

Terrill Johnson and Family  
P.O. Box 281  
Colorado City, Arizona 86021

Dear Terrill, Austin, and Michael,

This letter is a memo of our understanding as to our relationship between Deer Springs Ranch Owners Association (DSROA) and the Johnson Family. We are pleased with the cooperative effort between your family and DSROA in working together on Agricultural projects at Deer Springs Ranch.

The following bullets compromise the agreement between DSROA as approved by Board of Directors:

- Approximately 400 acres of land has been made available for agricultural production.
- The term of this agreement is for 2 years beginning October 2008 and is considered a trial project. At the conclusion of this trial period an extension will be carefully considered if both parties are in agreement.
- No water rights are given during this period and all water is from rainfall (dry farming).
- Irrigation may be made available for crop production and the Johnson family may assist in the improvement and restructuring of irrigation systems that may benefit their efforts and Deer Springs Ranch. Management and committee approval will be required.
- No cash flow from crop production is expected to be paid to DSROA during 2009 and 2010 farming seasons. The Johnsons are to cover all necessary expenses and are entitled to all products and cash flow from their farming effort during this period. DSROA benefits from this agreement will be aesthetic and furthering its water rights.
- Johnson family will hold DSROA harmless and assumes all liability for its operations at Deer Springs Ranch.
- Dale Clarkson and Paul Brayton (Committee members) have been asked by DSROA to assist your efforts when needed.
- Johnsons may with equipment remove brush, prepare soil beds, plant, cultivate and harvest all crops planted under this agreement.
- Limited housing accommodations will be considered for the Johnsons use at the Ranch.
- Additional acreage may be made available for farming after review and consideration by both parties.

DSROA appreciates the efforts that you have made thus far and is looking forward to an excellent and profitable relationship in the future.

Sincerely,  
DEER SPRINGS RANCH OWNERS ASSOCIATION

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John W. Southwick, DSROA President                      Date

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Dale E. Clarkson, Committeeman                      Date

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Terrill Johnson                      Date