

LAND TITLE ACT
FORM C


(Section 233(1))

Province of British Columbia

GENERAL INSTRUMENT - PART 1 (This area for Land Title Office use)

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

MORELLI CHERTKOW, Barristers and Solicitors
#300, 180 Seymour Street, Kamloops, BC V2C 2E3
Phone: (250) 374-3344
File Ref. No: 18424006 SEH/cg
LTO Client No. 10337


Authorized Agent

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

(PID)

(LEGAL DESCRIPTION)

No PID

Lots 1-79 District Lot 530 KDYD

Plan 79399

3. NATURE OF INTEREST: *

DOCUMENT REFERENCE

PERSON ENTITLED TO INTEREST

DESCRIPTION

(page and paragraph)

Rent Charge

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

- (a) Filed Standard Charge Terms
- (b) Express Charge Terms
- (c) Release

D.F. No.

Annexed as Part 2

There is no Part 2 of this instrument

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): NICOLA LAKESHORE ESTATES INC. (Inc. No 470906)

6. TRANSFEREE(S): (Including occupation(s), postal address(es) and postal code(s))*

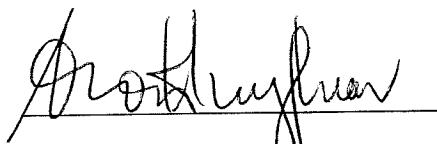
NICOLA LAKESHORE WATER UTILITY CO. LTD. (Inc. No. 690117)

7. ADDITIONAL OR MODIFIED TERMS:* N/A

8. EXECUTION(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.

ABSTRACT REGISTRY
10330

Officer Signature(s)




SCOTT HUYGHEBAERT
Barrister & Solicitor
300 - 180 Seymour St.
Kamloops, B.C. V2C 2E3

Execution			
Date	Y	M	D
	2005	09	16

Transferor(s)

NICOLA LAKESHORE ESTATES INC.

By its authorized signatory(ies)


FRANK RIZZARDO

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.

* If space insufficient, enter "SEE SCHEDULE" and attach schedule in Form E.

** If space insufficient, continue executions on additional page(s) in Form D.

TERMS OF INSTRUMENT - PART 2

THIS AGREEMENT MADE THE 16 DAY OF Sept, 2005

BETWEEN:

NICOLA LAKESHORE ESTATES INC. (Inc. No. 470906)
Unit 105 - 1121 McFarlane Way
Merritt, BC V1K 1B9

(hereinafter called "Grantors")

OF THE FIRST PART

AND:

NICOLA LAKESHORE WATER UTILITY CO. LTD. (Inc. No. 690117)
Unit 105 - 1121 McFarlane Way
Merritt, BC V1K 1B9

(hereinafter called "Grantees")

OF THE SECOND PART

WHEREAS:

- A. The Grantee maintains and operates a waterworks system, a sewer system, garbage collection and fire protection system (the "Service Systems") near Merritt, British Columbia, to serve a subdivision known as Nicola Lakeshore Estates.
- B. The Grantee is a water utility within the meaning of the Water Utility Act and is therefore subject to regulation by the Comptroller of Water Right in all matters including tariff rules, rates and charges with respect to the provision of water services.
- C. The Grantee has been granted a Certificate of Public Convenience and Necessity by the Comptroller of Water Rights of the Province of British Columbia to operate a waterworks system.
- D. The Grantee has agreed to maintain the Service Systems in order to provide services to the Grantor in the future, upon condition that the Grantor will pay an availability service charge to the Grantee until such time as the Grantor shall make application to connect the lot(s) to the Service Systems operated by the Grantee and thereafter agrees to pay to the Grantee a water users' charge and charges as set for all other services in accordance with the Tariff of Rates filed from time to time by the Grantee and as established by the Grantee, from time to time, for services other than water.
- E. The Grantor is the registered owner of Lots 1 - 79, Plan KAP 79399, lying and being in the Kamloops Assessment Area, in the Province of British Columbia referred to in Item 2 of Part 1 hereof.
- F. The Grantor has agreed to grant to the Grantee a yearly rent charge, charged against the land owned by the Grantor, hereinafter described, in order to secure the availability of the Service Systems to the Grantee.
- G. It is a condition of the Certificate of Public Convenience and Necessity issued to the Grantee that the Grantor provide the Grantee with yearly rent charge against the lots in the subdivision, such yearly rent charge to have the priority over all liens, charges and encumbrances which may be registered against the lots.

NOW THEREFORE THIS AGREEMENT WITNESSES THAT in consideration of the Grantee making available to the Grantor and to the others the waterworks service, and in future consideration of the payment by the Grantee to the Grantor of the sum of One Dollar (\$1.00) of lawful money of Canada (the receipt whereof acknowledged), the parties hereby agree as follows:

1. The Grantor does hereby grant to the Grantee for the term of forty (40) years a yearly rent charge in the aggregate of the amount hereinafter set out to commence and to be computed from the date of the granting of this rent charge and to be charged upon and issuing and payable out of each of the lots to be created from the subdivision of all and singular those certain parcels or tracts of land and premises described herein as the Lands.
2. Each of the lots created by subdividing will be subject to the following rent charge which said yearly rent charge shall be deemed to accrue from day to day but shall be paid in one annual installment on the 1st day of January in each year with the first payment being made on the 1st day of January next after the date of this agreement. The amount of the yearly rent shall be:
 - (a) The sum of \$398.04 (includes GST);
 - (b) Such additional sum excess of \$398.04 (includes GST) as may be imposed from time to time by an order of the Comptroller of Water Rights in the manner provided for fixing of rates under the Water Utility Act and Utilities Commission Act or as may be established by the Grantee for the provision of services other than water.
3. PROVIDED that upon the Grantor making application to the Grantee to connect any of the said lots to the Service Systems operated by the Grantee and agreeing to pay the Grantee thereafter a water users' charge in accordance with the Tariff of Rates from time to time issued by the Grantee and with the approval of the Comptroller of Water Rights, plus any charges for services provided otherwise than the provision of water services, then the above mentioned rent charge shall abate against such lot for as long as the Service Systems charge is paid in accordance with the said tariff and rates established by the Grantee, PROVIDED HOWEVER that the Grantor has paid all arrears and interest to the Grantee including the rent charge accrued to the date of the application for connection.
4. ANY arrears of rent charge shall bear interest from the due date until payment at the rate of Eighteen percent (18%) per annum and shall be a charge upon the said lots in the same manner as the rent charge hereby charged on the said lots.
5. THE Grantor covenants and agrees with the Grantee that a copy of the Agreement shall be filed as a rate schedule to the approved tariff of the Grantee and that the amount of the rent charge and any arrears stated herein may be amended by order of the Comptroller of Water Rights in the manner provided for the fixing of rates under the Water Utility Act.
6. THE Grantor further covenants with the Grantee that the Grantor and the persons deriving title under him will at all times hereafter pay to the said Grantee and the persons deriving title under him the said rent charge at the times and in the manner hereinbefore appointed for payment.
7. AND it is further agreed that if default shall be made in payment of the within rent charge or any part thereof, or interest for the space of sixty (60) days after the day hereinbefore appointed for payment thereof, then at any time thereafter, the Grantee may enter upon those of the said lots which are in default of payment or any part thereof and distraint for the installment or installments in arrears and the distress or distresses then and there found to take, lead, drive, carry away, and impound and the same to impound, take hold and keep until the said rent charge and the arrears and interest thereof, if any, together with all costs and charges incurred by such distress or in obtaining payment of the said rent charge shall be fully paid and satisfied.

8. AND it is further agreed that if default may be made for the space of sixty (60) days in the payment of any installment or installments hereby secured, the Grantee may forthwith sell and absolutely dispose of those of the said lots which are in default of payment either by public auction or private contract as to it, the said Grantee, shall deem fit and proper and may enter into, complete rescind or vary any contract for the sale and resale without being responsible for any loss occasioned thereby and may convey and assure the same to the purchaser in fee simple and the Grantor hereby constitutes the Grantee, its successors and assigns, the attorney or attorneys irrevocable by death or otherwise, of him the Grantor, his heirs, executors, or administrators to make such conveyance or conveyances PROVIDED HOWEVER that such power of sale shall not be exercised until after one month previous notice in writing shall have been given to the Grantor either by delivery to him or by delivery to an adult person upon the said lands or if vacant substitute service in the manner allowed under Supreme Court Rules of the Province of British Columbia, and the further proviso that the Grantor does not, before the making of the sale, pay the amount in default with interest thereof and the cost of any such notice and proceedings of sale and further proviso that no legal proceedings shall be commenced in any Court seeking any remedy against the lots or any of them without the written consent of the Comptroller of Water Rights.

9. AND it is further agreed that notwithstanding the absolute disposition of the said lots which are in default, the said rent charge shall survive and the purchaser in fee simple shall be subject to the terms of this agreement provided that no purchaser shall be bound to inquire whether any installment or installments of the said rent charge is or are in arrears or as to the impropriety of irregularity of such sale and it shall as regards the purchaser or purchasers be deemed within the aforesaid power and be valid accordingly and the remedy (if any) of the Grantor in respect of any impropriety or irregularity in such sale shall be in damages only and the purchaser or purchasers on any such sale not be required to see the application of the proceeds of the sale or be accountable for any loss, misappropriation or misapplication thereof.

10. AND it is further agreed that the monies realized by reason of any such sale as aforesaid shall be applied by the Grantee in the first place in payment of the expenses incurred in and about such sale or otherwise in relation to the premises and then in and towards satisfaction of the monies for the time being owing upon the security of these presents and then to pay the surplus, if any to the Grantor or as the Grantor shall direct.

11. AND it is further agreed that, notwithstanding the foregoing provisions for enforcement of the payments due hereunder, the Grantee, as its option, may bring or take legal action for payment in any court of competent jurisdiction.

12. IN the event that the waterworks system operated by the Grantee shall at any future time be taken over and operated by any public authority having taxing powers, then the Grantee shall release the said lots from the rent charge PROVIDED that the Grantor has paid all arrears and interest to the Grantee, including the rent charges accrued to the date of the release.

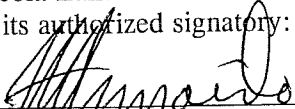
13. THE Grantor will do or cause to be done at its expense all acts necessary for the Grantee to gain priority for this rent charge over all liens, charges and encumbrances which are or maybe registered against the Land and the lots.

14. AND it is hereby agreed that these presents and everything herein contained shall enure to the benefit of and be binding upon the parties here to and their heirs, executors, administrators and assigns respectively.

15. Except for the provisions of clause 12 above and the Grantee shall not release the said lots from the rent charge without the approval of the Comptroller of Water Rights.

IN WITNESS WHEREOF the Grantor has hereunto set his hand and seal on the day and year first above written.

SIGNED, SEALED & DELIVERED by
Nicola Lakeshore Estates Inc. in the presence
of its authorized signatory:



Authorized Signatory

END OF DOCUMENT