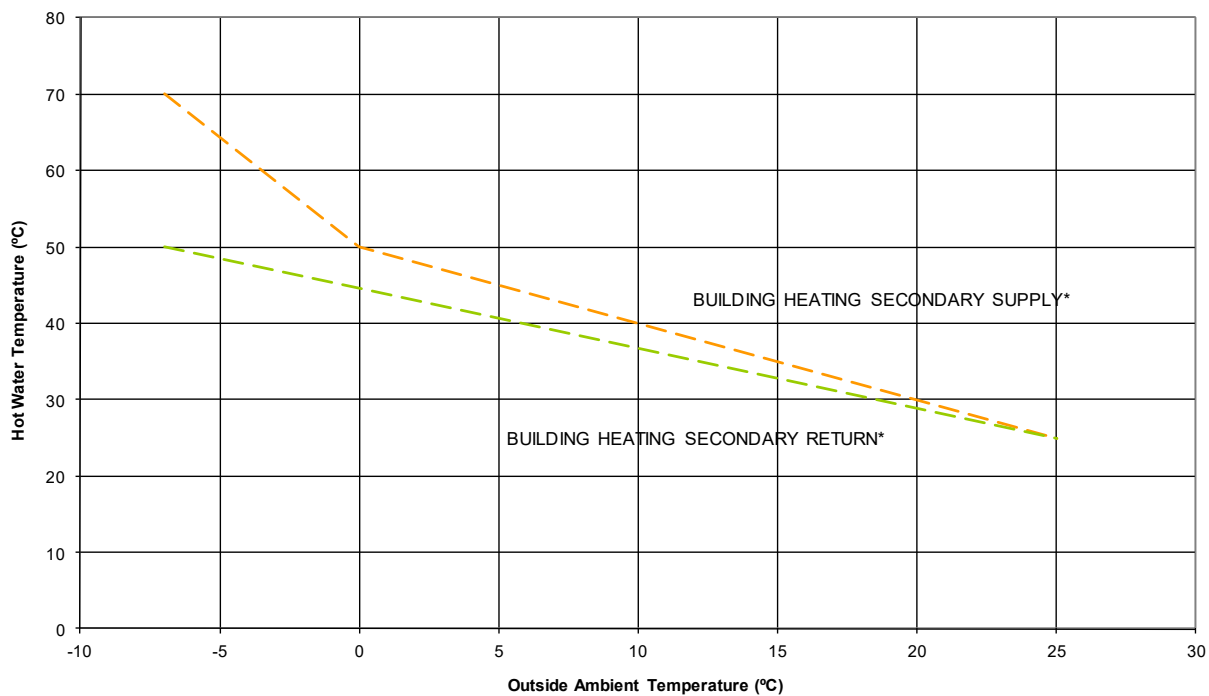
FIGURE 3: TYPICAL BUILDING HEATING SYSTEMS



### c. Hydronic Space Heating and Domestic Hot Water Systems (Minimum Requirements)

Optimization of the hydronic heating system temperature difference or  $\Delta T$  is critical to the successful operation of the DEU. The ETS controls the supply water temperature to the hydronic circuit (i.e. the temperature of the water leaving the space heating heat exchanger) based on an outside air temperature reset schedule. This is the maximum temperature available to the building hydronic circuit. A sample hydronic heating circuit supply and return temperature reset curve is shown in FIGURE 4 below.

FIGURE 4: TYPICAL TEMPERATURE RESET CURVE FOR VANCOUVER



\* - Space heating only, direct primary DHW heating with Max. 60°C DHWS.

#### ▪ Hydronic Space Heating

The hydronic heating system shall be designed to provide **all** space heating and ventilation air heating requirements for the whole building, supplied from a central ETS (or boilers, for DE-Ready buildings). Gas fired ventilation equipment (roof top units, air handling units, etc.) and electric baseboards are not permitted.

Hot water generated by the ETS (or boiler for DE-Ready buildings) shall be distributed, via a 2-pipe system, to the various heating elements (terminal units) throughout the building. The building (secondary) heating system **must** be designed for temperatures no greater than those specified below.

<b>Hydronic Space Heating System Temperatures (Building Side)</b>		
	<i>Peak Winter</i>	<i>Summer</i>
Supply Temperature, <b>Max.</b>	70°C (160°F)	45°C (113°F)
Return Temperature, <b>Max.</b>	45°C (113°F)	40°C (105°F)
Min. Difference ( $\Delta T$ )	20°C (40°F)	5°C (10°F)
Design Pressure	≤1600 kPa	≤1600 kPa
<b>Domestic Hot Water Heating System Temperatures (Building Side)</b>		
	<i>Winter</i>	<i>Summer</i>
Supply Temperature (with storage), <b>Max.</b>	60°C (140°F)	60°C (140°F)
Supply Temperature (no storage), <b>Max.</b>	55°C (130°F)	55°C (130°F)

The specified differential temperature ( $\Delta T$ ) shall be regarded as a minimum requirement, and larger  $\Delta T$  and/or lower return temperatures are desirable. The building return temperatures must be kept to a minimum to allow the DEU to take advantage of alternate technologies.

