Granite Hills Golf Club PO Box 609 Lac Du Bonnet, MB R0E 1A0 Attention Gilles Gauthier

February 14th, 2016

Dear Gilles:

Despite our advice, to not commence billing for the water system, until a suitable treatment system is in place, you have sent out invoices to the lot owners in the community that are receiving water. As expected we have received many serious complaints regarding this issue, and we suspect that a number of lot owners are now seeking legal recourse.

As a board, we see this as a considerable setback in the relationship between you the developer and the Granite Hills community. From our perspective this energy and money would have been better spent on providing a proper water treatment system.

We also need to point out that the water provided via this system is not currently "Potable" as described by Manitoba's current drinking water standards.

"potable" means safe and fit for human consumption without further treatment. (See Manitoba Public Health Act - Water Supply Regulation)

Manitoba's Safe Drinking Water Act, further describes the rules and regulations that govern a water distribution system that is connected to households, and the system at Granite Hills is not currently meeting these regulations, hence the ongoing boil water advisory.

Our view of this situation is that you are not living up to the covenants that you agreed to with the lot owners, and we are asking you to rectify this situation in a timely fashion.

Notwithstanding that the commitment and duty to provide the Potable Water is the Developers, the Board of the Home Owners Association has spent significant time investigating alternative solutions to the problem, in the way of researching treatment plants and the feasibility of connecting the existing plant in Lac Du Bonnet to our distribution system. We want to continue to assist you in that research, however your Board needs to get serious about working on the potable water problem. In the fall we talked about meeting on this water issue, we would like to arrange a meeting of the Boards, to occur prior to spring, so that we can offer some meaningful progress before our short and valuable summer season starts.

Sincerely

Ray Senez

President

Granite Hills Home Owners Association Inc.