

May 23, 2011

Tom The Toilet Man  
508 Sugarberry Drive  
Maylene, AL 35114

*Re: High Technology 1.28 gpf Flapperless Toilet Retrofit Program*

Dear Tom:

I wanted to take the time to share with you the success of the water conservation program Water-Smart implemented for one of my clients in July of last year. As you may recall, the daily water consumption at this community was averaging 327 gallons/unit/day. In addition, the sewer rates are tied to the water consumption from December – February, thus any reduction in usage affects both the water and sewer cost.

Since the implementation, the property has experienced a 44.6% reduction in water usage, which equates to an annual savings of **\$21,396 or \$243/unit** (\$17,248 or \$196/unit for water; \$4,107 or \$47/unit for sewer).

The 44.6% reduction in consumption for this community accounts for a reduction in usage of 2,566,800 gallons of water annually or 80 gallons/unit/day, a significant amount. The payback period was nine months and the reduction directly resulted in an increase in NOI which effectively increased the value of the community by \$329,172 or **\$3,741/unit** (assumes 6.5% cap rate).

The installation team was resident service oriented, quick and very efficient. The on-site team did not receive one resident complaint during the installation program.

I have thoroughly enjoyed working with you and the team at Water-Smart and look forward to working together again in the near future!

Sincerely,

Dee Strong  
President