

THE LONETREE RANCH
on the
Henry's Fork River
in
Southwestern Wyoming



The Lonetree Ranch's meadows have been admired
by livestock men and passersby for many decades.

INTRODUCTION

The Lonetree Ranch was the core of one of Wyoming's most historic and authentic cattle operations known as the Wadsworth Ranch.

Frank and Ivy Wadsworth came to Lonetree in 1918 and, over the next 60 years, an empire consisting of 18,300 deeded acres plus 49,000 acres of federal and state grazing leases was assembled – largely by their son, Glen, and his wife, Fay, who were one of the most respected and progressive ranching couples in the Cowboy State's history.

In 2007, Beaver Creek Land & Cattle, LLC, purchased the entire holding with the intent of eventually offering the Lonetree Ranch separately because of its “stand alone” location and very attractive recreational attributes.

The Lonetree Ranch will afford its owner that rare combination of easy access and hard-to-find privacy – especially when a new set of improvements are built on one of many secluded sites.

In addition to owning miles of live water on the Henrys Fork River and several smaller streams flowing through the Ranch, it is also frequented by good numbers of mule deer, elk, moose and antelope. Many other species of small game, waterfowl and wildlife are supported by this abundant environment.

Knowledgeable ranchers have estimated the Ranch's carrying capacity at 425 to 500 head of cattle on a year 'round basis. This level of production would support hiring a full-time manager plus a ranchhand and should cover the operational expenses with proper agricultural and grazing practices.

It should be clearly understood that the Lonetree Ranch will not generate the levels of “cap rate” or “ROI” in classic investment model; however, it will not disappear in today's unsettled and indiscernable world turmoil.

One of the most profound statements regarding ownership of Western ranches reads as follows:

There is a kink that is very general in the human mind that makes a man pay more for the ownership of land than the annual income from yield will justify.

*Charles M. O'Donel – General Manager
Bell Ranch – San Miguel County, New Mexico
December 23, 1923*

LOCATION and ACCESS

The Ranch enjoys good access from paved state highways and county-maintained gravel roads as evidenced by the accompanying topography map. Approximate distances are as follows:

- Mountain View Wyoming – 22 Miles
- Flaming Gorge Reservoir – 30 Miles
- Evanston, Wyoming – 65 Miles
- Rock Springs, Wyoming – 80 Miles
- Salt Lake City, Utah – 150 Miles

Mountain View is a classic small Wyoming town. A good-sized grocery store, a bank, good schools and churches provide about 1,200 residents with reliable basic services.

Evanston is the nearest city. Founded in 1868 as grading crews for the Union Pacific Railroad worked their way West, it is home to about 12,000 people and offers a full range of services and modern infrastructure, including a hospital and medical clinics.

Evanston lies on Interstate 80, making trips to Salt Lake City, Ogden or Park City extremely convenient. The route to Salt Lake International Airport is all freeway from beginning to end – an easy 75 minutes.

Evanston's modern airport is jet-capable with a full-time FBO and was put to the test during the 2002 Winter Olympic Games. Because of the no-fly zone imposed over the Salt Lake Valley, many well-heeled spectators, including European royalty, chose to fly into Evanston and enjoy the scenic 40-minute limo ride to Park City.

OPERATIONAL DESCRIPTION

The Lonetree Ranch is a classic Rocky Mountain cattle ranch utilizing irrigated land at lower elevations along reliable creeks and small rivers and running up to high elevation summer grazing.

The Ranch is comprised of approximately 4,817 acres of deeded land, plus about 5,245 acres of BLM land, 960 acres of State leases, and 16,608 acres of USFS land encompassing a total of 27,630 acres.

The State, Bureau of Land Management and US Forest Service grazing lands are described in detail on the adjoining page. In total, they contribute about 1,514 Animal Unit Months of grazing.

The Ranch's deeded land – including its highly productive irrigated and sub-irrigated meadow land – and the grazing leases described above provide sufficient forage for approximately 450 to 500 head of cattle (Animal Units) for an entire year.

The Lonetree Ranch contains approximately 4,120 acres of irrigated and sub-irrigated land.

A complete tabulation of the Ranch's adjudicated water rights are found on Pages 4 and 5.

Historically, the Ranch's spring-born steer calves have weighed about 500 pounds and the heifers have come in at about 475 pounds for fall shipping.

Should the next owner of the Ranch decide not to be in the cattle "bidness", there are several successful neighboring ranchers who would be very interested in leasing the land and operating with their own hired men and machinery.

