

**Lancaster, Brooks & Welch LLP**  
BARRISTERS AND SOLICITORS

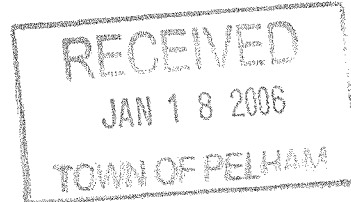
PLEASE RESPOND TO WELLAND OFFICE

January 13, 2006

The Corporation of the  
Town of Pelham  
P. O. Box 400  
Fonthill, Ontario  
L0S 1E0

**Attention: Mr. Jamie Hodge**

Dear Sir:



**RE: Village of Chestnut Ridge  
Bella Mori Farms Inc. and Mori Nurseries Ltd.  
Registration of Preserving Agreement**

Further to the completion of this matter, please find enclosed the duplicate original Preserving Agreement, registered November 28, 2005 as instrument No. SN101024.

We also enclose our account for services rendered, which we trust is satisfactory and thank you for letting us assist.

Yours very truly,

LANCASTER BROOKS & WELCH LLP

PER:

R. Bruce Smith

RBS:pm  
Encls.

**Lancaster Brooks & Welch LLP**

PO Box 790, 80 King Street, Suite 800, St. Catharines, Ontario L2R 6Z1 Tel. 905.641.1551, Fax 905.641.1830  
PO Box 67, 247 East Main Street, Welland, Ontario L3B 5N9 Tel. 905.735.5684, Fax 905.735.3340  
[www.lbwlawyers.com](http://www.lbwlawyers.com)

Rodger A. Gordon, Q.C.  
David L. Edwards  
R. Bruce Smith  
Leanne E. Standryk

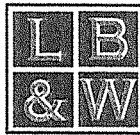
Malte von Anrep, Q.C.\*  
H. Christina MacNaughton\*\* (on leave)  
Del C. Daignault  
Stanleigh E. Palka

H. E. Thorsteinson, Q.C.  
Robert B. Reid  
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Kenneth W. Garland

Bruce S. Wormald  
Robert W. P. Welch  
Michael A. Mann

Geoffrey F. Brooks, QC (retired); Robert S. K. Welch, OC, QC, LLD (1928 - 2000)  
\*Certified by the Law Society as a Specialist in Civil Litigation \*\*Certified by the Law Society as a Specialist in Family Law



**Lancaster, Brooks & Welch LLP**  
BARRISTERS AND SOLICITORS

In account with

**Lancaster Brooks & Welch LLP**  
PO Box 67, 247 East Main Street, Welland, Ontario L3B 5N9 Tel. 905.735.5684

January 13, 2006

The Corporation of the  
Town of Pelham  
P. O. Box 400  
Fonthill, Ontario  
L0S 1E0

**RE: Village of Chestnut Ridge  
Bella Mori Farms Inc. and Mori Nurseries Ltd.  
Registration of Preserving Agreement**

TO OUR FEE for professional services herein, including receiving  
your instructions; to obtaining PIN printouts; to preparation of  
acknowledgment and direction for signature by the Mayor and Clerk;  
to registering preserving agreement; to reporting to you,

OUR FEE.....\$ 275.00

**GST-TAXABLE DISBURSEMENTS**

Paid for PIN printouts.....\$ 36.00  
Paid Teraview registration fee.....\$ 10.00  
Paid for fax charges.....\$ 7.70

GST.....\$ 23.00

**NON-TAXABLE DISBURSEMENT**

Paid to register preserving agreement.....\$ 60.00

**TOTAL FEES AND DISBURSEMENTS.....\$ 411.70**

THIS IS OUR ACCOUNT/E & O E

PER:

RBS:pm

G.S.T. No. R117996660

"In accordance with Section 35 of the Solicitors Act, interest will be charged at the rate of % per annum on unpaid fees, charges or disbursements  
calculated from a date that is one month after this statement is delivered."