Specific types of heating systems (i.e. terminal units) can operate at lower temperatures. The terminal units must be selected based on temperatures as low as can be reasonably expected. The table below outlines maximum hot water supply (HWS) and hot water return (HWR) temperatures for which terminal units should be designed and selected.

<b>Type of Terminal Unit</b>	<b>Maximum HWS</b>	<b>Maximum HWR</b>
Radiant in-floor heating	50°C (120°F)	38°C (100°F)
Perimeter radiation system	70°C (160°F)	45°C (113°F)
Fan coil units & reheat coils <sup>4</sup>	70°C (160°F)	45°C (113°F)
Air handling pre-heat coils	65°C (150°F)	45°C (113°F)

- **Domestic Hot Water**

<sup>4</sup> If unit heaters or forced flow heaters are considered, these should follow the fan coil design recommendations.

The Domestic Hot Water (DHW) system shall be designed to provide all DHW requirements for the building, supplied from a dedicated DHW heat exchanger from the ETS in the building. The DE utility understands that DHW systems generally must operate at 60°C (140°F) and the utility is able to supply this temperature to all buildings at all times.

DHW systems should be designed in a semi-instantaneous configuration. All domestic cold water (DCW) should enter the DHW system immediately before the ETS heat exchanger. Reducing storage capacity and recirculation requirements results in space and cost savings. Capital costs for the system are lower, maintenance requirements are reduced, and replacement costs when equipment reaches end of life are lower. With less storage capacity, the DHW has shorter residence time in the building, reducing the chance of bacteria growth such as Legionella.

In a semi-instantaneous system, the storage capacity is small. In such a system, storage tanks act as “buffer tanks” only; and there is no recirculation from DHW storage tanks directly back to the heat exchanger. This configuration requires 60°C (140°F) supply temperature.

DE-Ready buildings may employ alternate DHW configurations, as long as it is served from the same mechanical room as the space heating boilers (i.e. the future ETS room). However, provision shall be made for semi-instantaneous DHW service by the DE heat exchangers when the building is connected to the DEU. This includes providing full-size tees and isolation valves for future connection to the DE heat exchanger in a semi-instantaneous configuration.

**- END OF DOCUMENT -**

**SCHEDULE C**  
**FORM OF FINAL THERMAL ENERGY DELIVERY PARAMETERS**

In accordance with Section 3.1 of the Corix UBC NDES Energy Services Agreement (the “Agreement”) dated the [INSERT] between CORIX MULTI-UTILITY SERVICES INC. (“Corix”) and [NAME OF DEVELOPER] (the “Developer”), Corix and the Developer wish to record their mutual agreement that: the design, construction and operation parameters for the Building System will be as provided in the table below; and the location of the Corix-owned Energy Transfer Station in the Building and the of the Corix-owned Service Connection routing on the Developer Lands will each be as shown on the attached drawing [INSERT REFERENCE].

<b><u>Design Parameters</u></b>	<b><u>Space Heating</u></b>	<b><u>Domestic Hot Water</u></b>
Building System required energy loads (at peak design conditions) (kW)	[INSERT]	[INSERT]
Building System to be designed to deliver maximum return temperatures on the Building System side of the heat exchanger(s) at peak design conditions above (°C)	[INSERT]	[INSERT]
Infrastructure servicing the Developer Lands to be designed to deliver maximum supply temperatures on the Building System side of the heat exchanger(s) at peak design conditions above (°C)	[INSERT]	[INSERT]
Building System side space heating Energy Transfer Station temperature reset schedule	[INSERT]°C at [INSERT]°C outdoor air temperature (OAT) and [INSERT]°C at [INSERT]°C (OAT)	N/A

Any capitalized terms used herein which are not otherwise defined will have the meanings given to them in the Agreement.

