



Nicola Lakeshore Water Utility Co. Ltd.

August 31, 2010

VIA FAX NO. 250-851-7341

Interior Health
519 Columbia Street
Kamloops, BC V2C 2T8

RE: MONTHLY REPORT FOR AUGUST 2010

The water consumption on the Nicola Lakeshore Development for August was approximately 354,250 gallons of potable water. Several owners have been billed on excess use from the monthly allowance.

Our weekly testing for water quality has shown that our supply continues to be in compliance with the Canadian Drinking Water Standards. Our more extensive tests for arsenic have now moved to monthly, after consistent results well below provincially set targets.

The issue of seasonal use continues to cause us operational problems, but it appears our program is settling down to produce standard results.

We continue to provide test results on our web page at <http://nicolaestates.com/owners.html>.

In August 2010, the Utility inspected two installations and sold three transponders and meters.

Yours truly,

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President
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