



June 24, 2008

Town of Sylvan Lake
4926-50 Ave
Sylvan Lake, Ab
T4S1A1

Attention: Helen Dietz, CAO

Dear Madam;

On July 14, 2005 the Marina Bay Homeowners Association entered into an agreement with the Town of Sylvan Lake which would have given MBHA some ability to approve the installation of a limited number of stepping stones on the Public Utility Lot around the interior marina which owned by the Town of Sylvan Lake.

Unfortunately, this has long been a contentious and difficult issue for MBHA homeowners. Within the last year formal objections were raised about the process used by the then current MBHA Board of Directors to negotiate and approve the above noted agreement. The contention was that the MBHA Board did not seek or obtain proper authorization from the membership as required by our By-Laws to enter into the agreement with TSL. Subsequently the Board obtained a legal opinion which tended to support at least some of the objections which had been raised.

On December 27, 2007 the MBHA Board of Directors passed the following motion:

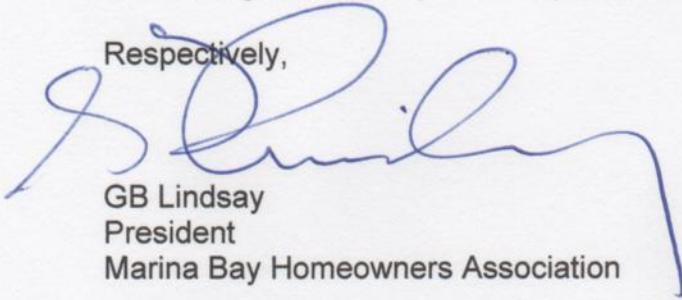
"Given the June 25, 2007 formal written objections by Don Silver Unit 338 to the process used by MBHA to negotiate and approve the PUL agreement with the Town of Sylvan Lake, the subsequent written legal opinion obtained from Roanok Law Office that suggests MBHA By-Laws were not properly followed when seeking MBHA membership approval on the PUL, and the strong probability that MBHA's current membership will never reach a broad consensus on the PUL issue I move that the MBHA Board cease all activities or efforts to implement the PUL terms and conditions and, accordingly, the TSL be advised that they are solely responsible for the PUL and any alterations made thereon."

Marina Bay Homeowners Association
100 Marina Bay Court, Sylvan Lake, Alberta T4S 1E9

The PUL issue and this motion was extensively reviewed at the MBHA AGM held May 17, 2008 with no change in direction or dissention recorded.

Accordingly, this letter will serve as notice to the Town of Sylvan Lake that MBHA will no longer be a party to this agreement Thank you for your cooperation.

Respectively,

A handwritten signature in blue ink, appearing to read 'GB Lindsay', with a long, sweeping underline that extends to the right.

GB Lindsay
President
Marina Bay Homeowners Association

Copy to: MBHA Board of Directors