**CORIX MULTI-UTILITY SERVICES INC.**

Per: \_\_\_\_\_

Name:

Title:

Date:

**[DEVELOPER]**

Per: \_\_\_\_\_

Name:

Title:

Date:

Approved by **[DEVELOPER'S ENGINEER]**

Per: \_\_\_\_\_

Name:

Title:

Date:



**SCHEDULE D**  
**FORM OF STATUTORY RIGHT OF WAY**

LAND TITLE ACT

FORM C

(Section 233)

Province of  
British Columbia

GENERAL INSTRUMENT – PART 1

(This area for Land Title Office use)

Page 2 of 81

pages

1. **APPLICATION:** (Name, address, phone number and signature of applicant, applicant’s solicitor or agent)

2. **PARCEL IDENTIFIER(S) AND LEGAL DESCRIPTION(S) OF LAND:**

(PID) (LEGAL DESCRIPTION)  
[INSERT] [INSERT]

3. **NATURE OF INTEREST:**

DESCRIPTION	DOCUMENT REFERENCE	PERSON ENTITLED TO INTEREST
SEE SCHEDULE		

4. **TERMS:** Part 2 of this instrument consists of (select only one)

- |                                 |                                     |                            |
|---------------------------------|-------------------------------------|----------------------------|
| (a) Filed Standard Charge Terms | <input type="checkbox"/>            | D.F. No.                   |
| (b) Express Charge Terms        | <input checked="" type="checkbox"/> | Annexed as Part 2          |
| (c) Release instrument.         | <input type="checkbox"/>            | There is no Part 2 of this |

A selection of (a) includes any additional or modified terms referred to in Item 7 or in a schedule annexed to this instrument. If (c) is selected, the charge described in Item 3 is released or discharged as a charge on the land described in Item 2.

5. **TRANSFEROR(S):**

SEE SCHEDULE

6. **TRANSFeree(S):**

CORIX MULTI-UTILITY SERVICES INC. (Inc. No. BC0560353), 1160 – 1188 West Georgia Street, Vancouver, BC V6E 4A2

7. **ADDITIONAL OR MODIFIED TERMS:** N/A

8. **EXECUTIONS(S):** This instrument creates, assigns, modifies, enlarges, discharges or governs the priority of the interest(s) described in Item 3 and the Transferor(s) and every other signatory agree to be bound by this instrument, and acknowledge(s) receipt of a true copy of the filed standard charge terms, if any.

**Execution Date**

Officer Signature

Y	M	D
---	---	---

Party(ies) Signature(s)

\_\_\_\_\_

--	--	--

**[DEVELOPER/TENANT]**  
by its authorized signatory(ies)

\_\_\_\_\_  
Name:

**OFFICER CERTIFICATION:**Your signature constitutes a representation that you are a solicitor, notary public or other person authorized by the *Evidence Act*, R.S.B.C. 1996, c. 124, to take affidavits for use in British Columbia and certifies the matters set out in Part 5 of the *Land Title Act* as they pertain to the execution of this instrument.

*LAND TITLE ACT*  
**FORM D**  
**EXECUTIONS CONTINUED**

Page 3 of 81 pages

**Execution Date**

Officer Signature

\_\_\_\_\_

Y	M	D
---	---	---

Party(ies) Signature(s)

**CORIX MULTI-UTILITY SERVICES INC.**  
**(Inc. No. BC0560353)**  
by its authorized signatory(ies)

\_\_\_\_\_  
Name:

**OFFICER CERTIFICATION:**  
Your signature constitutes a representation that you are a solicitor, notary public or other person authorized by the *Evidence Act*, R.S.B.C. 1996, c. 124, to take affidavits for use in British Columbia and certifies the matters set out in Part 5 of the *Land Title Act* as they pertain to the execution of this instrument.

**Execution  
Date**

Officer Signature

\_\_\_\_\_

Officer Signature

\_\_\_\_\_

Y	M	D

Party(ies) Signature(s)

**As to Priority:**  
**[DEVELOPER'S/TENANT'S BANK]**  
by its authorized signatory(ies)

\_\_\_\_\_  
Name:

**As to Priority:**  
**[Such other parties that need to grant  
priority, if any]**  
by its authorized signatory(ies)

\_\_\_\_\_  
Name:

**OFFICER CERTIFICATION:**

Your signature constitutes a representation that you are a solicitor, notary public or other person authorized by the *Evidence Act*, R.S.B.C. 1996, c. 124, to take affidavits for use in British Columbia and certifies the matters set out in Part 5 of the *Land Title Act* as they pertain to the execution of this instrument.

LAND TITLE ACT  
FORM E

SCHEDULE

Page 5 of 81 pages

ENTER THE REQUIRED INFORMATION IN THE SAME ORDER AS THE INFORMATION MUST APPEAR ON THE FREEHOLD TRANSFER FORM, MORTGAGE FORM OR GENERAL DOCUMENT FORM.