Properties

PIN

64035 - 0651   LT

Description

PT LTS 2 & 3 CON 7 PELHAM ; PT RDAL BTN LTS 2 & 3 CON 7 PELHAM (CLOSED BY BL176) PART 1 59R12868 ; PELHAM

Address

PELHAM

PIN

64035 - 0652   LT

Description

PT LTS 2 & 3 CON 7 PELHAM ; PT RDAL BTN LTS 2 & 3 CON 7 PELHAM (CLOSED BY BL176) PART 1 59R12869 ; PELHAM

Address

PELHAM

Consideration

Consideration    \$ 1.00

Applicant(s)

The notice is based on or affects a valid and existing estate, right, interest or equity in land

Name

THE CORPORATION OF THE TOWN OF PELHAM

Address for Service

P. O. Box 400  
20 Pelham Town Square  
Fonthill, Ontario  
L0S 1E0

This document is not authorized under Power of Attorney by this party.

This document is being authorized by a municipal corporation THE CORPORATION OF THE TOWN OF PELHAM, by RONALD LEAVENS - MAYOR and CHERYL MICLETTE - CLERK.

Statements

This notice is for an indeterminate period

Schedule: See Schedules

Signed By

Robert Bruce Smith

201-247 East Main St. PO Box 67  
Welland L3B 5N9

acting for Applicant(s)

Signed

2005 11 28

Tel

905-735-5684

Fax

9057353340

Submitted By

LANCASTER BROOKS & WELCH

201-247 East Main St. PO Box 67  
Welland L3B 5N9

2005 11 28

Tel

905-735-5684

Fax

9057353340

Fees/Taxes/Payment

Statutory Registration Fee

\$60.00

Total Paid

\$60.00

**THIS AGREEMENT made in triplicate, this 11 day of NOVEMBER , 2005**

**BETWEEN:**

**THE CORPORATION OF THE TOWN OF PELHAM**

(hereinafter called the TOWN)  
OF THE FIRST PART

**AND:**

**BELLA MORI FARMS INC. and  
MORI NURSERIES LTD.**

(hereinafter called the OWNER)  
OF THE SECOND PART

**WHEREAS:**

1. The Owner represents and warrants that they are the owners of the lands described in Schedule "A" (the Lands) and wishes to enter into an Agreement with the Town which will allow the installation of services prior to the acceptance of construction drawings or execution of a subdivision agreement which will regulate and govern the development of the plan.
2. The Town deems it appropriate to grant to the Owner permission to proceed with the installation of services for Lots 1 to 31 and Blocks 32 to 45, inclusive, as shown on the draft plan of subdivision, prior to the signing of the subdivision agreement which will regulate and govern the development of the plan.

**NOW THEREFORE THE PARTIES TO THIS AGREEMENT AGREE TO AND WITH EACH OTHER AS FOLLOWS:**

1. The Owner acknowledges that they are proceeding with the installation of services in the proposed plan prior to executing a subdivision agreement with the Town, entirely at their own risk and the Town will not be held liable for any losses, claims or damages which might result from the installation of services at the Owner's risk prior to traditional approvals being received. Further this pre-servicing agreement does not guarantee the Town's final agreement to execute a subdivision agreement.
2. The Owner will allow the Town, its employees, servants and agents, to enter upon the Lands at all times for the purposes of, without limiting the generality of the foregoing, to make necessary inspections to correct drainage problems, to correct or eliminate any other nuisance such as dust, garbage and debris and the cost of any and all services relating to inspections and necessary works conducted by the Town on the lands shall be charged to the Owner and the Owner agrees to pay the Town's accounts within thirty (30) days of receipt of an invoice.
3. The Owner will submit letters of credit and cash as would be required by the subdivision agreement regulating and governing the development of the lands and the specific requirements under this section are shown on Schedule "B" to this agreement.
4. The Owner agrees to save harmless and indemnify the Town, The Regional Municipality of Niagara and PenWest Utilities Limited., its employees, servants and agents against all actions, causes of action, suits, claims and demands whatsoever, which may arise either directly or indirectly by reason of the pre-servicing.
5. The Owner agrees to proceed with the construction of all municipal services in accordance with the plans hereto affixed as Schedule "C", in accordance with Town requirements and standards, and should active development of the Lands come to a termination, to smooth, grade and seed the site to renew vegetation and prevent erosion problems and upon any failure in performing this obligation, to allow the Town to enter the Lands and carry out the work deemed necessary by the Town's operations department with the costs incurred by the Town to be a charge to the Owner.


