



— Duffner Ranch —

Located on the Red Rock River 43 Miles
South of Dillon, Montana

offered exclusively by

BATES • SANDERS • SWAN
LAND COMPANY

FOUNDED 1970 AS PATRICK BATES LAND COMPANY



DESCRIPTION

The Duffner Ranch consists of the following approximate land types and acreage:

• Flood-Irrigated Crop Land	175 Acres
• River Bottom and Pasture Land	125 Acres
• Native Range Land	435 Acres
• Buildings and Corrals	5 Acres
• Private Lease – Flood Irrigated Crop Land, Calving Barn and Corrals	23 Acres
Total	763 Acres

The Ranch has historically been utilized for winter pasture, spring calving and summer hay production for the Duffners' cow-calf operation. They have used the Ranch as their headquarters for the past 15 years in conjunction with summer pasture in the Centennial Valley.

The Ranch is able to produce one solid cutting of hay from the flood-irrigated meadows, with very good regrowth for fall and winter grazing. The meadows produce approximately 3.0 tons of hay per acre usually harvested in late summer and averaging about 570 tons annually.

In Southwestern Montana the general rule of thumb is to have enough hay on hand to feed a ton-and-a-half to two tons of hay per cow during the winter months and calving season. This depends upon the severity of the winter and amount of fall re-growth.

The private lease is comprised of approximately 23 acres of irrigated hay land with working corrals and calving facilities. There is a 100-year assignable lease on this parcel and as of September 1, 2009, there are approximately 80 years remaining on the lease. The lease arrangement is for the tenant to pay the property taxes which totals about \$270.00 annually and maintain insurance on the improvements.

Under this lease, the Sellers also have a first right-of-refusal to purchase this parcel and they would provide a recordable assignment of the entire agreement upon closing.

INTRODUCTION

The Duffner Ranch is located in beautiful, historical Southwestern Montana and straddles one of the State's fine blue-ribbon personal-sized trout fishing rivers. The Ranch is graced by and controls about one mile of the Red Rock River, a relatively unknown stream discovered in recent years by a handful of knowledgeable fly-fishing aficionados attracted by good numbers of German brown trout. The pride of ownership is evident even to the untrained eye. The improvements are in excellent repair, fence lines well-maintained and the pastures are healthy and productive.

The Ranch consists of about 740 acres of deeded land with approximately 175 acres of productive hay meadows under flood irrigation. River bottom and sub-irrigated pasture land cover about 125 acres with approximately five acres under buildings and corrals with the balance of 435 acres in native range land.

The Ranch has historically been the headquarters for the Duffner Family's 450-head commercial cattle operation which ships cattle to the nearby Centennial Valley from mid-Spring until late Fall.

The Red Rock River drainage is predominantly comprised of large cattle ranches and is utilized for hay production and livestock grazing. This is true mountain-and-valley region. The Centennial and Beaverhead Ranges, which form the Continental Divide and the southern boundary of the County, provide a magnificent backdrop for the Duffner Ranch.

The Tendoy and Beaverhead Mountain Ranges add to the grandeur of this attractive area with views of the Lima Peaks and Mount Garfield. The sparkling, relatively unsullied streams of southern Beaverhead County all contribute to the Beaverhead River which, along with the Big Hole and Ruby Rivers, form the Jefferson which is a main tributary of the Missouri River.

The Red Rock River is the main headwaters of the Beaverhead River and originates in the extreme southeast corner of the County at Upper Red Rock Lake which is situated at the head of the stunningly beautiful Centennial Valley.

The Duffner Ranch will give its next owner an opportunity to own an authentic, productive ranch on a great trout fishery and live in proximity of several quiet, small Montana towns.



AREA HISTORY

Visitors to Beaverhead County are easily captured by the historical significance this beautiful area has to the founding and expansion of the Nation. In August 1805, Lewis and Clark led their expedition up the headwaters of the Missouri River in search of the mythical Northwest Passage – the long-sought all-water route to connect the trade routes of the Pacific Ocean to those of old world Atlantic countries

The Corps of Discovery was in dire need of horses and food as they had traveled for some time unable to make trading contact with an Indian tribe in the region. William Clark had desperately taken some of the men to further explore the Big Hole Valley while Lewis was attempting to make contact with members of the Shoshone tribe.

Lewis was anxious for Clark to rejoin the party and assist him in communicating with the Shoshones he had encountered. Lewis attempted to delay the departure of the Shoshone tribe in hopes his partner would soon join them. As the

leaders of the Shoshone became increasingly suspicious of Lewis' stall tactics, Clark, along with Sacagawea, finally arrived.

