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August 8, 2011

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Attn: Ken Strong

Dear Mr. Strong:

Re: Your Client: The Corporation of the Municipality of Bluewater ("Bluewater")
Our Client: Tribute Resources Inc. and Bayfield Resources Inc. as General Partner
for Huron Bayfield Limited Partnership and Bayfield Pipeline Corp.
(collectively "Tribute")

And Re: EB-2011-0076, EB-2011-0077, EB-2011-0078 & EB-2011-0285

It was a pleasure meeting with you and Stephen McAuley, Chief Administrative Office/Clerk of Bluewater, at Bluewater's offices on Wednesday, August 1, 2012 to try to explore Bluewater's issues and concerns regarding Tribute's above-noted Applications. It appears from our meeting that Bluewater's concerns fall into three categories as follows:

1. The possible interference of Tribute's storage operation with Bluewater's storage treatment facility ("STF") which is located on the lands owned by Bluewater being Part of Lot 7, Bayfield Road North Concession, designated as Part 1 on Plan 22R-4570 (the "Bayfield STF Lands").
2. The entering into of an appropriate Road User Agreement between Bluewater and Tribute in respect of the proposed pipeline.
3. Satisfying Bluewater from a public safety perspective that Tribute's proposed storage operation can safely co-exist in close proximity to NextEra's proposed Bluewater Wind Farm Project.

In regards to issue #1 referred to above, I thank you for the drawings that you recently emailed to me showing the location of Bluewater's current STF which I understand consists of two storage

lagoons, associated sand filter cells, related equipment and piping. This will confirm my advice to you that I met with Tribute's technical advisor who has confirmed that Tribute does not propose to construct any above ground or underground facilities or equipment that would interfere with the two storage lagoons and associated sand filter cells. This will further confirm that the only part of the Bayfield STF Lands that Tribute proposes to use pursuant to the terms of its Gas Storage Lease covering the Bayfield STF Lands is the access road running from Huron County Road No. 3 along the eastern side of the Bayfield STF Lands to the approximate location of the Porter #1 Well. As I indicated to you, Tribute has a meter site located on this access road which is connected by underground pipes to the Porter #1 Well which is located on the lands to the west of the access road being Part 2 on Plan 22R-4570 which lands are currently owned by the Eilers. I further confirm to you that Tribute has no intention of using Part 3 on Plan 22R-4570 which lands are also owned by the Eilers and are located to the west of Part 2 on Plan 22R-4570. I understand that Bluewater has an underground forced main pipe buried beneath Part 3 on Plan 22R-4570 that runs from the road to the sewer lagoons. Tribute is therefore pleased to advise that notwithstanding its surface rights over the Bayfield STF Lands by virtue of the Gas Storage Lease Agreement dated March 27, 1979 and registered on December 8, 1982 as Instrument No. R200938 that except for the access road as indicated above, it will not interfere with Bluewater's use of the Bayfield STF Lands. If your client requires some form of covenant or undertaking please provide us with a draft of the same for our review.

In regards to issue #2 referred to above, prior to our meeting we provided you with a draft Road User Agreement for your review and comment. In accordance with your request, I provided you with a word version of this document after our meeting and I await your comments and requested changes regarding the same. You confirmed at the meeting that Bluewater is currently in the process of revising its standard form of Road User Agreement and I believe it was agreed by all parties that Bluewater and Tribute could work together to negotiate and finalize a form of Road User Agreement that is mutually agreeable to both parties.

In regards to issue #3 referred to above, we understand that Bluewater has already asked NextEra in context of the regulatory proceedings it is involved with to provide the same assurance. We are in the process of contacting NextEra (Derek Dudak) to see where they are in preparing the type of risk assessment or other expert evidence or assurance that Bluewater is looking for to provide it with comfort that from a safety standpoint Tribute's proposed storage operation can safely and harmoniously co-exist with adjacent wind power developments. We indicated to you that it was Tribute's position that the environmental study performed by Stantec that is in Tribute's Pre-filed Evidence should provide some comfort to Bluewater as to the safety of Tribute's proposed storage operation. We requested that you provide us with a more specific question that you would like to see addressed with a view to Tribute reviewing the same to see if your concerns can be addressed by way of professional expert evidence. We look forward to receiving a succinctly formulated question or issue so that we can review the same with our consultants. We can advise you that gas storage pools have been developed and operated in Ontario since the 1960s and to Tribute's knowledge there have been no environmental mishaps or safety issues involving the same because of the strict standards and requirements for the construction of these facilities. Again, we eagerly await your wording on the specific question or issue that needs to be addressed to satisfy Bluewater in this regard.

Tribute was also pleased to hear Bluewater confirm at our meeting that its non-objection letter dated October 9, 2009 addressed to Tribute (a copy of which is in Tribute's Pre-filed Evidence at Tab D4-4 in Binder 4) is still in effect and that Bluewater's position as stated therein still stands. Tribute will comply with Bluewater's requirements and conditions stated in this letter in connection with the routing and construction of Tribute's proposed pipeline.

I trust that the foregoing accurately summarizes the issues discussed at our meeting and the follow up discussion that we had regarding the same.

Yours truly,

GIFFEN & PARTNERS

A handwritten signature in black ink, appearing to read 'C. Lewis', with a long horizontal flourish extending to the right.

Per: **Christopher A. Lewis**
/rgb
(BY FAX & EMAIL)

cc: Tribute Resources Inc.
Kirsten Walli, Board Secretary @ Ontario Energy Board