

AGREEMENT

Made with effect as of the ___ day of September, 2013, regardless of the date of execution

BETWEEN:

BRIGHTON BEACH PROPERTIES LTD., as a Water Users Community

(“WUC”)

AND

LORI DINGMAN as Unitholder of Lot #1
MARK NEALE and SUSAN NEALE as Unitholder of Lot #2
VALERIE STEPNEY as Unitholder of Lot #3
LAURA and WILLIE MARSHALL as Unitholder of Lot #4
MATTHEW REDDY, JAN MOLSON and MICHAEL MOLSON as
Unitholder of Lot #5
THE ESTATE OF PATRICIA JONES, DECEASED, as Unitholder of Lot #6
GEOFF CATHERWOOD, as Unitholder of Lot #7
BRIAN McCONNELL, as Unitholder of Lot #8
ELIZABETH LESS, as Unitholder of Lot #9
MARY BODO, as Unitholder of Lot #12
TIM and DEIRDRE GRACE, as Unitholder of Lot #13
WENDY APPLETON, as Unitholder of Lot #15
CONNIE SPURR, as Unitholder of Lot #17
TRACY SHELLEY, as Unitholder of Lot #18
E. SEYMOUR, as Unitholder of Lot #22
DENNIS and LYNN DORLING, as Unitholder of Lot #24
BONNIE BENWICK, as Unitholder of Lot #25
LOUISE MANELIA, TOM STRATTON and DAWN LOUISE NILO,
as Unitholder of Lot #26
GIOVANNI CASU and CATHY CASU, as Unitholder of Lot #27
KENNETH STARR and MICHELLE STARR, as Unitholder of Lot #29
FLORENCE YEE and STAN YEE, as Unitholder of Lot #30
PETER DOLMAN, as Unitholder of Lot #32

(collectively, the “Unitholders”)

WHEREAS:

- A. WUC is a body corporate organized under the British Columbia Business Corporations Act, as a not-for-profit company to serve the interests and welfare of its shareholders who reside in dwellings built on lots leased from the Company (“Units”) on that certain parcel of land known and described as:

PID _____ Lot 1, Parcel D,
District Lot 812, Plan 17172

(hereinafter referred to as the "Lands")

- B. The Unitholders are all shareholders, and lessees, of the WUC with respect to the individual units in which they reside and, subject to certain financial and co-operative obligations, each Unitholder has a right to receive water from the water supply operation of the WUC, to his/her/their individual dwelling.
- C. Following incorporation, WUC undertook to make available to its Unitholders a reliable source of water from the Lands; and to that end, WUC created a system to collect, store, and transmit surface water, although it was not anticipated that WUC would be responsible for the treatment of the surface water, or the delivery of safe potable water to each unit for domestic and household use.
- D. The Drinking Water Protection Act of BC defines WUC as a water supplier, the WUC System as a domestic water system and provides that unless exempt, WUC must supply potable water. WUC is exempt from the statutory obligation to provide potable water under the Drinking Water Protection Act Regulations, if each recipient of the water from the WUC System has a Point of Entry water treatment system that makes the water potable.

THEREFORE IN CONSIDERATION of good and valuable consideration, the receipt and adequacy of which is acknowledged, the parties hereto agree as follows:

I. Definitions

1. The following words have the meanings ascribed to them when used in the Agreement:

"Water System Company" means McTaggart Water Systems Inc., with offices at #101A - 555 Prometheus Place, Bowen Island BC V0N 1G2.

"Residence" means each dwelling unit on a Unitholders' leased lot on the Lands;

"POE System" means a Point of Entry Water Treatment System, designed and supplied by Water System Company and any ancillary components required by VCHA.

"VCHA" means Vancouver Coastal Health Authority

II. Unitholder Undertakings

2. The Members individually and collectively agree that it is in the best interests of the Unitholders and WUC that WUC maintain its exemption from a statutory obligation to provide potable water. To that end the Unitholders and each of them agree as follows:

(a) By no later than DECEMBER, 2015, each Unitholder will cause a POE System to be installed by Water System Company for water provided to his/her/their residence. The POE System will be placed in a fully insulated, weatherproof location, to be approved by Water System Company, free from access to rodents or similar animals. The POE System will not be modified except by Water System Company.