It was near present day Dillon where Sacagawea was united with a childhood friend. The girl had been with Sacagawea when they were captured as children by the Hidatsa Sioux, an enemy tribe from the Great Plains. Her friend escaped and returned to the Shoshone – Sacagawea was not as fortunate.

To the delight of Sacagawea and the Corps, she soon learned that her blood brother, Cameahwait, was the chief of the Shoshone tribe. It was an emotional scene when this brother and sister were reunited and one of great relief to Lewis and Clark.

The Shoshone were as short of food as was the Corps; however, this did not deter the tribe from sharing food and horses with their new friends. These strokes of good fortune, combined with Clark's nick-of-time arrival, led to naming the site "Camp Fortunate".

Refreshed with food and new horses, the Corps was equipped to proceed over the "formidable mountains" to the West. Planning for the return trip home, Lewis ordered the canoes to be submerged in the river to "guard against both the effects of high water and that of fire ...the Indians promised to do them no intentional injury."

Gold fever struck the region in the late 1850s and early 1860s and the insignificant Grasshopper Creek soon became the star on the map of many a gold hungry miner. The town of Bannock was established and became Montana's first territorial capital. The gold rush of the 1860's brought miners and cattle barons alike to the plentiful resources of this region.

The Northern Pacific Railroad constructed a spur into Montana connecting to the Union Pacific Railroad's spur out of Utah. Union Pacific's President, Sydney Dillon, was an influential business and political figure at the time. Like many of the West's towns and cities, Dillon took on the name of this prominent man.

UTILITIES & SERVICES

- Electricity is provided by Vigilante Electric;
- Telephone service is provided by 3-Rivers Communication;
- A private septic system handles the sewage which was pumped in 2008.

PROPERTY TAXES

The real estate taxes for 2008 were approximately \$2,250.00



RECREATION & LOCATION

The Duffner Ranch is located on the beautiful Red Rock River, which is best described as a wadeable stream that doesn't require major preparations for a fly-fishing outing. The Lima Reservoir located about 15 miles southeast of the Ranch, stores water and regulates the flow to maintain and enhance trout fishing...which is truly one of Montana's great attractions. The Lower Red Rock River has become one of Southwest Montana's high-quality, tail water fisheries.

With very limited public access, the majority of the fishing takes place higher up the River closer to Lima Reservoir. The angler able to access the River below the dam can expect to have virtual privacy, lack of public access is what helps create its desirability. The Red Rock provides good dry fly fishing. Parachute Adams, Elk Hair Caddis and Pale Morning Duns just to name a few, have traditionally been successful dry fly patterns. Streamer fishing is particularly enjoyable in the Spring and late Fall in the deeper pools and undercuts.

Historically, rainbow trout in this stretch of the Red Rock run between ten and twelve inches while the German browns will average three to four pounds. The entire Red Rock benefits from the spawning beds for browns and rainbows as the stream enters the Clark Canyon Reservoir.

High-quality and experienced guide services can be found in Dillon and the surrounding communities for both fishing and hunting. The acclaimed innovator of the world famous elk hair caddis dry fly, Al Troth, has headquartered in Dillon for many decades.

Discerning anglers need only to peruse a map of Southwestern Montana to realize the plethora of opportunities within short drives of the Ranch should they tire of their private waters on the Red Rock River.

The famous drift-boat waters of the Big Hole River beginning at Divide are about 80 miles northwest. The Beaverhead River's challenging banks start below the Clark Canyon Dam which is about 27 miles north.

For regulations, refer to the Montana Fish Wildlife and Parks – Fishing Guide webpage at <http://fwp.mt.gov/fishing/guide/>.

Both an elementary and high school are located in Lima and a school bus stops near the Ranch. The Lima School System provides a high quality educational system with small class sizes and a high teacher to student ratio. Extraordinary community involvement and support continue to ensure that rural students have a solid and caring education.

Dillon, the Beaverhead County seat, is a bustling community of about 4,500 people and home to the University of Montana-Western, which is a cornerstone in the area providing both cultural and educational opportunities for Southwestern Montana. With an enrollment of about 1,000 students, the college draws traditional students from the surrounding communities as well as non-traditional students for evening classes and professional development opportunities.

Commercial air service is available in Butte at Bert Mooney Airport. A good range of connections are offered by Skywest-Delta Airlines and Horizon Air-Northwest Airlines.

A well-improved, night-lighted, corporate jet-capable airstrip is located about three miles north in Dell. This remarkable facility certainly enables those fortunate enough to travel by private aircraft who desire to be in the middle of some of Montana's best fishing and hunting quickly and easily. The runway sits at an elevation of about 6,114' and is about 6,800' long. The night-lighting system is activated by five clicks on frequency 122.9.

The Ranch has easy access to Interstate 15 at Lima and Dell. Although this major freeway goes through the Upper Beaverhead Valley, it is hardly noticeable from the Ranch's well-planned improvements.