GRAZING LEASES and PERMITS

Agency	Name & Number	Grazing Period	Number of Cattle**	AUMs	Cost in 2006
US Forest Service	Beaver Creek 5012	07-05 to 09-10	125	279	\$ 435.24
Wyoming State	3-6905 320 Acres	01-01 to 12-31	15	176	841.28
Wyoming State	3-7474 640 Acres	01-01 to 12-31	12	140	669.20
Bureau of Land Management	Bald Hills 04018	05-15 to 09-30	202	923	1,439.88
			Total	1,514	\$3,385.60

** Number of Cattle = Cow-Calf Pairs

The USFS and BLM Grazing Permits allow grazing for about 175 head of cattle off of the Ranch's deed land from May 30 to September 30. This enables the operation to put up sufficient hay for winter feeding and still provide spring-summer-fall forage for 275 to 325 head of cattle.

WATER RIGHTS

Adjudicated Irrigation Rights

Territorial Proof or Permit Number	Priority Date	Source	Volume CFS	Acreage
4099	May 1875	Henrys Fork	1.14	80
4130	May 1886	Henrys Fork	1.15	80
4325	May 1878	Beaver Creek	0.50	35
4326	May 1880	Beaver Creek	1.00	70
4330	May 1886	Beaver Creek	2.00	140
4336	May 1886	Beaver Creek	3.58	250
4337	May 1887	Beaver Creek	0.57	40
4338	May 1888	Beaver Creek	2.63	185
4339	May 1889	Beaver Creek	0.28	20
4340	May 1889	Beaver Creek	0.28	20
4341	May 1889	Beaver Creek	1.14	80
4342	May 1889	Beaver Creek	0.22	15
Total of Territorial Proofs: 1875 to 1889			14.49 CFS	845 Acres
3192	May 1901	Henrys Fork	1.80	126
3200	May 1901	Beaver Creek	1.17	82
3355	Aug 1901	Beaver Creek	2.14	150
704 Enl	Sep 1901	Beaver Creek	1.44	100
5081	Oct 1902	Beaver Creek	1.14	80
2619 Enl	Mar 1906	Beaver Creek	1.09	76
8068	Dec 1907	Lamb Creek Spg	0.20	15
8800	Jul 1908	Beaver Creek	0.27	19
8801	Nov 1908	Beaver Creek	0.20	14
8912	Jan 1909	Beaver Creek	4.06	284
9234	Jul 1909	Beaver Creek	0.34	24
9235	Jul 1909	Beaver Creek	0.39	28
2091 Enl	Aug 1909	Beaver Creek	1.14	80
9479	Oct 1909	Henrys Fork	0.18	13
9470	Oct 1909	Beaver Creek	0.55	39
10263	Oct 1910	Beaver Creek	1.53	107
10264	Oct 1910	Beaver Creek	0.50	35

Adjudicated Irrigation Rights- Continued

Territorial Proof or Permit Number	Priority Date	Source	Volume CFS	Acreage
2430 Enl	Apr 1911	Beaver Creek	1.92	135
2430 Enl	Apr 1911	Beaver Creek	0.31	22
2431 Enl	Apr 1911	Beaver Creek	1.14	80
2431 Enl	Apr 1911	Beaver Creek	1.97	138
11233	Dec 1911	Beaver Creek	0.09	7
11234	Dec 1911	Beaver Creek	0.38	27
11235	Dec 1911	Beaver Creek	0.09	7
11236	Dec 1911	Beaver Creek	0.15	10
4187 Enl	Mar 1921	Beaver Creek	0.46	33
4188 Enl	Mar 1921	Beaver Creek	0.76	53
18626	May 1935	Lucky Spring	n.a.	12
20235	Jul 1948	Carter Spring Creek	0.54	38
20236	Jul 1948	Carter Spring Creek	n.a.	72
20238	Jul 1948	Carter Spring Creek	2.64	185
6097 Enl	Dec 1963	Beaver Creek	0.53	37
22449	Dec 1963	Poison Creek	0.90	63
22448	Dec 1963	Beaver Creek	0.26	Stock
22450	Dec 1963	Beaver Creek	1.04	73
Total of Permits: 1901 to 1963			31.33 CFS	2,264 Acres

Notes: Ten of the above permits are enlargements which are generally considered as supplemental rights to existing proofs or permits.

These enlargements total 10.76 CFS on 754 acres.

