



Nicola Lakeshore Water Utility Co. Ltd.

May 31, 2010

VIA FAX NO. 250-851-7341

Interior Health
519 Columbia Street
Kamloops, BC V2C 2T8

RE: MONTHLY REPORT FOR MAY 2010

The water consumption on the Nicola Lakeshore Development for May was approximately 104,000 gallons of potable water.

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 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 February 2010, the Utility inspected and replaced three transponders.

Yours truly,

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President
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