

August 19, 2009

Town of Georgetown
P. O. Box 426
Georgetown, Colorado 80444

Ladies and Gentlemen,

We have reviewed certain provisions of the Loan Agreement (the "1998 Loan Agreement") dated as of December 10, 1998, between the Town of Georgetown, Colorado (the "Town") and the Colorado Water Conservation Board ("CWCB") and Resolution No. 98-26 of the Town approved and adopted on December 8, 1998 authorizing the Town to execute and deliver the 1998 Loan Agreement. Capitalized terms used herein and not otherwise defined shall have the same meanings as provided in the 1998 Loan Agreement.

To summarize, Section 8(e) of the 1998 Loan Agreement allows for the issuance of Additional Debt or Bonds provided Town obtain prior written approval of the State (acting through the CWCB) and provided that the Town obtain a certificate of an independent certified public accountant certifying that, based on an analysis of the Town's revenues, excluding tap and connection fees, for 12 consecutive months out of the 18 months immediately preceding the date of issuance of such parity debt (here, on or about September 4, 2009), the Town's revenues are sufficient to pay the annual operating and maintenance expenses, annual debt service on all outstanding indebtedness having a lien on the pledged revenues, the annual debt service on the proposed indebtedness, and all required deposits to any reserve funds. Such analysis shall be based on the Town's current rate structure. We are Independent Accountants within the meaning of the 1998 Loan Agreement.

In addition to the 1998 Loan Agreement, the Town has obtained loan agreements from the Department of Local Affairs in 2002 and 2004, each of which are payable from the Town's water revenue, which represents the "Pledged Revenue" under the terms of the 1998 Loan Agreement. The maximum annual payments under the 1998 Loan Agreement, the 2002 loan and the 2004 loan are \$12,714.22, \$20,060.65 and \$8,024.26 respectively.

On or about September 4, 2009, the Town is expected to execute and deliver a 2009 Loan Agreement between the Town and the Colorado Water Resources and Power Development Authority (the "2009 Loan") and a governmental agency bond (the "Bond") in the principal amount of \$1,340,000. The Bond bears interest at the rate of 0%. The annual payment is expected to be \$67,000. The combined maximum annual debt service requirements of the 1998 Loan, the 2002 loan, the 2004 loan and the 2009 Loan are \$107,799. Operating and maintenance expenses for the 12 month period ended June 30, 2009 are \$232,077.

The Town has provided us with the audited financial statements for the year ended December 31, 2008 and unaudited financial information from January 1, 2009 through June 30, 2009.

We hereby certify that such net pledged revenue for the 12 consecutive months from July 1, 2008 through June 30, 2009 (12 consecutive months out of the last 18 months prior to the issuance of the obligation) is \$380,514, which amount is sufficient to cover the annual repayment of the outstanding obligations (\$107,779) and annual operations and maintenance (\$232,077).

The Town has approved a water rate increase in the base rate from \$32.00 per 7,000 gallons per month to \$37.50 per 7,000 gallons per month. This rate increase is effective September 1, 2009 and is not included in the above calculations.

Simmons & Wheeler P.C.

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ACKNOWLEDGEMENT

I, Mike Serlet, an authorized representative of the Colorado Water Conservation Board, do hereby acknowledge receipt of this certificate, and consent to the execution and delivery by the Town of Georgetown, Colorado, of a loan agreement with the Colorado Water Resources and Power Development Authority, which loan is to be repaid with the proceeds of its water revenue on a parity with the 1998 Loan between the Town and the Colorado Water Conservation Board.

Dated as of 8/20, 2009.

COLORADO WATER CONSERVATION BOARD

Mike Serlet

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Section Chief, Water Supply Planning and Finance