- (b) Each Unitholder will enter into, and maintain in good standing, at his/her/their own expense, a contract with Water System Company for the ongoing maintenance and repair of his/her/their POE System.
- (c) Water System Company will not be dismissed or replaced except with the consent of WUC;
- (d) Each Unitholder hereby irrevocably authorizes Water System Company to provide a copy of their maintenance contract to VCHA, if requested, and to notify the Executive Committee of WUC if any Unitholder breaches, suspends or terminates its agreement for the maintenance of its POE System, or if any Unitholder fails, refuses or neglects to maintain or repair its POE System as recommended by Water System Company;
- (e) Each Unitholder is responsible for proving to the satisfaction of WUC and VCHA that his/her/their POE System delivers potable water. To that end, VCHA has or will establish water testing requirements for the dwelling of each Unitholder, and as a condition of WUC's operating permit has or will make WUC responsible for collecting the water samples and submitting them for testing. Therefore each Unitholder will co-operate fully with WUC in the sampling and testing of its water and will give WUC access to their dwelling units as required to allow it take water samples. If any costs are levied for such testing, each Unitholder will reimburse WUC pro-rata for those costs;
- (f) If at any time the water of any Unitholder is found not to be potable, the Unitholder will immediately:
- (i) conduct themselves as if the water is subject to a boil water advisory, using bottled water or boiled water for all domestic purposes including cooking, drinking and washing food;
- (ii) place signs in the Residence and advise all person in the Residence that the tap water is not potable;
- (iii) contact Water System Company and take all steps necessary to return the water provided through the POE System to potable water;
- (iv) be responsible for all costs associated with further tests and any costs of Water System Company;
- (v) keep WUC fully informed.

III. Sale or Transfer of the Unit

3. If any Unitholder sells or transfers the rights to their Unit, they shall notify WUC, disclose this Agreement to the new owner and ensure that any new owner of the Residence becomes a party to this Agreement.

IV. Unitholder Acknowledgements, Release and Indemnity

4. The Unitholders individually and collectively acknowledge and agree that WUC is not

responsible to provide potable water and hereby releases WUC, its officers, directors, managers and other Unitholders, past, present and future from all claims resulting from or relating to the provision or delivery of water that is not potable.

5. Each Unitholder is responsible for ensuring that the water used by residents, tenants or visitors in or to their Residence is potable.

6. Each Unitholder acknowledges that, even with water treated by the POE System, the water obtained will not be chlorinated. VCHA recommend chlorination and they have advised that only chlorination can fully reduce the risk of pathogenic viruses from surface water. Each Unitholder voluntarily assumes the risks of using non-chlorinated water on his/her/their behalf and on behalf of his/her/their visitors, guests and licencees.

7. Each Unitholder (the "Indemnifying Unitholder") agrees to indemnify and save harmless WUC, its officers, directors, managers and Unitholders, past, present and future, and each other Unitholder, their successors or assigns, of and from any liability or claim made by any person for whom the Indemnifying Unitholder is responsible, including any person resident in or visitor to the Indemnifying Unitholder's Residence.

V. Effect of Breach

8. Unitholders acknowledge that a breach of this Agreement could cause WUC to lose its exemption under the Drinking Water Protection Act Regulations, or to be in breach of the terms of its operating permit. Therefore if any Unitholder breaches any term or condition of this Agreement and then fails or refuses to immediately remedy the breach upon request, such conduct will be conclusively deemed to be withdrawal by that Unitholder from WUC, and WUC is then at liberty to take any steps it considers necessary or appropriate including suspension or termination of water delivery and formal removal of the defaulting Unitholder as a shareholder member of WUC.

VI. Miscellaneous

9. This Agreement may be executed in counterparts or by facsimile transmission, with the same effect as if all parties had signed the same document.

10. This Agreement shall be binding upon the parties hereto and their respective heirs,

executors, administrators, successors and assigns, and shall be interpreted according to the laws of the Province of B.C.

SIGNED SEALED AND DELIVERED by the parties to this Agreement as of the date first above written:

BRIGHTON BEACH PROPERTIES

Per: _____
Authorized Signatory

Per: _____
Authorized Signatory