3. NATURE OF INTEREST:\*

<i>DESCRIPTION</i>	<i>DOCUMENT REFERENCE (page and paragraph)</i>	<i>PERSON ENTITLED TO INTEREST</i>
Statutory Right of Way over leased premises (see Lease No. _____)	Entire Instrument	Transferee
Section 219 Covenant over leased premises (see Lease No. _____)	Page _____, Paragraph _____	Transferee
Priority Agreement granting priority over Mortgage ▼ and Assignment of Rents ▼	Page _____, Paragraph _____	Transferee
[Additional Priority Agreement, if necessary]	Page _____, Paragraph _____	Transferee

5. TRANSFEROR(S):\*

[insert name of Developer/Tenant under the applicable ground lease] [address]

[insert name of Developer's/Tenant's Bank, and such other parties that need to grant priority, if any] [address]  
(as to Priority)

**STATUTORY RIGHT OF WAY and SECTION 219 COVENANT**

BETWEEN:

**[insert name/address of Developer/Tenant  
under the applicable ground lease]**

(the “**Grantor**”)

AND:

**CORIX MULTI-UTILITY SERVICES INC.**

(Inc. No. BC0560353)  
1160 – 1188 West Georgia Street  
Vancouver, British Columbia  
V6E 4A2

(the “**Grantee**”)

AND:

**THE UNIVERSITY OF BRITISH COLUMBIA**

2017 Wesbrook Mall  
Vancouver, British Columbia  
V6E 4A2

(“**UBC**”)

WHEREAS:

- A. The Grantor as lessee has entered into a ground lease (the “**Lease**”) with UBC as lessor in respect of the Grantor’s development of the Lands (as herein defined) which ground lease is registered in the Lower Mainland Land Title Office under No. **[insert]**;
- B. The Lands are located within the the Vancouver campus of The University of British Columbia (the “**UBC Campus**”);
- C. The Grantee owns and operates a centralized neighbourhood district energy service (the “**NDES**”) to provide thermal energy for space heating and domestic hot water (“**Thermal Energy**”) to, *inter alia*, the Grantor’s development on the Lands;
- D. The right of way granted under this Agreement is necessary for the operation and maintenance of the Infrastructure (as herein defined) and the provision of Energy Services (as herein defined) to, *inter alia*, the Grantor’s development on the Lands; and
- E. The Grantor has agreed to grant the Grantee a covenant against the Grantor’s leasehold interest in the Lands in respect of the provision of Energy Services (as herein defined) to the Grantor’s development on the Lands under Section 219 of the *Land Title Act* (British Columbia).

THEREFORE in consideration of the premises, the terms and conditions herein contained, ONE DOLLAR (\$1.00) now paid by the Grantee to the Grantor and other good and valuable consideration, the receipt and sufficiency whereof are hereby acknowledged by the Grantor, the parties agree as follows:

1. Definitions. In this Agreement:

- (a) “**Building**” means the building(s) developed or to be developed by the Grantor on the Lands.
- (b) “**Business Day**” means any day that is not a Saturday, Sunday or a statutory holiday in British Columbia.
- (c) “**Energy Services**” means the provision of Thermal Energy via the Infrastructure.
- (d) “**Fees and Charges**” means all fees and charges established by the Grantee in accordance with Section 4 hereof, as amended and in effect from time to time and approved by the British Columbia Utilities Commission.
- (e) “**Grantee’s Representatives**” means any person who is a Related Person to the Grantee and includes any officer, director, employee, agent, contractor, subcontractor, consultant or advisor of either the Grantee or any person who is a Related Person to the Grantee.
- (f) “**Infrastructure**” means, collectively, the Distribution System, the Energy Transfer Station and the Service Connection, and for such purposes:
  - (i) “**Distribution System**” means, collectively, the system of water pipes, fittings and ancillary components connecting the Grantee’s physical, central thermal energy plant for certain developments within the UBC Campus (including without limitation, the Grantor’s development on the Lands) to the Service Connection;
  - (ii) “**Energy Transfer Station**” means the separate heat exchangers for space heating and domestic hot water (excluding domestic hot water storage tanks), energy meter including temperature sensors and flow meter, control panel and all pipes, fittings and other associated equipment which control the transfer, and measure Thermal Energy from the Distribution System, on the one hand, to the system of water pipes and heat and hot water delivery and storage equipment installed or to be installed by the Grantor in the Building; and
  - (iii) “**Service Connection**” means the system of water pipes and all ancillaries and fittings necessary to connect the Building to the Distribution System via the Energy Transfer Station.
- (g) “**Lands**” means those lands and premises defined in Item 2 of the Form C Instrument General Part 1 of which this Agreement forms part.
- (h) “**person**” means an individual, corporation, body corporate, partnership, joint venture, association, society or unincorporated organization or any trustee, executor, administrator or other legal representative.
- (i) “**Related Person**”, in respect of any person, means:

- (i) any affiliate of such person, within the meaning of the *Business Corporations Act* (British Columbia) or the *Canada Business Corporations Act* (Canada);
- (ii) any associate of such person, within the meaning of *Canada Business Corporations Act* (Canada) or the *Securities Act* (British Columbia); and
- (iii) any partnership, including a limited partnership, in which such person is a partner.