It appears that the Lonetree Ranch has 35.06 CFS of primary adjudicated irrigation water rights on 2,355 acres of land.

IRRIGATION STORAGE WATER

In addition to the previously tabulated water rights, the Ranch owns 999 acre-feet of supplemental irrigation water for the benefit of the Lonetree Headquarters Unit.

This water is stored in Hoop Lake – see enclosed map – which is located south of the Headquarters in the Wasatch National Forest.

Typically, three acre-feet of water are required to irrigate one acre of crop land so the Hoop Lake water would cover about 333 acres of hay meadow. If used on irrigated pasture this water might cover about 450 acres.

These rights are administered by the Hoop Lake Reservoir and Irrigation Company and the annual operations and maintenance assessment is approximately \$1.00 per share and some years no assessment is made.

Those familiar with the North Slope of the unique Uinta Mountain Range – the only major range running east-to-west in the Nation – recognize this watershed as one of the most reliable sources of water in the Rocky Mountain West.

ESTIMATED IRRIGATION WATER RIGHTS SUMMARY

- Territorial Rights – 14.49 CFS for 845 Acres
- Additional Rights – 31.33 CFS for 2,264 Acres
- Reservoir Storage – 999.00 Acre-Feet of Supplemental Water

ELEVATION – PRECIPITATION – CLIMATE

The Lonetree Ranch's deeded land ranges from 7,150 feet above sea level on the Henry's Fork River to 9,000 feet on the USFS Permit. This 1,850-foot difference in elevation provides a variety of high-protein, hard-grass forage.

The average precipitation varies from about 8 inches at Lonetree to approximately 16 inches on the USFS Permit. This is true high desert country and the Ranch's extensive water rights have been invaluable to its long, successful history.

Summer temperatures (June-September) average about 76 degrees Fahrenheit during the day and cool off to 45 degrees at night.

Winter temperatures (December-March) range from about 34 degrees Fahrenheit daytime down to 15 at night. A couple of cold snaps each winter will drop the nights to minus 15 to 30 degrees.

There is plenty of sunshine and the air quality is incredible.

REAL ESTATE TAXES and GRAZING FEES

In 2007, the Ranch's total real property tax was approximately \$5,000.00 – about a buck an acre.

The total cost for the State and Federal grazing leases and allotments in 2007 was about \$3,000.00 which equates to about \$2.00 per AUM.

MINERAL RIGHTS

The Seller will convey all of the mineral, oil, gas hydrocarbon, geothermal and gravel rights appurtenant to the Ranch, subject to reservations by prior owners.

IMPROVEMENTS

South of Highway

- Older frame owner's home in very good repair;
- Newer garage for passenger vehicles and ATVs;
- Small bunkhouse;
- Large metal calving building;
- Large metal shop and machinery storage building;
- Small horse barn and tackroom;
- Mid-sized working corrals.

North of Highway

- Two-bedroom home with one bath;
- Three-bedroom home with one bath.

UTILITIES

- Electrical power and telephone lines serve the homes;
- School bus service is provided;
- Domestic wells provide culinary water.

RECREATION

The Lonetree Ranch is perfectly located to serve as base for a year 'round recreation. Its close proximity to the Wasatch National Forest and the High Uintas Wilderness Area provides a panoply of outdoor experiences which can only be experienced in the Rocky Mountain West.

Elk, mule deer, antelope and moose frequent this area. Fishing in the fast-moving streams can be delightful.

Mountain-biking, backpacking and hiking are activities which have unlimited and widely-varied terrain available to recreationists of all ages and abilities. Horseback riding and pack trips are very popular.

The winter months provide some of the West's best cross-country skiing, snowshoeing and snowmobiling terrain.

A discussion of recreational opportunities available in the area would not be complete without mentioning the High Uinta Mountains. These fabulous mountains not only provide reliable water for the Ranch, but also include the 456,704 High Uinta Wilderness Area – the largest in Utah.

The Wilderness is encompassed by the Wasatch and Ashley National Forests which are part of the historical hunting grounds of the Ute, Paiute, and Shoshone Indian Tribes. During the late 1800s, ranchers and homesteaders poured into the area – cattle rustling soon became a problem for the ranchers partly because the areas many secluded canyons provided easy hiding places for outlaws. On many occasions Butch Cassidy and his band would hole up in this country after pulling off a bank or train robbery in Wyoming, Colorado or Montana.

