

To Board Members and Shareholders:

A well drilling project was undertaken in Deer Canyon. It is now completed. We drilled 220 feet and under solar power we are now producing 14 gallons per minute. The trough is full of water and waiting for business in the summer months.

The Ranch Company spent \$24,802.80. We received grant money from the USDA which covered ALL our costs.

I want to take this opportunity to let you know what a wonderful tenant we have in Anthony Stornetta, who made the board aware of the USDA grant funds. He also put lots of hard work into this project. Anthony had to meet with the USDA a number of times, he took two different well drilling outfits to the ranch to review the site for the bidding proposals, he also trenched the lines and installed the pipe for the water line to the trough. I know for a fact that Anthony's wife Denise was running the trencher in the rain while Anthony was laying pipe. These are wonderful people that have given freely of their time and not expecting anything in return. Anthony's support and involvement was instrumental in the process and the success of the completed project.

Looking back, it was a hard decision to make to go forward with the project, the risk of finding water and or the cost thereof. Thankfully the Huasna water gods were on our side. Thank you all for your support.

Greg Kerckhoff