2.0 Statutory Right of Way. Pursuant to Section 218 of the *Land Title Act*, the Grantor hereby grants to the Grantee, for and until the expiry of the term of the Lease, a full and free uninterrupted statutory right of way over the Grantor's leasehold interest in the Lands (the "**Statutory Right of Way Area**"), for the Grantee and the Grantee's Representatives to enter onto the Statutory Right of Way Area at any time and from time to time to:

- (a) construct and install (including without limitation, excavate for such purposes), inspect, maintain, operate, repair, replace and remove the Infrastructure or any portion thereof within or on the Statutory Right of Way Area, including within the Building located on the Statutory Right of Way Area;
- (b) make and remove the Infrastructure service connections and connect and disconnect the Infrastructure service lines;
- (c) clear the Statutory Right of Way Area of any obstructions, including without limitation and to the extent applicable, trees or other vegetation, buildings, structures, foundations, pavements, improvements or obstructions which interfere with any of the rights granted to the Grantee herein;
- (d) install marking post(s) to mark the location of the Infrastructure or any portion thereof;
- (e) generally to do all acts necessary or incidental to the foregoing or to the business of providing Energy Services to the Building on the Lands and operating, maintaining and repairing the Infrastructure within or on the Statutory Right of Way Area; and
- (f) exercise any of the Grantee's other rights set out in this Agreement.

The Grantee agrees to act reasonably when exercising such rights and to use all reasonable efforts to minimize any disruption to the Grantor in connection with the exercise by the Grantee and the Grantee's Representatives of such rights.

2.1 Duties of Grantee. The Grantee covenants and agrees with the Grantor that:

- (a) the Grantee will undertake all activities in connection with the Infrastructure pursuant to this Agreement in a good and workmanlike manner and so as to cause no unnecessary damage or disturbance to the Lands or the Building;
- (b) when exercising its rights under this Agreement, the Grantee will minimize any interruption or disruption to the operations and activities of the Grantor on the Lands and in the Building; and
- (c) except in the case of an emergency situation (in which case no notice will be required), the Grantee will give the Grantor reasonable notice prior to commencing any work on the Lands in relation to the Infrastructure.



- 2.2 Covenants of the Grantor. The Grantor covenants and agrees with the Grantee that the Grantor will:
- (a) allow the Grantee to trim or, if necessary, cut down any tree or other growth on the Lands which in the opinion of the Grantee constitutes or may constitute a danger or obstruction to those using the Lands as permitted herein or to the Infrastructure;
  - (b) permit the Grantee to bring on to the Lands all material and equipment, including motor vehicles, it requires in order to exercise any of the rights granted to the Grantee in this Agreement;
  - (c) permit the Grantee for the period during which the Grantee accepts this grant but not beyond the day if ever on which the Grantee releases this grant, to peaceably hold and enjoy the rights hereby granted; and
  - (d) execute all further documents or things whatsoever for the better assuring unto the Grantee of the statutory right of way hereby granted.
3. Section 219 Covenant. The Grantor acknowledges, covenants and agrees, pursuant to Section 219 of the *Land Title Act*, with the Grantee:
- (a) not to do or knowingly permit to be done on or within the Statutory Right of Way Area, including within the Building or any portion thereof located on the Statutory Right of Way Area, anything which interferes with or damages the Infrastructure or impairs the operation or otherwise adversely impacts the Infrastructure and the provision of Energy Services or creates any hazard. Such acts include, but are not limited to, the acts referred to in this Section 3;
  - (b) not to make, place, erect, operate, use or maintain upon the Statutory Right of Way Area any building, structure, foundation, pavement, excavation, well, culvert, swimming pool, open drain or ditch, pond, pile or material, obstruction, equipment or thing, or to plant any vegetation which:
    - (i) interferes with or endangers the Infrastructure or the installation, construction, operation, maintenance, repair, removal, or replacement of the Infrastructure;
    - (ii) materially obstructs access by the Grantee or the Grantee's Representatives to the Infrastructure; or
    - (iii) creates any hazard by its operation, use, maintenance or existence on the Statutory Right of Way Area;
  - (c) not, and will not permit any other person to diminish nor increase the soil cover over the Infrastructure or any portion thereof installed on, under or across the Lands, including without limiting the foregoing, will not construct or permit the construction of any open drains or ditches above, alongside or across any of the Infrastructure installed on, under or across the Lands, without the prior written consent of the Grantee;
  - (d) not, and will not permit any other person to erect, place or install any pipe or other conduit within a distance of three (3) meters of the Infrastructure or any portion thereof, if such pipe or conduit or the material conveyed therein is reasonably likely to be

vulnerable to damage or reduced operability or effectiveness from freezing, unless measures reasonably satisfactory to the Grantee are taken to adequately protect the pipe or conduit;

