

October 2, 2007

Appalachian Water, Inc is the owner and operator of the water system for the Toccoa River Highlands Subdivision, Water System ID # GA2910086, located in Union County, Georgia. Robert Garrison is the developer for this subdivision and he has a zero (\$0) balance with Appalachian Water, Inc. We have been paid in full for the construction of this 25 connection water system. Some of the lots in this subdivision have not been sold, therefore, no hook-on fees have been collected for these lots.

Sincerely,

Tim Odom

AWI President

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