The Ranch is about 30 miles from the Flaming Gorge National Recreation area. The dam creating the 90-mile long Flaming Gorge Reservoir was complete in 1964. Congress set aside the 200,000 acres that make up the Recreation Area in 1968. Since then, some of the largest trout in North America have been caught in this Lake. The renowned Green River draws avid fly-fishermen from around the world.

The Ranch itself provides an abundance of recreation – the sparkling streams contain trout and the next owner has some remarkable opportunities to enhance the fishing aspect. The meadows are frequented by moose, mule deer, elk and antelope.

HISTORY of the HENRY'S FORK VALLEY

Early explorer and fur trader, William Henry Ashley, was the first white man known to have visited the Henry's Fork Valley. Fur trappers, including Jim Bridger and Jedediah Smith, from his Rocky Mountain Fur Company, worked the streams and rivers of the area. Ashley selected a site on the Henry's Fork River just a few miles east of Lonetree for his first annual trappers' rendezvous in 1825. Trappers, Indians and supply wagons gathered for the weeklong affair of trading, socializing, athletic competition along with prodigious consumption of firewater. These rendezvous continued in several valleys throughout the Rocky Mountains each year until 1840 when the fur trade died out.

In 1847 Mormon pioneers traveling to Utah passed just north of the Henry's Fork Valley. This opened the region for settlement. In 1857, a US Army Expeditionary Force under the command of Colonel Albert Johnston marched toward Utah to put down the so-called "Mormon Rebellion". Brigham Young sent scouts and raiding parties to slow the Army by running off their livestock, cutting off their supply wagons and burning the grass needed for livestock forage. Johnston's army was thus forced to spend the Winter at nearby Fort Bridger. Because of the scarcity of feed, a number of government horses and cattle were sent to the Henry's Fork Valley to winter over. One of Johnston's scouts, Phil Mass, helped move the cattle. He later returned as the first white settler in the Valley in about 1862.

Because of its isolation, the Valley was something of a haven for horse thieves and hired killers. Not the least of whom was Butch Cassidy, who is known to have holed up at Brown's Park near the confluence of the Henry's Fork and Green Rivers.

More settlement came in the 1890s and early 1900s with an influx of settlers, primarily from Utah. The Valley was remote and life still rough and rowdy. An attempt was made to organize a Mormon Sunday School in Lonetree in the Fall of 1904. A local woman was asked if she thought the cowboys would interfere. She replied, "Wal, I dunno. They might shoot around, but I don't think they would shoot you. They shot a man here last week, but he needed killin'." The meeting to organize was having mixed success until it was explained that sometimes dances were held, to which one of the cowboys responded, "Whoopee, let's have a Sunday School!" The Sunday School lasted only two weeks because women left to help with the Fall Roundup.

Valley life during this period was poignantly portrayed in the 1979 movie "Heartland" based on the book *Letters of a Women Homesteader*, a collection of letters from Elinore Pruitt Stewart. The widowed Elinore and her young daughter came to the Valley in 1909 as a housekeeper for widower Clyde Stewart. She was determined to have a place of her own. It took her a full week for the round trip to Green River to file on the section of land next to Stewart's place. She intended to build a house there but she and Clyde were soon married. Her letters to a friend describe a rustic life that would seem to fit better a century before.

A paved road came to the Valley in the 1960s with the construction of the Flaming Gorge Dam. Despite the improved access and civilization's "progress", the Valley remains dominated by ranching and wilderness recreation.

WYOMING

The least-populated State in the Nation remains one of the last bastions for the independent thinker. Wise development of natural resources enables the State to keep its citizens free of personal state income and inheritance taxes and affords one of the most attractive tax structures for business in the Nation. The Cowboy State's commitment to its public school systems is enviable.

Wyoming's early recognizance of the influence of the clean dollars which sportsmen and tourists bring to the State's economy has resulted in controlled and consistent development of the tourist and recreational industry.

Attractive blocks of deeded land situated on live water and beautiful high summer range are in limited supply in Wyoming.

Much of the most desirable land in Wyoming is owned by various federal and state agencies with millions of acres set aside for Yellowstone Park, Grand Teton National Park and National Forests – as evidenced by the nearby High Uintas Wilderness.

This scarcity is particularly notable in Southwestern Wyoming and will undoubtedly continue because of the area's close proximity to Utah's burgeoning Wasatch Front and the ease with which those living outside the Rocky Mountains are able to frequent this region.