- (e) not to carry out blasting on or next to the Statutory Right of Way Area without the prior written consent of the Grantee and if such consent is granted, only in accordance with the written requirements of the Grantee;
  - (f) not to itself supply or install or allow any other person to install works similar to the Infrastructure or any other system that would supply Energy Services or domestic hot water and/or space heating to the Building or any portion thereof located on the Lands; and
  - (g) to act reasonably and cooperate with the Grantee in connection with the provision by the Grantee of Energy Services to the building(s) on the Lands and, without limiting the generality of the foregoing, the Grantor will ensure that the Grantee has reasonable access to the Infrastructure and any part thereof on the Statutory Right of Way Area at all times.
4. Fees and Charges. The Grantee will establish a schedule of Fees and Charges which will be payable by the Grantor and others in connection with the Grantee's provision of Energy Services, as approved from time to time by the British Columbia Utilities Commission. The Grantor will pay all taxes and charges payable on all such Fees and Charges.
  5. Payment. The Grantor covenants and agrees with the Grantee that the Grantor and all persons deriving title from the Grantor will at all times pay to the Grantee the Fees and Charges (and any interest thereon) from time to time established by the Grantee and approved by the British Columbia Utilities Commission at the times and in the manner required for payment.
  6. Timing of Payment / Late Charges. The Fees and Charges will be payable by the Grantor in accordance with the servicing/customer agreement to be entered into between the Grantor and the Grantee . If any such amount is not paid when due, the Grantor will be required to pay any late payment charge established by the Grantee in accordance with such agreement.
  7. Certificate of Payment. Within 10 days of any written request by the Grantor, the Grantee will issue a written certificate to the Grantor or any lender to or purchaser from the Grantor, certifying the amount outstanding under this Agreement as of the date of the certificate. The Grantor will be required to pay in advance the Grantee's reasonable fee for the issuance of any such certificate.
  8. Application for Service. The Grantor will connect each Building to the Infrastructure and will apply in advance to the Grantee for any connection to the Grantee's Infrastructure, using the form established by the Grantee for such purpose, and the Grantor will provide the Grantee with any information and documentation required by the Grantee in connection therewith.
  9. Suspension of Service. The Grantee will have the right to temporarily suspend the provision of Energy Services to the Building in order to carry out any repairs or improvements in respect of the Grantee's Infrastructure, as determined by the Grantee in its absolute discretion, or in the event of fire, flood or other sudden emergency, provided that any interruption of service will be minimized as much as reasonably practicable. Whenever reasonably practicable, the Grantee will give notice of any such suspension and will restore service as soon as possible but in no

event shall the Grantee be liable to the Grantor for any costs, losses or damages that the Grantor might suffer during the suspension of service.

10. No Requirement to do Works, pay Fees, etc. This Agreement does not in any way require the Grantee to provide any works or services whatsoever to the Lands or the Building, to construct, install, inspect, clean, maintain, repair, replace or remove any works or improvements whatsoever within or in respect of the Lands or the Building, or to pay any fee or other amount whatsoever in connection with this Agreement, unless the Grantee is expressly required to do so under the terms of this Agreement or under any other agreement in writing.
11. Subdivision / Effect of Agreement. This Agreement and the rights herein granted will run with the Grantor's leasehold interest in the Lands and each part into which the Lands may be subdivided, whether by subdivision plan, strata plan or otherwise howsoever, and the term "Grantor" includes the owner of each leasehold interest in each subdivided portion of the Lands and the successors in title thereof. Without limiting the foregoing, any amount payable hereunder will run with the Grantor's leasehold interest in the Lands and each part into which the Lands may be subdivided. Notwithstanding any other provision of this Agreement, in the event that the Lands are subdivided by means of a leasehold strata plan pursuant to the *Strata Property Act*:
  - (a) the "Grantor" under this Agreement shall be the strata corporation created by the filing of such strata plan and the individual owners of the strata lots created by such strata plan shall have no obligations or liabilities under this Agreement other than as members of the strata corporation;
  - (b) the statutory right of way and section 219 covenant granted pursuant to this Agreement are intended to apply to and burden only the common property created by such strata plan and not at any time to burden any strata lot or the owner of any strata lot; and
  - (c) upon the request of and at the expense of the Grantor or any strata lot owner, the Grantee will execute and deliver in registrable form a discharge of this Agreement from any such strata lot.
12. Application to Strata Corporation. Without limiting anything set out in this Agreement, any strata corporation created in respect of any portion of the Lands will be a "Grantor" and will be bound by all of the terms and conditions of this Agreement and any common property created by any leasehold strata plan in respect of any portion of the Lands will remain as part of the "Lands" and will be subject to this Agreement.
13. Assessment of Strata Corporation. If at any time the Lands or any portion thereof are stratified by a leasehold strata plan, the Grantee may levy the Fees and Charges to the strata corporation created in respect of such strata plan and the strata corporation will pay the Fees and Charges so levied.
14. Grantee's Remedies. The Grantor hereby agrees that:
  - (a) The Grantee may, after having given the Grantor 48 hours prior written notice, discontinue providing Energy Services to the Building and/or to the Grantor if the Grantor:

- (i) fails to fully pay for any Energy Services provided to the Building on or before the due date for such payment; or
  - (ii) fails to provide or pay by the applicable date required any security deposit, equivalent form of security or guarantee or any requisite increase thereof;
- (b) The Grantee may, without having to give the Grantor notice, discontinue providing Energy Services to the Building and/or to the Grantor, if the Grantor:
- (i) refuses to provide reference information and identification acceptable to the Grantee when applying for service or at any subsequent time on request by the Grantee;
  - (ii) breaches the terms and conditions upon which service is provided by the Grantee, including without limitation, the terms and conditions of the applicable customer agreement;
  - (iii) breaches any material term or condition of this Agreement;
  - (iv) has defective pipes, appliances or service connections and fittings in any part or parts of the Building;
  - (v) uses the provided Thermal Energy in a manner that, in the opinion of the Grantee, may:
    - a. lead to a dangerous situation, or
    - b. cause undue or abnormal fluctuations in the temperature of the Infrastructure;
  - (vi) fails to make modifications or additions to the Grantor's equipment as required by the Grantee to prevent the danger or control the fluctuations described in sub-paragraph (v) above;
  - (vii) negligently or fraudulently misrepresents to the Grantee its use of Thermal Energy or the Thermal Energy load requirements of, or Thermal Energy volume consumed within and by, the Building;
  - (viii) terminates or causes the termination of the applicable customer agreement; or
  - (ix) stops consuming Thermal Energy in the Building,

and the Grantee will not be liable for any loss, injury or damage suffered by the Grantor by reason of the discontinuation of service as contemplated in Sections 14(a) and 14(b) above.

- (c) In addition to the above provisions for enforcement of the payments due under this Agreement, the Grantee may, at its option, bring or take legal action against the Grantor for payment in any court of competent jurisdiction.
- (d) The Grantor will be liable and pay for all of the Grantee's costs in connection with the enforcement of this Agreement, including, without limitation, all legal fees and disbursements on a solicitor and own client basis.

15. Injunctive Relief. The Grantor acknowledges and agrees that, without limiting any other right or remedy of the Grantee, the Grantee may obtain from a court of competent jurisdiction injunctive relief in respect of any breach or anticipated breach by the Grantor of any of the Grantor's duties or obligations under this Agreement.
16. Remedies Cumulative. All rights and remedies of the Grantee under this Agreement are cumulative and are in addition to and do not exclude any other right or remedy provided in this Agreement or otherwise allowed by law. All rights and remedies of the Grantee may be exercised concurrently, without the Grantee making any election, but will not give rise to duplicative liability of the Grantor.
17. Amendment. Except as expressly set out herein, this Agreement may only be amended by an agreement in writing signed by the Grantee and the Grantor. No modification or amendment of any provision of this Agreement will be inferred from anything done or omitted by any of the parties except by an express agreement in writing duly executed and delivered by all of the parties.
18. No Waiver. No condoning, excusing or overlooking of any default nor any delay in proceeding or failure to proceed in the case of any default under this Agreement will operate as a waiver of or otherwise affect in any way any rights or remedies under this Agreement or at law. No waiver of any rights or remedies will be inferred from anything done or omitted to be done by any party except by an express waiver in writing. No waiver in respect of any matter or thing will operate as a waiver in respect of any other matter or thing.
19. Governing Law. This Agreement will be governed by and interpreted in accordance with the laws of in force in the Province of British Columbia, which is the proper law hereof, and the courts of British Columbia will have the exclusive jurisdiction with respect to all matters arising under or in respect of this Agreement.
20. Time of the Essence. Time is of the essence of this Agreement and will remain of the essence notwithstanding any extension of time given under or in connection with this Agreement.
21. Notices. All notices under this Agreement must be given in writing and delivered in accordance with this provision. The parties agree that:
  - (a) any notice to the Grantor may be sent to the Grantor's address according to Land Title Office records in respect of the Grantor's leasehold interest in the Lands or delivered to the Grantor; and
  - (b) all notices to the Grantee must be sent to the Grantee at the address set out above or such other address as the Grantee may notify the Grantor in accordance with the terms hereof at any time and from time to time.