6. The Owner agrees to implement siltation controls as per the approved engineering drawings prior to commencing any other pre-servicing works and to continuously maintain throughout the construction of servicing.
7. The Owner shall make arrangements for and pay for all compaction tests requested by the Town during the period of construction, and the said compaction tests shall be carried out by a reputable soils engineering consultant to the satisfaction of the Town's director of operations.
8. The Owner agrees to allow the Town to draw on the letter of credit under Clause 3 above for the completion of any works considered necessary by the Town's director of operations, including those indicated under Clause 5, 6 and 7 and other works such as rectification of drainage problems and cleanup of existing roads, upon verbal notification to the Owner's engineer.
9. The Owner agrees to provide five million (\$5,000,000.00) dollars of liability insurance for the development in the developer's name with the Town, The Regional Municipality of Niagara and PenWest Utilities Limited. named as additional insured prior to starting any construction.
10. The Owner agrees that the construction of any sewage works or water works will not be undertaken until the final approval of the Ministry of the Environment has been obtained by issue of its standard Certificate of Approval.
11. The Owner agrees that nothing in this agreement shall fetter the rights of the Town to require additional works to be completed as deemed necessary by the Town's director of operations.
12. The Owner agrees that upon registration of the necessary subdivision agreement, this pre-servicing agreement becomes null and void.
13. The Town hereby agrees that it shall not conduct any works as contemplated by paragraphs 5, 6, 7, 8 and 9 of this agreement until it has first served written notice on the Owner by prepaid registered mail outlining the nature of the works or corrective action to be undertaken and allowing the Owner a reasonable period of time to complete the said works or corrective action taken to the reasonable satisfaction of the Town. In the event that the Owner fails to complete the said works or corrective action within the time period allowed or as it may be extended in writing by the Town, the Town may then enter upon the lands and complete the works or corrective actions as contemplated by paragraphs 5, 6, 7, 8 and 9 of this agreement.
14. This agreement shall be governed by the law of the Province of Ontario.
15. The Owner consents to the registration of this agreement against title to the Lands to require these undertakings and covenants to be assumed by any successor in title, to the effect that the obligations and covenants herein shall be binding upon the executors administrators, successors and assigns of the Owner.

SIGNED, SEALED AND DELIVERED ) THE CORPORATION OF THE TOWN OF PELHAM  
IN THE PRESENCE OF )

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)  
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)   
) MAYOR RONALD LEAVENS

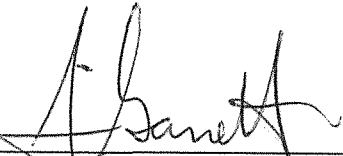
)  
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)   
) CLERK CHERYL MICLETTE

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)  
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)  
) BELLA MORI FARMS INC.

)  
)  
)  
)   
) MIKE WATT

) I have authority to bind the Corporation

)  
)  
)  
)  
) MORI NURSERIES LTD.

)  
)  
)  
)   
) JIM GARRETT

) I have authority to bind the Corporation

SCHEDULE "A"

Village of Chestnut Ridge Subdivision Phase 1

LEGAL DESCRIPTION

FIRSTLY:

Part Lot 2 and 3 , Concession 4; Pelham and Part of road allowance between Lots 2 and 3, Concession 7, Pelham (closed BL176) designated as Part 1 on Plan 59R-12869, Town of Pelham, Regional Municipality of Niagara and being all of PIN 64035-0652 (LT).

SECONDLY:

Part Lots 2 and 3, Concession 7, Pelham and Part of road allowance between Lots 2 and 3, Concession 7, Pelham (closed by BL176) designated as Part 1 on Plan 59R-12868, Town of Pelham, Regional Municipality of Niagara and being all of PIN 64035-0651.

