

January 1, 2017

**TO: ALL GRAN MUTUAL WATER COMPANY LOT OWNERS:
LATE PAYMENT POLICY**

Gran Mutual Water Company (the Company) provides water to all lot owners. The cost of providing water increases each day due to increased government regulations, repair and maintenance costs, and utility costs.

The Company is governed by an elected, unpaid Board of Directors. In addition to insuring that the water system is functioning properly and providing water to all lot owners, Board members must insure that there is enough money in the bank account to pay all costs. Your water bill is sent four times a year for the following billing periods: (1) January through March; (2) April through June; (3) July through September and (4) October through December.

The Company's collection policy is that your bill is due upon receipt. The bill is considered past due after 30 days from the billing date.

You must pay a monthly or quarterly amount. Fractional monthly payments or fractional quarterly payments will not be processed. The fractional payment will be considered not paid. Your check will not be returned and you will be assessed delinquent fees.

A delinquent fee of \$30 per month is charged if the bill remains unpaid for more than 30 days after billing. The fee of \$30 will be assessed each and every month the bill remains unpaid. For example, if the billing period (1) bill is not paid by January 30, a \$30 per-month fee will be added, if the bill is still not paid in February another \$30 per-month fee will be added. The \$30 per-month fee will be added each and every month until paid. This will apply to all billing periods. If the lot owner is paying their bill on a month to month basis, they are deemed to be current.

Should the water bill remain unpaid for a period of three months (one billing cycle), a water shut-off notice will be issued to the lot owner. The lot owner will have 30 days to pay the total amount of the bill including all delinquent fees. If the total bill is not paid within those 30 days, an official notice will be issued, which will allow the shut-off of water service to the lot. Water service will not be resumed until all delinquent amounts are paid in full. The lot owner will also be charged a reconnection fee of \$1,000 in addition to the cost of installing a shut-off valve and water meter to the lot, which is estimated to be about \$1,500. All charges must be paid before the lot can be reconnected for water service. The Company also has the right to take further action to recover all delinquent water fees including the sale of your share in the Gran Mutual Water Company, which will permanently deprive your lot of any right to receive water from Gran Mutual Water Company. If your share in Gran Mutual Water Company is cancelled, you or your successor would have to pay the fair market value for a share before water service could be restored in addition to all delinquent amounts. The estimated fair market value per share is \$30,000 as of the above date.

Authorized by the Board of Directors