If any portion of the Lands is stratified by a strata plan (including a bare land strata plan), any notice in respect of such stratified lands will be sufficiently given if given to the strata corporation and it will not be necessary to give notice to all of the owners of strata lots within the strata plan. Notices will be sent by personal delivery, electronic transmission (including by fax) or by registered mail. Notices will be deemed to have been delivered (i) upon delivery, if delivered by hand, (ii) upon receipt, if sent by electronic transmission, or (iii) on the fifth Business Day after the mailing thereof, if sent by registered mail from a post office in British Columbia. In any court proceedings, any notice may be given in accordance with any

requirements for service provided for pursuant to the Supreme Court Rules of the Province of British Columbia.

22. Grantee's Licences and Authorizations. The Grantee may grant to any other person a licence or other agreement, authorizing such person to exercise any right granted to the Grantee pursuant to this Agreement.
23. Assignment by Grantee. The Grantee may assign this Agreement provided any such assignee satisfies any requirements set out in Sections 218 and 219 of the *Land Title Act* (British Columbia) and having first obtained any requisite ministerial approval. The Grantor hereby consents to any such assignment and agrees that upon the assignment of this Agreement by the Grantee, the Grantee will be released from any and all further duties and obligations arising under this Agreement which arise after the time of such assignment.
24. Further Assurances. The Grantor will execute and deliver any further agreement, document or instrument and do and perform any further act or thing as may be required by the Grantee at any time and from time to time in order to evidence or give full force and effect to the terms, conditions and intent of this Agreement.
25. Ownership of Infrastructure. Notwithstanding any degree of annexation or affixation, or rule of law or equity to the contrary, all components of the Infrastructure and additions or extensions thereto will be and remain the property of and vest in the Grantee, and the Grantee may, but shall not be obligated to, remove any or all such all components of the Infrastructure and additions or extensions thereto on termination of this Agreement.
26. Release of Grantor. For greater certainty, no person who has been "Grantor" will be liable for any breach of this Agreement occurring after such person has ceased to be an owner of, or a strata corporation with respect to, a leasehold interest of any part of the Lands.

IN WITNESS WHEREOF the parties hereto have executed and delivered this Agreement by signing on the *Land Title Act* Form C and Form D attached hereto, and in the case of UBC, by signing below.

UBC as the registered owner of the Lands hereby consents to the statutory right of way and section 219 covenant granted pursuant to this Agreement (the "**Grantee's Charges**"). In addition, UBC agrees that the Grantee's Charges are derived from and in respect of the Grantor's leasehold interest in the Lands pursuant to the Lease and in this regard, if such Lease is terminated and/or released and discharged from title to the Lands prior to the expiry of the original term of such Lease, UBC covenants and agrees to:

- (a) use commercially reasonable efforts to cause any replacement ground lease tenant to grant to the Grantee a replacement statutory right of way and section 219 covenant on substantially the same terms and conditions as contained in this Agreement (the "**Replacement SRW**") over such tenant's leasehold interest; or
- (b) if there is no replacement ground lease tenant, to grant to the Grantee, subject to first obtaining any requisite ministerial approval, the Replacement SRW over the Lands,

in the event that the Grantee continues to own and operate the NDES at such time.

**THE UNIVERSITY OF BRITISH COLUMBIA**

Per: \_\_\_\_\_  
Authorized Signatory

## PRIORITY CONSENT

For One Dollar (\$1.00) and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged and agreed to by ● [Bank] (the “**Chargeholder**”), being the holder of Mortgage ● and Assignment of Rents ● (collectively, the “**Charges**”), hereby approves and consents to the granting of the Statutory Right of Way and the Section 219 Covenant (collectively, the “**Encumbrances**”) attached, and consents and agrees that the Encumbrances shall be binding upon the Chargeholder’s interest in or charge upon the leasehold interest in the Lands evidenced by Lease No. \_\_\_\_\_ and shall be encumbrances upon such leasehold interest in the Lands in priority to the Charges in the same manner and to the same effect as if the Encumbrances had been granted and registered against such leasehold interest in the Lands prior to the dating, execution and registration of the Charges and the advance of any monies thereunder.

IN WITNESS WHEREOF the Chargeholder has executed this priority agreement by causing its proper officers to sign the *Land Title Act* Form D attached hereto.

**- END OF DOCUMENT -**

**SCHEDULE E**  
**DEVELOPER-PROVIDED ENERGY TRANSFER STATION REQUIREMENTS**

Requirements to facilitate the Project Infrastructure Work:



**SCHEDULE F**  
**SUPPLEMENTARY TERMS AND CONDITIONS OF CONSTRUCTION USE**

Upon use by the Developer of Energy Services for purposes related to ongoing construction work on the Developer Lands, in accordance with Section 7.3, the following terms apply in addition to the Thermal Energy Service Terms & Conditions comprising part of the Customer Agreement (Schedule A).

**To be determined.**