

The Columbia Property Group, Inc.

January 21, 2004

Mr. Dave Nagel
American Apartment Management
1504 Riverview Tower
900 S. Gay Street
Knoxville, TN 37902-2803

Re: Water Smart

Dear Mr. Nagel:

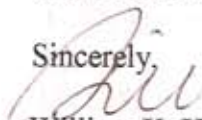
Tom Stallings asked that you be provided with a reference on both their company, their product and their results.

Over the past three years, Water Smart has replaced the toilets, shower heads and aerators with the Niagara flapper-less toilet and various flow reduction devices on 100% of the apartments in our Atlanta portfolio.

- 1) The results have been everything that was projected, and more, with savings that were immediate and continue today;
- 2) The installation crews were fast and efficient, completing the job quickly with no resident disruption or controversy. Tom is very responsive with any follow-up service needs or issues that arise;
- 3) Water-Smart provided value added services of tracking water bills for 12 months following the installation, preparing monthly reports that demonstrated the results. Actual reductions have ranged from 35% to 50% on different properties;
- 4) The Niagara toilets have reduced the number of toilet repair work orders, completely eliminating the replacement of flappers. Any replacement parts have included less than 2% replacement. Parts are readily available and comparable in price.

Overall, the Water-Smart conservation program has proved to be a good investment for both the owners and the residents. Additional contracts with Water-Smart are planned in 2004. It is a pleasure to recommend Water-Smart as an excellent company.

Sincerely,



William K. Henley, CPM