SUMMARY

The Lonetree Ranch was the headquarters for one of the most reputable cattle operations in Wyoming.

While the Ranch is productive, it will not produce cash flows which many investors are accustomed to – deeded ranch land values and cattle prices were unhitched by 1970 – land values go up and beef prices go wherever.

According to the United States Department of Agriculture's *Land Values and Cash Rents – 2007 Summary*, national average cropland values from 1998 to 2007 increased 200% or 20% annually. Pasture land values for the same period increased 237% or almost 24% annually. While no one expects this rate of increase to continue, it can safely be said that land appreciation will remain an integral and enjoyable investment for the well-balanced portfolio.

The next owner will be able to employ a strong manager and a full-time man if he chooses to operate the Ranch. It has surely produced enough cash flow to pay its operating costs; however, it won't service much debt.

Alternatively, we are seeing a growing number of ranch owners limit their investment to land and reduce financial exposure risk by having a strong manager to supervise grazing of outside cattle on a lease basis. These arrangements are far less frustrating to captains of industry – prolonging and enhancing their ownership experience considerably.

Even the unpracticed eye will immediately see the solid potential for development at the Lonetree Ranch. Wyoming's current zoning for minimum-sized homesites of 35 acres with very little infrastructure requirement.

Because of this zoning, there exists an equally strong potential for an owner who is able to capitalize on the income tax advantages, and personal satisfaction derived from a conservation easement.

We feel the Lonetree Ranch represents the fading possibility of owning a genuine operating ranch with abundant recreational resources in the West. For those financially qualified to purchase it outright and possessing the intellectual and emotional capacity to take this unique place to the next level, this offering represents a remarkable opportunity located within two hours of Salt Lake City and even close to jet-capable airports at both Evanston and Lyman, Wyoming.

OFFERING PRICE and SALE CONDITIONS

The Lonetree Ranch, consisting of approximately 4,817 acres of deeded land and about 22,813 acres of State and Federal land plus all improvements and water rights, is offered at \$12,300,000 Cash under the following conditions:

1. All offers to purchase must be in writing and accompanied by earnest money deposit check in the amount of \$500,000.00.
2. Each offer must also be accompanied with the name and telephone number of the Purchaser's private banker to assist the Seller and its agent in ascertaining the Purchaser's financial ability to consummate a purchase;
3. Earnest money deposits will be placed in escrow with the 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 Seller will provide and pay for standard owner's title insurance policy in the full amount of the purchase price with title to the real property conveyed by warranty deed;
5. All the Ranch's water rights will be conveyed to the Purchaser at Closing.

The Seller reserves the right to effect a tax-deferred exchange for other real property in accordance with 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.

RESOURCE DIRECTORY

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321 Highway 414
P.O. Box 129
Mountain View, Wyoming 82939

PHOTOGRAPHIC ESSAY
of the
Lonetree Ranch



The Ranch's irrigated pastures harbor good numbers of moose and mule deer with occasional visits by elk.



The meadows afford a rare combination of conifers, cottonwoods, quakies and willows.



Meadows north of Highway 414 are back-dropped by the stark contrast of rugged badlands.



The meadow views to the south are complimented by the magnificent High Uinta Mountain Range.



Black Angus cattle thriving on the Ranch's irrigated pastures.



A view of irrigated hay land – yields an average of about two tons per acre in one cutting with occasional fertilization.



The Henry's Fork of the Green River runs through the Ranch for about 1.50 miles providing irrigation water and enjoyable walk-wade trout fishing.



Beautiful hay meadows flank the River.



Overview of a stretch of the River – note the combination of trees.



The Ranch contains hundreds of acres of protected and lush bottom land along Henry's Fork, Beaver Creek, and Spring Creek.



View of the South Meadows looking north.



View of the South Meadows looking south.



Beaver Creek is one of the Ranch's main sources of irrigation water.



Another view of Beaver Creek – this stream has strong potential for enhancement of trout habitat.



Irrigated meadows on land situated in Summit County, Utah.



Cattle on the Utah Meadows – the High Uintas grace almost every vista.



The Lonetree Ranch contains good-sized pastures.