Distances to Montana cities and other destinations from the Red Rock Ranch:

Dillon	43 miles
Twin Bridges	70 miles
Butte	105 miles
Idaho Falls, Idaho	105 miles
Bozeman	160 miles
Yellowstone National Park	180 miles

The Red Rock Lakes National Wildlife Refuge is located about 30 minutes southeast of the Ranch in the Centennial Valley. The Refuge has often been referred to as the most beautiful national wildlife refuge in the United States. Established in 1935 to protect the rare trumpeter swan, this 40,300-acre refuge contains 14,000 acres of lakes and marshes and has enabled the swan population to recover from less than 100 to a current summer population of 400-500 birds. The winter counts swell to 1,400-1,500. Additionally, thousands of ducks and numerous greater sand hill cranes frequent this remarkable haven....truly a photographer's dream.

IMPROVEMENTS

Main Residence

A comfortable 2,850 square-foot log home contains four bedrooms and three baths. The main structure is a two-story log house constructed in 1898 which had an addition added on in 1996. A functional open floor plan and wide hallways add to the warmth and welcome feeling of this home. A modern kitchen with oakwood cabinetry, a spacious recreational room area is used for storage, wash area and pantry. The kitchen is very functional and contains a breakfast bar that opens to a dining room area. The newer addition to the home has a vaulted ceiling and serves as the family room. The master bedroom is located on the second floor of the addition and contains a spacious walk-in closet and private bath.

The home is heated by a wood-pellet stove with propane heat. This home has a practical and functional floor plan that would suit a variety of tastes.

Equipment Storage Building

This well-built 60' x 100' pole building has steel siding and a gravel floor and was constructed in 1994. The structure has good lighting and serves as equipment and vehicle storage. It also contains an approximately 20' x 20' tack room and storage area which is insulated and has a concrete floor. This building is in excellent condition.

Garage

A single car 15' x 20' garage is located near the house. This turn-of-the-century log structure has been thoughtfully maintained.

Shop

This is an approximately 25' x 45' insulated steel sided building with a steel roof, concrete floor and a 16' roll up door for good access. Complete with 3-phase power for welders and large air compressors. The shop is heated with a wood-burning stove and in very good condition.

Corrals

A small set of corrals are situated near the owner's home and are rarely utilized. They are functional for doctoring a few head of cattle or working a small herd.

Corrals – Private Lease

A larger and more functional set of corrals is located on the private lease ground where a squeeze chute, crowding alley and sorting pens are located. This is also from where cattle can be shipped. Many of the holding pens have access to one of several heated waterers. Overall the corrals are in good condition and are well lit.

Calving Barn – Private Lease

This is a 100' x 35' corrugated steel Quonset structure containing 16 calving jugs. The barn also contains a head catch and warming room/veterinary supply room that is insulated and has electric heat. With large access doors on both ends of the barn, it can easily be accessed with a loader for either cleaning or delivering hay and straw.

ELEVATION & CLIMATE

The Duffner Ranch sits at approximately 6,100' above sea level. The Tendoy Mountain Range rises to the west and is complemented with the dramatic backdrop of Mount Garfield and the Lima Peaks of the Beaverhead Mountain Range to the south.

The area's average annual precipitation ranges from 10" to 14" annually. The climate is four-season with an average frost-free period of about 60 days.

Average maximum temperatures in June, July and August range from 71° to 78° F. In December, January and February average maximum temperatures are between 28° and 38°F. An annual winter cold snap may take night-time temperatures from -10° to -30°F

Summer days average about 74° F with winter minimums between 6° and 15° F. In the Big Sky State there is always plenty of sunshine regardless of temperature.

MINERAL RIGHTS

The Seller will convey the Ranch without reservation of whatever mineral, oil, gas, geo-thermal, hydro-carbon and gravel rights they actually own, subject to reservations by previous owners. They make no representation as to the quantity or quality of any mineral or other subsurface rights appurtenant to the Ranch.

WATER RIGHTS

According to Montana Department of Natural Resources records, the Duffner Ranch owns the following water rights:

- 372 Shares of Lima Water Users' Association Stock;
 - Each share of stock allows diversion of one-third of a miner's inch of water so the Ranch has 124 inches of Reservoir water;
 - Typically, 40 inches or one CFS is required to irrigate 40 acres of crop land;
 - For the past two years operation and maintenance charges have averaged \$2.10 per share or \$781.20 annually;
- 23.88 CFS of the Decreed Rights from Red Rock River and Geary Springs.

LIVESTOCK WATER RIGHTS

The Ranch has recorded rights on two stock water rights out of the Red Rock River. In addition, one well services a stock tank west of the River and one hand-dug well services the corrals and a stock tank located near the owner's home.