SCHEDULE "B"

Village of Chestnut Ridge Subdivision Phase 1

FINANCIAL OBLIGATIONS AND COST OF CONSTRUCTION

**PRIMARY SERVICES**

Watermain and Services	\$ 203,600.00
Storm sewers, services	\$ 362,200.00
Stormwater Management: ponds, structures, trenches, pits	\$ 169,100.00
Sanitary sewers and services	\$ 199,000.00
Storm and sanitary sewer TV inspections (preliminary)	\$ 20,500.00
Roadways (excluding surface asphalt)	\$ 288,600.00
Grading roadway, boulevards, topsoil stripping, siltation	\$ 45,300.00
Topsoil, seed and mulch entire site (except roadways & swales)	\$ 354,500.00
Barricade installation	\$ 3,600.00
Sodding of major swales	\$ 2,200.00
Total	\$ 1,648,600.00

**SECONDARY SERVICES**

Driveway aprons	\$ 74,000.00
Storm and sanitary sewer TV inspection (final)	\$ 20,500.00
Adjustment of appurtenances (Valves, M.H.'s, etc)	\$ 24,800.00
Final asphalt	\$ 52,000.00
Sidewalk construction	\$ 72,600.00
Final grading and sodding of boulevards	\$ 33,500.00
Boulevard trees	\$ 66,000.00
Decorative street lighting	\$ 115,000.00
Irrigation system in median for Marlene Stewart Drive	\$ 5,000.00
Miscellaneous (milling, landscape median)	\$ 9,300.00
Total	\$ 472,700.00

**Subtotal Municipal Services** **\$ 2,121,300.00**

Contingencies (5%)	\$ 106,000.00
Engineering and inspection (10%)	\$ 212,000.00
Total	\$ 2,439,000.00
Goods and Services Tax @ 7%	\$ 171,000.00

**TOTAL - CONSTRUCTION OF MUNICIPAL SERVICES** **\$ 2,610,000.00 (1)**

**20% PRIMARY AND 120% SECONDARY SERVICES** **\$ 1,104,000.00 (2)**

**TOWN ADMINISTRATION FEE** **\$ 81,000.00 (3)**

**STREET and TRAFFIC SIGNS (installed by Town)**  
**(including stop signs, dead end signs, street signs)** **\$ 6,000.00 (4)**