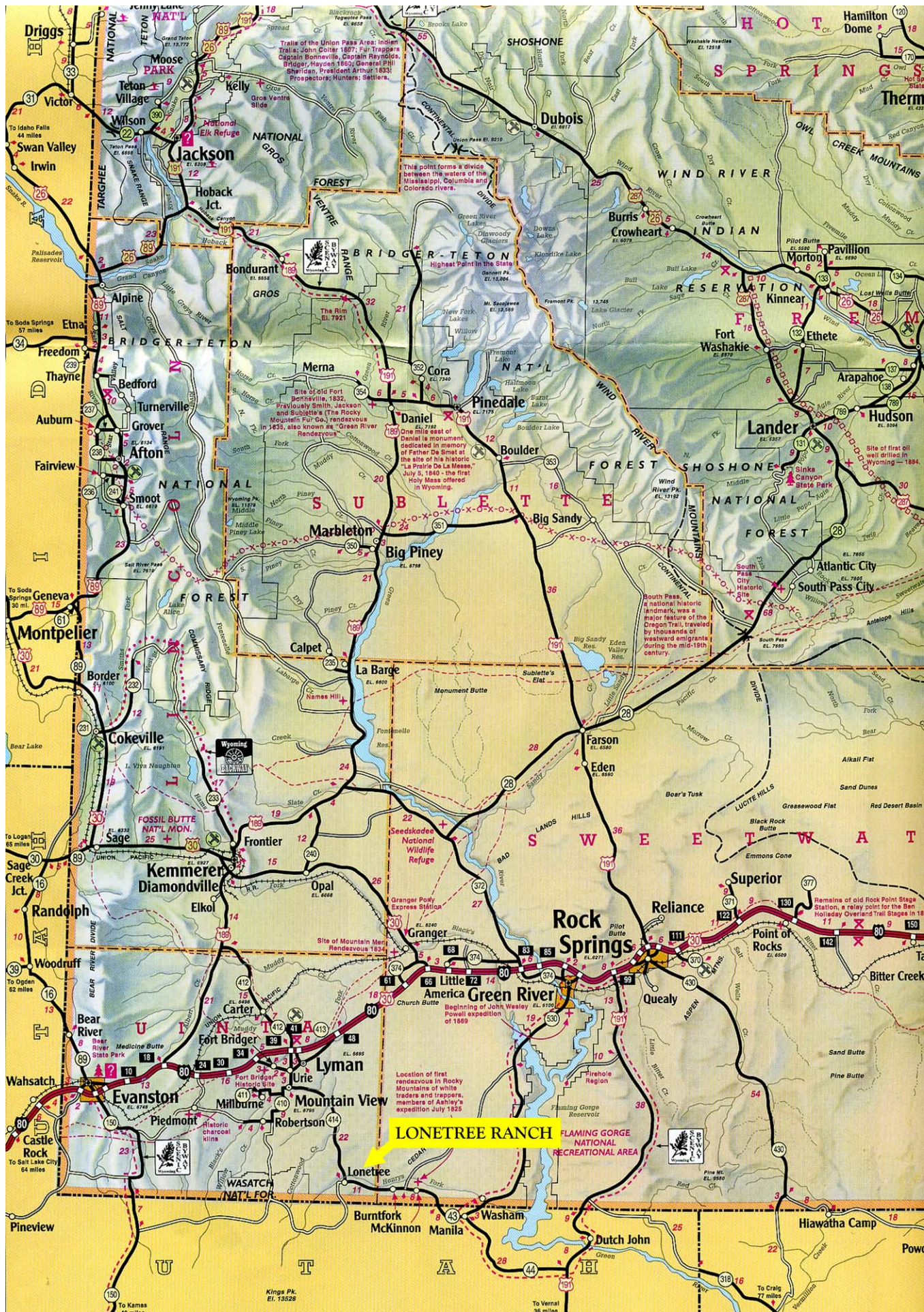
The Ranch has strong water rights for about 2,355 acres.



The Lonetree Ranch is a genuine old-line cattle operation – improvements are quite functional but not fancy.



Fay's Lake is good-sized and can harbor plenty of rainbows to make grandchildren squeal and visiting friends smile broadly.



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Patrick Bates Land Company has been authorized by Beaver Creek Land & Cattle, LLC, to act as its Exclusive Real Estate Agent on the sale of the Lonetree Ranch. Since 1970 this company has focused primarily on the brokerage of significant ranches, farms and recreational properties in Utah, Idaho, Wyoming, Montana, Colorado, Nevada, Nebraska and New Mexico.

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 Sellers or obtained from other sources deemed reliable. The Agent does 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.

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

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A 48-Hour Notice is Requested to Make Proper Arrangements for an Inspection of the Lonetree Ranch.