

PROVINCIAL SALES TAX INDEMNITY

RE: Purchase by CITY OF WHITE ROCK (the "Purchaser") from EPCOR WHITE ROCK WATER INC. (the "Vendor"), of the Assets (as that term is defined in the Purchase Agreement) pursuant to and in accordance with the asset purchase agreement made as of August 28, 2015 (the "Purchase Agreement") whereby the Vendor has agreed to sell and the Purchaser has agreed to buy certain assets of the Vendor

IN CONSIDERATION OF and notwithstanding the closing of the transaction contemplated by the Purchase Agreement and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Purchaser hereby agrees as follows:

1. The Purchaser acknowledges and agrees that Provincial Sales Tax ("**PST**") is payable under the *Provincial Sales Tax Act* (British Columbia) (the "**Act**") on the purchase of certain of the Assets.
2. The Vendor is not a PST registrant and therefore will not be collecting PST upon the closing of the sale of the Assets pursuant to the Purchase Agreement.
3. The Purchaser is a PST registrant and shall remit to the Province of British Columbia, in a timely manner, any PST properly applicable to any part of the Assets.
4. The Purchaser hereby covenants and agrees to indemnify and save harmless the Vendor from and against any and all losses, claims, costs (including, without limitation, reasonable legal costs on a solicitor and his client basis), demands, actions, suits, debts, expenses, damages and liabilities suffered or incurred by the Vendor arising out of:
 - (a) any failure of the Vendor to fulfill its legal obligations under the Act to collect and remit any PST properly applicable to any part of the Assets as may be determined by the Province of British Columbia in accordance with the Act; and
 - (b) any failure of the Purchaser to pay to the Province of British Columbia, in a timely manner, any PST properly applicable to any part of the Assets, as may be determined by Province of British Columbia in accordance with the Act.
5. Upon notice or assessment received by the Vendor from the Province of British Columbia with respect to any PST properly payable on the Assets, the Purchaser covenants and agrees to forthwith cooperate with the Vendor and the Province of British Columbia and do all things necessary comply with the obligations of the Vendor under the Act, as was intended at the time of entering into the Purchase Agreement.

6. This Indemnity shall be governed by and construed in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable therein

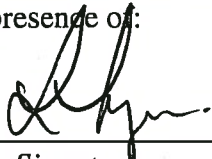
DATED as of the ^{29th} 30th day of October, 2015.

EXECUTED by CITY OF WHITE ROCK

) **CITY OF WHITE ROCK**

in the presence of:

) per:



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) W. W. Bred
Mayor

Witness Signature

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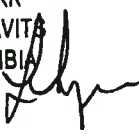
) S. H. Lam
Corporate Officer

Witness Name

Witness Occupation

)

Stephanie Lam
Deputy City Clerk

~~STEPHANIE LAM, DEPUTY CITY CLERK
A COMMISSIONER FOR TAKING AFFIDAVITS
IN THE PROVINCE OF BRITISH COLUMBIA
CITY OF WHITE ROCK
15322 BUENA VISTA AVENUE
WHITE ROCK, BC V4B 1Y6
(604) 541-2129~~ 

LORRAINE SYM, COMMITTEE & FOI CLERK
A COMMISSIONER FOR TAKING AFFIDAVITS
IN THE PROVINCE OF BRITISH COLUMBIA
CITY OF WHITE ROCK
15322 BUENA VISTA AVENUE
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EXPIRES JUNE 30, 2018