**SUMMARY**

**A. LETTER OF CREDIT REQUIRED**

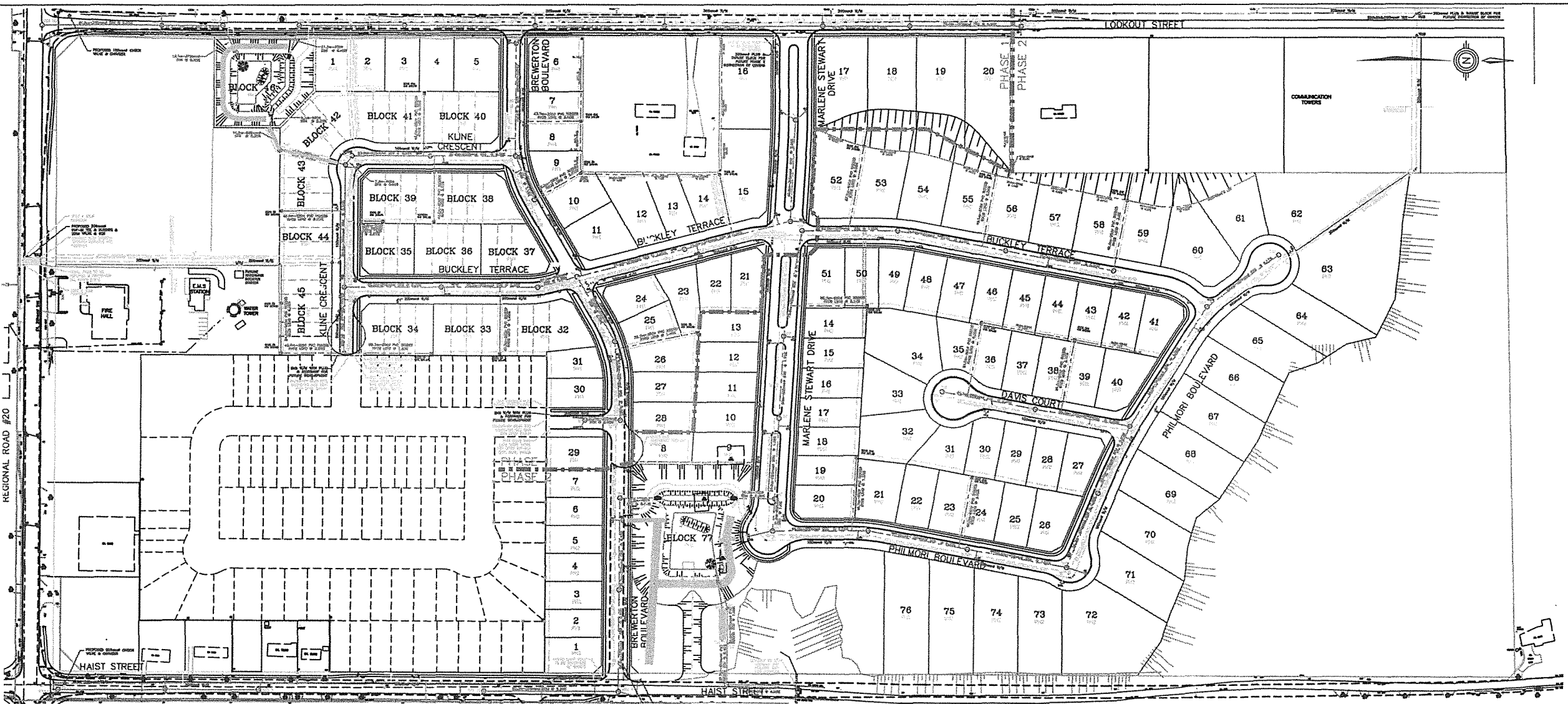
Total of (2) **\$ 1,104,000.00**

**B. CASH PAYMENT REQUIRED**

Total of (3)+(4) **\$ 87,000.00**



SCHEDULE "C"



<div>UPPER CANADA PLANNING AND ENGINEERING LTD. CARRYING ON BUSINESS AS UPPER CANADA CONSULTANTS (UCCO) CLAIMS COPYRIGHT AND FULL RIGHT TO AN OWNERSHIP OF THIS DOCUMENT WHICH MAY NOT BE PHOTOCOPIED BY ANY PARTY WITHOUT UPPER CANADA CONSULTANTS SPECIFIC WRITTEN CONSENT AND MAY NOT BE USED FOR ANY PURPOSE OTHER THAN A PURPOSE ESPECIALLY PROVIDED IN A CONTRACT WITH THE CLIENT WITHOUT THE SPECIFIC WRITTEN CONSENT OF UPPER CANADA CONSULTANTS.</div>			<b>LEGEND:</b> <div><div><div>A1</div><div>2.03</div><div>33</div></div><div><div>—</div><div>—</div><div>—</div><div>—</div><div>—</div></div><div><div>SANITARY AREA No</div><div>SANITARY AREA (no)</div><div>POPULATION DENSITY</div><div>DRAINAGE AREA BOUNDARY</div><div>SANITARY SEWER</div></div></div>		<b>APPROVED FOR CONSTRUCTION:</b> <div>DIRECTOR OF OPERATIONS</div> <div>DATE</div>		<b>TOWN OF PELHAM</b> <div>UPPER CANADA CONSULTANTS ENGINEERS/PLANNERS</div> <div>281 Northside Road Unit 7, Cambridge, Ontario N1C 6L3 Phone: (505) 655-2400 Fax: (505) 655-5374</div>		<b>PROJECT NAME:</b> <div>THE VILLAGE OF CHESTNUT RIDGE</div> <div>OWNER:</div>		<b>DRAWING TITLE:</b> <div>GENERAL SERVICING PLAN</div>		<div>DESIGN: M.H. DRAWING: N.G.</div> <div>DATE: NOVEMBER 1, 2005</div> <div>SCALE: 1:1250</div> <div>DRAWING No: 0125GSP REV. 4</div>	
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