

ASSIGNMENT OF OPTION AGREEMENT

THIS ASSIGNMENT OF OPTION AGREEMENT (the “**Agreement**”) made as of _____, 2019 (the “**Effective Date**”)

BETWEEN:

BRUCE POWER L.P., by its general partner
BRUCE POWER INC.

(the “**Assignor**”)

- and -

**THE CORPORATION OF THE MUNICIPALITY OF
KINCARDINE**

(the “**Assignee**”)

RECITALS:

- A. Pursuant to an option to purchase agreement made as of the 9th day of March, 2017 between Ontario Peninsula Farms Ltd. (the “**Optionor**”), as optionor, and the Assignor, as optionee, as amended, extended, modified, supplemented and partially assigned by: (a) an option to purchase amending agreement dated July 20, 2017; (b) an option to purchase second amending agreement dated August 24, 2017; (c) an option to purchase amending agreement dated September 1, 2017; (d) an option to purchase fourth amending agreement dated October 25, 2017; (e) an option to purchase fifth amending agreement dated November 20, 2017; (f) an option to purchase sixth amending agreement dated July 17, 2018; and (g) the Partial Assignment Agreement (as defined below); (collectively, the “**Option Agreement**”) the Optionor, as registered owner of the Property and as optionor, granted the Assignor, as optionee, the option to purchase the Property, or any specified portion or portions thereof selected by the Assignor, in its sole discretion, all in accordance with the terms and conditions contained in the Option Agreement.
- B. Pursuant to a partial assignment and assumption of option agreement dated June 4, 2019 (the “**Partial Assignment Agreement**”) between the Optionor, as optionor, the Assignor, as optionee under the Option Agreement and partial assignor, and Bruce County Housing Corporation (“**BCHC**”), as partial assignee, the parties agreed, *inter alia*, to partially assign the Option Agreement as it relates to the Proposed BCHC Property (as defined in the Partial Assignment Agreement) to BCHC, all in accordance with the terms and conditions contained in the Partial Assignment Agreement.
- C. Pursuant to Section 34 of the Option Agreement, Bruce Power is entitled to assign the Option Agreement, subject to the assignee executing and delivering an agreement whereby the assignee assumes the obligations of the optionee under the Option Agreement.

- D. The Assignor and the Assignee wish to enter into this Agreement to provide for the assignment by the Assignor of its entire interest in, and all rights, covenants, obligations and liabilities under, the Option Agreement to the Assignee, all in accordance with the provisions of this Agreement.

NOW THEREFORE, in consideration of the sum of Two Dollars (\$2.00) paid by each of the parties hereto to the others and for other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged), the parties hereto covenant and agree as follows:

1. Unless otherwise defined herein, initially capitalized terms used in this Agreement (including the recitals) shall have the same meanings given to them in the Option Agreement.
2. As of the Effective Date, the Assignor transfers and assigns to the Assignee all of the Assignor's rights, covenants, obligations and liabilities under the Option Agreement and all benefits derived or to be derived therefrom (including, without limitation, credit for payment of the Option Payment thereunder), with full power and authority to exercise the Option or otherwise enforce any of the rights and remedies of the Assignor contained therein.
3. As of the Effective Date, the Assignee assumes all of the rights, covenants, obligations and liabilities of the Assignor under the Option Agreement and covenants and agrees with the Assignor that from and after the Effective Date it shall observe and perform (and be bound by) all of the provisions contained in the Option Agreement to be observed and performed by (and that are binding upon) the Assignor on and after the Effective Date in the same manner and to the same extent as if the Assignee had been the original optionee under the Option Agreement.
4. The Assignee represents, warrants, acknowledges, covenants and agrees in favour of the Assignor as follows:
 - (a) The Assignee has received and reviewed the Option Agreement (including, without limitation, the Partial Assignment Agreement) and is satisfied with its review thereof.
 - (b) The Assignee acknowledges that, pursuant to an exercise notice dated November 17, 2017 delivered pursuant to the Option Agreement by the Assignor, as optionee, to the Optionor, and the Purchase Agreement that resulted therefrom in accordance with the provisions of the Option Agreement, the Assignor acquired, and is currently the registered owner of, the lands and premises legally described as Part of Lot 16, Concession A Kincardine designated as Part 3, 3R-10042; subject to an easement in gross over Part 2, 3R-10072 as in BR134587; Municipality of Kincardine, being all of PIN 33303-0876 (LT) (the "**Bruce Power Lands**"). As a result of the foregoing: (a) the Property subject to the Option Agreement no longer includes the Bruce Power Lands; and (b) the Assignee shall not be entitled to any credits in respect of the Option Payment against the Purchase Price payable by the Assignee in respect of the exercise of the option to purchase any Option Lands.
 - (c) The Assignee acknowledges that, pursuant to an exercise notice dated September 13, 2019 delivered pursuant to the Partial Assignment Agreement by BCHC, as optionor under the Partial Assignment Agreement, to the Optionor, and the Purchase

