

**TURLEY SWAN CHILDERS
& TORRENS, P.C.**

CHRISTOPHER J. BORK
KACI Y. BOWMAN
MICHAEL J. CHILDERS*
DAVID W. DAVIS
SCOTT HUMBLE
JOSEPH B. SWAN, JR.*
DANIEL TORRENS#
KENT E. TURLEY

ATTORNEYS AT LAW
3101 NORTH CENTRAL, SUITE 1300
PHOENIX, ARIZONA 85012-2643
(602) 254-1444
FACSIMILE (602) 287-9468

*CERTIFIED SPECIALIST, INJURY AND
WRONGFUL DEATH LITIGATION
ARIZONA BOARD OF LEGAL SPECIALIZATION

ADMITTED IN COLORADO

E-Mail: ddavis@tsc-law.com

June 19, 2010

William F. Haney, P.E.
Board Chairman
Pine-Strawberry Water Improvement District
P.O. Box 134
Pine, Arizona 85544-0134

Re: Pine-Strawberry Water Improvement District

Dear Mr. Haney and Board Members:

We thank you very much for your invitation for proposals for legal services as directed by the Board for the Pine Strawberry Water Improvement District ("PSWID"). We look forward to serving the District at the pleasure of the Board.

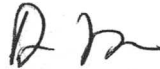
We will perform at the hourly rate for \$190 per attorney hour and \$125 per hour for my Legal Assistant/Paralegal, billed monthly.

Additionally, you will be billed for all costs such as filing fees, extensive copying, investigator fees (whether performed by employees of the attorney's office or by outside parties), deposition charges, charges for court transcripts, computer usage fees (such as for legal research or Internet use), expert witness fees when necessary, other out of pocket costs incurred to provide services to you, service of process fees and witness fees.

You will also be billed for our costs of travel at the rate of \$.50 per mile if we are using our motor vehicle, and at the actual costs if we are relying upon any other form of public transportation. We will not bill travel time or expenses for business in Pine, Strawberry, Payson or Phoenix. You will be consulted prior to the incurrence of substantial charges for any month.

We shall also provide to the District waivers of any potential conflict of interest which any of our prior or existing clients may have.

Very truly yours,



David W. Davis
For the Firm

Accepted this 19th day of June, 2010.



Pine Strawberry Water Improvement District