STATE OF COLORADO

Colorado Water Conservation Board Department of Natural Resources

1313 Sherman Street, Room 721 Denver, Colorado 80203 Phone: (303) 866-3441 Fax: (303) 866-4474 www.cwcb.state.co.us



Bill Ritter, Jr. Governor

Harris D. Sherman DNR Executive Director

Jennifer L. Gimbel CWCB Director

Dan McAuliffe CWCB Deputy Director

June 29, 2009

Happy Scenes Water System Inc. 1577 County Road 500 Bayfield CO 81122

RE: Notice to Proceed—Water System Upgrade

Dear Bruce:

This letter is to inform you that the contract for your grant request of \$50,000.00 to assist in the funding of Water System Upgrade was signed on June 29, 2009. An original signed copy of the purchase order will be mailed to you.

With the executed contract, you are now able to proceed with the project and begin invoicing the State of Colorado for costs incurred from June 29, 2009 through June 30, 2010. Upon receipt of your invoice(s), the State of Colorado will provide payment no later than 45 days. I wish you much success in your project.

Sincerely,

/s/

Greg Johnson, CWCB Intrastate Water Management and Development (303) 866-3441 x3249 Greg.johnson@state.co.us