Agreement that resulted therefrom in accordance with the provisions of the Partial Assignment Agreement and the Option Agreement, BCHC acquired, and is currently the registered owner of, the lands and premises legally described as Part of Lots 16 and 17 Concession A Kincardine designated as Parts 1 and 2, 3R-10266; Part of Lot 17 Concession A Kincardine designated as Part 4, 3R-10266; Municipality of Kincardine (the “**BCHC Lands**”). As a result of the foregoing, the Property subject to the Option Agreement no longer includes the BCHC Lands.

- (d) In entering into this Agreement and assuming the Option Agreement in accordance with the provisions hereof, the Assignee has relied and will continue to rely entirely and solely upon its own inspections and investigations with respect to the Option Agreement and the Property including, without limitation, the physical and environmental condition of the Property, and the Assignee acknowledges that it is not relying on any information furnished by the Assignor or any other person or entities on behalf of or at the direction of the Assignor in connection therewith, and that the Assignor is not making any representations or warranties of any kind whatsoever as to the accuracy, currency or completeness of any such information.
- (e) The Option Agreement is being assigned by the Assignor and is being assumed by the Assignee on an “as is, where is” basis as of the Effective Date without any express or implied agreement, representation or warranty of any kind whatsoever from the Assignor, including without limitation as to the Property or to the title, condition, area, suitability for development, physical characteristics, profitability, use or zoning, the existence of latent defects, any environmental matter or the quality thereof, or as to the accuracy, currency or completeness of any information or documentation supplied or to be supplied in connection with the Option Agreement, this Agreement or the Property.

Except as otherwise expressly set out herein, the Assignor shall not have any obligation or responsibility to the Assignee after the Effective Date with respect to any matter relating to the Option Agreement or the Property or the condition thereof. The provisions of this Section 4 shall not merge on, but shall survive the assignment and assumption of the Option Agreement on the Effective Date.

- 5. The Assignee further acknowledges and agrees that the Assignor shall have no obligations or liabilities of any kind whatsoever in respect of the Option Agreement or the Property. In furtherance of the foregoing:
 - (a) The Assignee and its related and affiliated corporations, subsidiaries, predecessors and each of their respective past, present and future officers and directors, employees, agents and assigns (the “**Releasees**”) hereby unconditionally and irrevocably release, waive and discharge any and all actual or potential rights and recourses the Releasees had, have or may have against the Assignor and its related and affiliated corporations, subsidiaries, predecessors and each of their respective past, present and future officers and directors, employees, agents and assigns under or relating to any actions, causes of action, liabilities, damages, costs, expenses, suits, duties, debts, complaints, orders, claims and demands by reason of or by, or in any

way related to, the Option Agreement, any acts or omissions of the parties thereunder, or the Property. Such release, waiver and discharge is absolute and unconditional and includes, but is not limited to, waiver of any terms, agreements, express or implied representations or warranties and any warranties contained in or created by statute.

- (b) The Assignee further agrees that it shall indemnify and hold the Assignor harmless from and against any and all actions, causes of action, suits, complaints, claims, orders or demands whatsoever by whomsoever made, brought or prosecuted, and from and against any and all liabilities, losses, costs, damages, debts or expenses of whatsoever kind or nature suffered or incurred by the Assignor (or any of its directors, officers, employees, agents, partners or assigns), in any such case arising out of or relating to this Agreement, the Option Agreement, any transactions resulting from the Option Agreement or the Property. Notwithstanding the foregoing, the Assignee's indemnity of the Assignor (or any of its directors, officers, employees, agents, partners or assigns) in relation to the Option Agreement or any transactions resulting from the Option Agreement (matters relating to the Option Agreement or any transaction resulting from the Option Agreement collectively referred to as "**Option Agreement Matters**") shall only apply to any actions, causes of action, suits, complaints, claims, orders, demand, liabilities, losses, costs, damages, debts or expenses that arise out of or relate to Option Agreement Matters after the Effective Date.

The provisions of this Section 5 shall not merge on, but shall survive the assignment and assumption of the Option Agreement on the Effective Date.