DOMESTIC WATER RIGHTS

One domestic well supplies water to the home and is equipped with a submersible 0.5 HP pump.

All water rights in Montana are subject to eventual re-adjudication by the Montana Water Court and, as a result of that process, may be changed as to validity, amount, priority date, place of use and other such changes as the Court determines. The Seller has made all of the filings currently required and will transfer the water rights as they currently stand with no warranty of future viability.





SUMMARY STATEMENT

The Duffner Ranch is an enjoyable and a simple property to own. The river bottom meadows and irrigated pastures are highly productive and have historically generated excellent gain on cattle.

Currently the Ranch is the headquarters for a 450 head cow-calf operation, utilizing summer pasture in the nearby Centennial Valley. With proper management, the next owner should be able to comfortably run 200 to 250 head of yearlings for five months from June 1st to October 31st or keep a cow-calf herd of about 100 on a year 'round basis. With good stewardship, either scenario should leave ample grass for wildlife. A rancher seeking a larger cattle operation might consider leasing summer pasture to harvest a hay crop on the Ranch for winter feeding. This very productive base could be greatly enhanced with the addition of outside summer grass or can be enjoyed simply as it is.

Should the next owner desire to keep things simple, leasing the Ranch's grass to solid ranchers in the Red Rock River Valley could be done with three phone calls or less.

Mule deer, whitetail deer, antelope and moose frequent the Duffner Ranch in good numbers. Moose frequent the bottoms along the Red Rock River and are often seen around the improvements and hay meadows. Adjoining thousands of acres of Bureau of Land Management (BLM) land, provides abundant recreational and hunting opportunities. The Ranch also offers good waterfowl hunting which could also be enhanced with judicious plantings of small grain plots.

Only in Montana is genuine world-class wild trout fishing available – a quality which is readily obvious in the feeding characteristics, powerful fight, and incredible natural beauty of healthy fish which make reels sing and quicken the pulse of those who seek the healing solitude of sparkling trout-rich waters.

The Ranch's Red Rock River frontage provides exciting, private and enjoyable access to a surprising blue ribbon trout fishery.



OFFERING PRICE & CONDITIONS

The Duffner Ranch, consisting of approximately 740 acres of deeded land including all improvements and water rights and assignment of a lease on approximately 23.33 acres of privately owned land, as previously described herein, is offered at \$1,650,000 Cash or Terms under the following conditions:

1. All offers to purchase must be in writing and accompanied by earnest money deposit check in the amount of 5.00% of the Purchaser's offering price;
2. Each offer must also be accompanied with the name and telephone number of the Purchaser's private banker to assist the Sellers and their agents in ascertaining the Purchaser's financial ability to consummate a purchase;
3. Earnest money deposits will be placed in escrow with a local title company which will then place the funds with local banks at nominal rates of interest accruing to the Purchaser's benefit until Closing;
4. The Sellers will provide and pay for an owner's title insurance policy. Title to the real property will be conveyed by warranty deed and the water rights and personal property will be transferred by bill of sale;
5. All of the Ranch's water rights will be transferred to the Purchaser and all of the mineral rights which the Sellers actually own will be conveyed to the Purchaser at Closing.

The Seller reserves the right to affect a tax-deferred exchange for other real property in accordance with provisions in Section 1031 of the Internal Revenue Code. The Purchaser will not be required to incur any additional expenses nor to step into the chain of title on any property which the Seller may acquire.

This Offering is based on information believed to be correct; however, it is subject to errors, omissions, prior sale and change or withdrawal without notice. Information contained herein has been provided by the Seller or obtained from other sources deemed to be reliable.

Bates • Sanders • Swan Land Company has been authorized by the Seller, to act as their Exclusive Real Estate Agent on the sale of the Duffner Ranch. Since 1971 this company has primarily focused on the brokerage of significant ranches, farms and recreational properties in Montana, Utah, Idaho, Wyoming, Colorado, New Mexico, Nebraska and Nevada.

This Offering is based on information believed to be correct; however, it is subject to errors, omissions, prior sale and change or withdrawal without notice. Information contained herein has been provided by the Seller or obtained from other sources deemed reliable. The Seller and the Agent do not, however, guarantee accuracy and recommends that any Prospective Buyer conduct an independent investigation.

At closing of a purchase, the Buyer will state in writing that such investigation has occurred and the Buyer is satisfied with the Ranch and its suitability for the Buyer's intents and purposes.



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— www.bateslandco.com —

For more information or to
make an appointment to inspect
the Duffner Ranch, please call:

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A 48-hour notice is requested to
make proper arrangements for an
inspection of the Duffner Ranch.

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