

Iliad Water Services, Inc.
Alderlake Water Company
PO Box 20429
Seattle, WA 98102
(800) 928-3750
(206) 282-4200

May 22, 2008

Dear Alderlake Customers:

To further clarify the payment options provided in our May 21, 2008 letter of financial response survey for the water system improvements.

1. Option #1- Cash

Assessment amount \$3,224.08 plus WA State Utility Tax of .05029 for a total payment of \$3,386.22.

2. Option #2 – Payments over time

If you choose the assessment over time option will bill and owe a surcharge of \$24.59 plus WA State Utility Tax of .05029 per month through May of 2011 for a total monthly payment of \$25.83. Thereafter the surcharge shall be at the rate of \$20.25 plus WA State Utility Tax .05029 per month through May 31, 2028 for a total monthly payment of \$21.27.

If you have any questions, please call (206) 282-4200.

Sincerely,

Sondra LeBaron
Agent