- 6. Notwithstanding the assignment of the Option Agreement in accordance with the provisions hereof, so long as the Assignor is the registered owner of the Bruce Power Lands, the Assignor and the Assignee agree as follows:
 - (a) the Assignee shall provide the Assignor with copies of all notices given or received by it pursuant to the Option Agreement including, without limitation, the Partial Assignment Agreement;
 - (b) if requested by the Assignor, the Assignee shall use commercially reasonable efforts, at the cost of the Assignor, to enforce, on behalf of the Assignor, the rights of the Optionee under Section 17.4 of the Option Agreement including, if applicable, in accordance with the provisions of Section 5(f) of the Partial Assignment Agreement;
 - (c) if the Optionor or BCHC makes any request of the Assignee, as optionee, in respect of the Bruce Power Lands pursuant to Section 17.4 of the Option Agreement or Section 5(f) of the Partial Assignment Agreement, respectively, the Assignor agrees that it shall consider such request in accordance with the provisions of Section 17.4 of the Option Agreement;
 - (d) if the Assignee acquires all or any portion of the Property, the provisions of Section 17.4 of the Option Agreement shall apply, *mutatis mutandis*, to the Assignor, as

registered owner of the Bruce Power Lands, and the Assignee, as registered owner of such portion or portions of the Property acquired by the Assignee; and

- (e) if BCHC acquires the Selected Option Property (as defined in the Partial Assignment Agreement) in accordance with the provisions of the Partial Assignment Agreement, the Assignee agrees that it shall provide the Assignor with any requests for consent received by the Assignee from BCHC in respect of a proposed change in use of the Selected BCHC Property from the Primary BCHC Use (as defined in the Partial Assignment Agreement), and the Assignee shall not provide any such consent without the approval of the Assignor, which approval may be withheld by the Assignee in its sole discretion.

The provisions of this Section 6 shall not merge on, but shall survive the assignment and assumption of the Option Agreement on the Effective Date in accordance with: (i) the provisions of Section 17.4 of the Option Agreement in respect of Sections 9(a) to 9(c); and (ii) the provisions of Section 10 of the Partial Assignment Agreement in respect of Section 9(d).

- 7. The Assignee covenants and agrees in favour of the Assignor and BCHC that, from and after the Effective Date, the Assignee shall observe and perform all of the provisions contained in the Option Agreement (including, without limitation, the Partial Assignment Agreement) to be observed and performed by the Assignor from and after the Effective Date in accordance with the provisions of the Option Agreement (including, without limitation, the Partial Assignment Agreement). The Assignee further agrees that, notwithstanding that BCHC is not a party to this Agreement, BCHC shall be entitled to rely on the provisions of this Section 7 for all purposes of the Option Agreement (including, without limitation, the Partial Assignment Agreement).
- 8. The Assignee hereby designates the following as its address for any Notice to be delivered pursuant to the Option Agreement (including, without limitation, the Partial Assignment Agreement) and any notice to be delivered pursuant to this Agreement:

Municipality of Kincardine
1475 Concession 5
R.R. #5
Kincardine, ON N2Z 2X6

Attention: Sharon Chambers, Chief Administrative Officer
Facsimile: 519-396-8288

- 9. The Assignor hereby designates the following as its address for any notice to be delivered pursuant to this Agreement:

c/o Bruce Power Inc.
177 Tie Road
P.O. Box 1540, B10
Tiverton, ON N0G 2T0

Attention: General Counsel
Facsimile: 519-361-4333

10. Each of the parties to this Agreement, at the request of any other party hereto and without cost, agrees to execute and deliver such additional documents and agreements and take or cause to be taken all such further acts and things as may be reasonably required from time to time to more effectually implement and carry out the true intent and meaning of this Agreement including, without limitation, pursuant to Section 6 hereof; provided, however, that: (a) any such further documents or further assurances shall not impose any additional obligations or liabilities on the party requested to provide same; and (b) the party requesting such further documents or further assurances shall be solely responsible for the costs thereof including, without limitation, the costs of the party providing same.
11. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which, taken together, shall be deemed to constitute one and the same instrument. Any such executed counterpart may be delivered by facsimile transmission or by email in PDF format and will be deemed to be an original document.
12. This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.
13. This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective successors and assigns.

[Signature page to follow]

IN WITNESS WHEREOF the parties hereto have duly executed this Agreement as of the Effective Date.

**BRUCE POWER L.P., by its general partner
BRUCE POWER INC.**

Per: _____
Name:
Title:

Per: _____
Name:
Title:

**THE CORPORATION OF THE
MUNICIPALITY OF KINCARDINE**

Per: _____
Name:
Title:

Per: _____
Name:
Title: