

## Dennis Brewer

---

**From:** Dennis Brewer <[REDACTED]>  
**Sent:** Thursday, April 20, 2017 7:07 AM  
**To:** [REDACTED]  
**Subject:** Stock Cert  
**Attachments:** Stock Cert 010 Preferred Series A Doug Petersen 170420.pdf

Doug - Your certificate is attached. And, thanks yet again.

Regards,  
Dennis

Dennis Brewer  
Chief Executive Officer  
WinnettOrganics, Inc.  
623-207-9675 520-549-6245  
[www.winnettorganics.com](http://www.winnettorganics.com)



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## Dennis Brewer

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**From:** Dennis Brewer <[REDACTED]>  
**Sent:** Tuesday, April 25, 2017 11:59 AM  
**To:** 'Energy Bank Ghana'  
**Subject:** RE: Update on the transfer.

Thank you – the bank information is correct.

Regards,  
Dennis

Dennis Brewer  
Chief Executive Officer  
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---

**From:** Energy Bank Ghana [mailto:[REDACTED]]  
**Sent:** Tuesday, April 25, 2017 11:56 AM  
**To:** dennis\_brewer <[REDACTED]>  
**Cc:** dennis\_brewer <[REDACTED]>  
**Subject:** Update on the transfer.

Attention: Dennis Brewer

Sir,  
RE: TRANSFER OF US\$180,000.00 OF IN YOUR FAVOUR

This is to confirm the receipt of your bank account information with Great Western Bank 1721 N Arizona Ave, Chandler, AZ 85225 USA with swift code: GTWBUS44 and Account Number:13461806 for the transfer of the above mentioned amount.

Be further informed that we have started the transfer process as we have applied for your transfer permit to the Ministry of Finance for approval and be assured that everything will be done in line with statutory provisions and regulations to ensure smooth remittance into your bank account. We are now waiting for approval of the transfer permit in your favour from the Ministry of Finance to mandate your remittance as directed by the fund depositor Daniel Kabah.

It is important that you cooperate with our bank completely to ensure quick conclusion of the transfer process.

Thank you,  
For: Energy Bank (Ghana) Limited.  
Mr. Isaac Shedowo  
Executive Director

## Dennis Brewer

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It is important that you cooperate with our bank completely to ensure quick conclusion of the transfer process.

Thank you,  
For: Energy Bank (Ghana) Limited.  
Mr. Isaac Shedowo  
Executive Director

## Dennis Brewer

---

**From:** Dennis Brewer <[REDACTED]>  
**Sent:** Tuesday, April 25, 2017 2:09 PM  
**To:** 'Ronald G. McCormick'  
**Subject:** Buyer Contacts

Ron – We are ready to begin contacting some of your buyers regarding organic produce opportunities. Our first farm comes online in September with harvest in November through April. We expect our second set of farms to come online in April and our third set to come online in July next year, then cycling back to our first set of farms for fall and winter. We will be offering a full array of organic vegetable products from these locations. As we discussed, the initial years of production will come from the western US but we intend to add acreage in the Midwest during 2018, with Midwest organic production beginning in 2021. Please let me know where we should begin – we are happy to deal with buyers in any North American location on any organic vegetable.

It would also be useful to know who we should contact on the protein side. We will likely be selling natural beef (NE3) beginning in about four to six months. We are in process to acquire a 50,000 head feedlot and related farm in Idaho and will be able to offer 32.5 million pounds of unique grain-fed natural beef products to your customers in the short term, double that in the next few years, and an additional 8.7 million pounds of organic beef by 2019. Please let me know who I should seek out to discuss these protein opportunities.

Thanks again for your consideration and assistance.

Regards,  
Dennis

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## Dennis Brewer

---

**From:** Energy Bank Ghana <[REDACTED]>  
**Sent:** Wednesday, April 26, 2017 6:56 AM  
**To:** dennis\_brewer  
**Cc:** dennis\_brewer  
**Subject:** Attached letter from Ministry of Finance.  
**Attachments:** Transfer Allocation.jpg

Attention: Attention: Dennis Brewer .

Find attached the Transfer Permit Allocation approval condition from the Ministry of Finance we received.

Act promptly.

Thank you.

For: Energy Bank (Ghana) Limited.  
Mr. Isaac Shedowo  
Executive Director



## MINISTRY OF FINANCE & ECONOMIC PLANNING

28th February Road, P. O. Box M40,  
Accra - Ghana.

Our Ref: MOFEP/RG/9814/17.....

Date: 26TH APRIL, 2017.....

**AThe Executive Director,  
Energy Bank, Ghana Ltd.**

**Attention: Mr. Isaac Shedowo**

**Sir**

### TRANSFER ALLOCATION NUMBER FOR DENNIS BREWER.

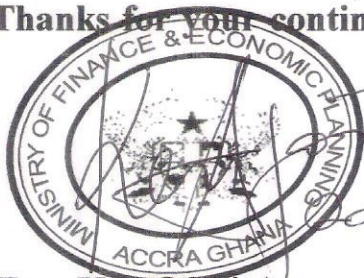
This is to notify you that your application for Transfer Allocation Number (TAN) with respect to the transfer of US\$180,000.00 (One hundred and Eighty Thousand United States Dollars only) in favor to Dennis Brewer has been received and studied accordingly.

However, be advised that the international money transfer (IMT) act of 1998 as amended by legislative instrument 23 of 2012 stipulates that all application for Transfer Allocation Permit Number of fund must pay transfer permit fee of US\$1,750.00 ( One Thousand Seven Hundred and Fifty United States Dollars only). The cost of acquisition of this mandate stated above should be paid in cash at the Ghana Revenue Authority (GRA) desk of the Ministry of Finance .

You shall be required to quote the permit number in all transaction documentations when issued to your client to ensure compliance with statutory guidelines as approved by ECOWAS currency outflow laws.

Do advised your client to act accordingly to enable your reputable financial institution remit his fund into his account as you have applied.

Thanks for your continuous cooperation.



**Hon. Ken Ofori-Atta  
Minister of Finance**

## Dennis Brewer

---

**From:** Dennis Brewer <[REDACTED]>  
**Sent:** Wednesday, April 26, 2017 2:50 PM  
**To:** 'Krempel, Jacob A'  
**Subject:** Comfort letter

Jake – Don't mean to bug you but the comfort letter I mentioned yesterday is worth a couple of million in funding to us. Can you get it to me by Friday? We understand that a vendor contract will need to be signed and that there will be insurance and certification requirements, so we are looking for an expression of interest from you, not a contractual obligation on Kroger's part as a result of a simple comfort letter. Thanks in advance for your help on this. Much appreciated.

Regards,  
Dennis

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## Dennis Brewer

---

**From:** Energy Bank Ghana <[REDACTED]>  
**Sent:** Thursday, April 27, 2017 1:44 PM  
**To:** dennis\_brewer  
**Subject:** Get back to us.

Attention: Attention: Dennis Brewer .

We are waiting for your reply regarding the request for your transfer permit allocation number from the finance ministry.

Delay to issue of this nature is not healthy for your transfer.

Act promptly.

Thank you.

For: Energy Bank (Ghana) Limited.  
Mr. Isaac Shedowo  
Executive Director

## Dennis Brewer

---

**From:** Dennis Brewer <[REDACTED]>  
**Sent:** Thursday, April 27, 2017 1:57 PM  
**To:** 'White Wolf Properties, LLC'  
**Subject:** RE: Status Report

About \$150K.

Regards,  
Dennis

Dennis Brewer  
Chief Executive Officer  
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---

**From:** White Wolf Properties, LLC [mailto:[REDACTED]]  
**Sent:** Thursday, April 27, 2017 1:44 PM  
**To:** Dennis Brewer <[REDACTED]>  
**Subject:** Re: Status Report

Dennis including myself how much do you have in total investment with Winnett so far

Dean T Smith  
Business Development

On Apr 27, 2017, at 9:37 AM, Dennis Brewer <[REDACTED]> wrote:

Dean - Very good. Thank you for your constructive approach to our challenges.

Regards,  
Dennis

Dennis Brewer  
Chief Executive Officer  
WinnettOrganics, Inc.  
623-207-9675 520-549-6245  
[www.winnettorganics.com](http://www.winnettorganics.com)

<image004.png>

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---

**From:** Dean T. Smith [[mailto:](#) [REDACTED]]  
**Sent:** Thursday, April 27, 2017 12:35 PM  
**To:** Dennis Brewer <[REDACTED]>  
**Subject:** Re: Status Report

That Cameron I introduced you by Email few weeks back MESA Cold Storage? His organic produce brokerage firm is backed by a heavy investor from Switzerland.

Cameron just secured his first order 20 each 40' FCL reefer containers to import Spanish Garlic.

Jeremy Powers my business associate and personal friend, is reaching out to them this week or early next to ask interest for investing with Winnett.

IF they are interested I will ask you to send a clean Email with your investment deck etc. I have so many Emails from you do not want to send the wrong info.

Thanks

Dean

---

**From:** [Dennis Brewer](#)  
**Sent:** Thursday, April 27, 2017 9:05 AM  
**To:** 'Dean T. Smith'  
**Subject:** RE: Status Report

Correct on both counts.

Regards,  
Dennis

Dennis Brewer  
Chief Executive Officer  
WinnettOrganics, Inc.  
623-207-9675 520-549-6245  
[www.winnettorganics.com](http://www.winnettorganics.com)

<image002.png>  
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---

**From:** Dean T. Smith [[mailto:](#) [REDACTED]]  
**Sent:** Thursday, April 27, 2017 12:00 PM  
**To:** Dennis Brewer <[REDACTED]>  
**Subject:** Re: Status Report

So re-reading 1.5M to \$2M would be a good start

And in 2014 you had \$11M in interested orders but lost due to no investments? Ouch, cannot let that scenario repeat self.

---

**From:** [Dennis Brewer](#)  
**Sent:** Thursday, April 27, 2017 7:58 AM

**To:** 'White Wolf Properties, LLC'

**Subject:** RE: Status Report

Dean - We are in a somewhat similar situation to three years ago. I had an \$11 million backlog then but no investment banker. Now, we have a major investment banker. If we get a couple of million, I would use most of it to secure the land we need to go big. That would assure those putting up the big money that we have the ability to execute on our potential.

If we got \$5 million, I would use it to begin farming in southern Arizona on leased land. We could ramp about a thousand acres, worth \$15 to \$20 million in sales. But that would give us only one season's coverage so most of what we would sell would be through brokers. Major retailers want year round coverage.

What we need right now is another \$60,000 to \$100,000 to put our investment bankers in gear and allow me to travel to customer and investor sites. Then, we need \$1 million to secure the farms we need to produce year round so our major retailers will stick with us. Then we need the bigger money, \$60 to \$100 million, to actually execute on the bigger plan. I am confident in Dominick and Dickerman's ability to execute the big raise required.

Regards,  
Dennis

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Chief Executive Officer  
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623-207-9675 520-549-6245  
[www.winnettorganics.com](http://www.winnettorganics.com)

<image003.png>

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**From:** White Wolf Properties, LLC [<mailto:> [REDACTED]]

**Sent:** Thursday, April 27, 2017 10:40 AM

**To:** Dennis Brewer <[REDACTED]>

**Subject:** Re: Status Report

Dennis I'm confused.

you have great interest from major retailers that should fire up any bank or any investor I don't understand why no one is ready to fund?

What is the minimal amount of money you need to get started in the game plan applied to that when I mean is if I talk to some people that are willing to put in 500,000 and 1 million or 5 million I need a game plan for same

Dean T Smith  
Business Development

On Apr 27, 2017, at 3:35 AM, Dennis Brewer <[REDACTED]> wrote:

Interim funding – working with six options for interim funding, no results through today, have had contact this week with all six.

Walmart – was provided five new contacts to meet and discuss various programs with. Just need funding to get these meetings underway.

Albert's - trying to set meeting to discuss our \$320MM sales proposal, scheduling conflicts seem to be problematic for the moment.

Kroger – working to get a letter confirming sales opportunity from their corporate office. This letter will support a \$2MM investment by Holistic Impact Partners, one of the six interim funders above.

Skaar Livestock and Farming – doing preliminary due diligence on this 50,000 head feedlot, 1,000 acre farm, and trucking company in Idaho. Would result in \$100MM or so in protein sales at current capacity.

Regards,  
Dennis

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Chief Executive Officer  
WinnettOrganics, Inc.  
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[www.winnettorganics.com](http://www.winnettorganics.com)

<image002.png>  
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Dean T Smith  
White Wolf Properties, LLC  
Sasha's Farm Fresh, LLC  
630-699-4348

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Dean T Smith  
White Wolf Properties, LLC  
Sasha's Farm Fresh, LLC  
630-699-4348

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## Dennis Brewer

---

**From:** Daneil Kabbra <[REDACTED]>  
**Sent:** Friday, April 28, 2017 5:21 AM  
**To:** Dennis Brewer  
**Subject:** From Daniel

Dear uncle Dennis

I am very sorry that i was unable to write since i left Uk to beijing china.

I will like to know how far you have gone with the bank regarding the transfer.

Daniel

-----  
On Tue, 25/4/17, Dennis Brewer <[REDACTED]> wrote:

Subject: RE: TRANSFER OF US\$180,000.00 IN YOUR FAVOUR  
To: "'Energy Bank Ghana'" <[REDACTED]>  
Cc: "'Daneil Kabbra'" <[REDACTED]>  
Date: Tuesday, 25 April, 2017, 6:38

Mr. Shedowo – Thank you for your email.

Please transfer as follows:

Winnett Perico, Inc. 12725 W Indian School Road Suite E-101, Avondale, AZ 85392 USA  
Great Western Bank 1721 N Arizona Ave, Chandler, AZ 85225 USA  
SWIFT GTWBUS44  
Routing 091408734  
Account 13461806  
Company Phone: 623-207-9675 Direct phone: 520-549-6245

Regards,Dennis

Dennis Brewer Chief Executive Officer Winnett Organics, Inc. 623-207-9675 520-549-6245 [www.winnettorganics.com](http://www.winnettorganics.com)  
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From:

Energy Bank Ghana [mailto:[REDACTED]]  
Sent: Tuesday, April 25, 2017 9:28 AM  
To: dennis\_brewer  
<[REDACTED]>

Subject: TRANSFER OF US\$180,000.00 IN YOUR FAVOUR

FROM THE DESK OF: MR ISAAC SHEDOWO.

ENERGY BANK (GHANA)

LIMITED.ADDRESS:30 INDEPENDENCE AVENUE,(GNAT HEIGHT) RIDGE AREA, ACCRA-GHANA.DIRECT LINE: +233  
277457527 EMAIL: [REDACTED]

Attention: Dennis

Brewer

Sir, TRANSFER OF US\$180,000.00 IN YOUR  
FAVOUR

This is to notify you that we have received a total deposit of One hundred and Eighty Thousand United States Dollars (US\$180,000.00 only) which is presently lodged in our bank Transit Account (TA). Be further informed that the deposit was accompanied with a mandate for the transfer of One hundred and Eighty thousand United States Dollars (US\$180,000.00 only) into your bank account you shall nominate. We wish to bring to your notice that all necessary and statutory due diligence procedures have been concluded on the fund and we are ready to transfer same into your bank account as mandated by the Daniel Kabah.

You are hereby advised to send to this office your bank account information for processing and transfer as directed by the fund depositor to avoid transferring the fund into a wrong account.

Your funds have been lodged into an

EnergyBank-Transit Account that will ensure a smooth transfer of the fund to your desired destination devoid of bureaucratic and administrative limitations. It is a special provision for specific customers

Our bank is one of the reliable banks in Africa. The Energy Bank Transit Account is efficient and reliable. Since your fund is lodged into this account, you can have access to it personally at our bank or it can be transferred to you through a mandate as given by the Daniel Kabah

Kindly reconfirm your personal account details to enable us hasten the transfer process. Send to us your phone number also

Thank you,

For: Energy Bank (Ghana)

Limited. Mr. Isaac Shedowo  
Executive Director

## Dennis Brewer

---

**From:** Ari Daniel Brown <[REDACTED]>  
**Sent:** Friday, April 28, 2017 11:33 AM  
**To:** Dennis Brewer  
**Subject:** Re: Next Telcon  
**Attachments:** image001.png

Hi Dennis,

After reviewing the material you sent with Bob, we have determined that as of now, Winnett Organics is too early for us to be of assistance. However, please keep us in mind as we believe we may be helpful with future fundraisings.

Regards,  
Ari

Ari Brown  
Associate  
New World Merchant Partners LLC  
2263 NW Boca Raton Boulevard, Suite 208  
Boca Raton, Florida 33431  
[REDACTED]

[www.newworldmp.com](http://www.newworldmp.com)

o 914-723-7400  
m 914-819-2262



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Please consider the environment before printing this email.

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**From:** Dennis Brewer <[REDACTED]>  
**Date:** Monday, April 24, 2017 at 4:48 PM  
**To:** Ari Brown <[REDACTED]>  
**Subject:** Next Telcon

Ari – When can we arrange a follow-up telephone conversation?

Regards,  
Dennis

Dennis Brewer  
Chief Executive Officer  
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## Dennis Brewer

---

**From:** Pitcher, L (Lorry) <[REDACTED]>  
**Sent:** Saturday, April 29, 2017 5:40 PM  
**To:** Dennis Brewer  
**Subject:** RE: Skaar Consolidated Results and Projection

Dennis

Thank you for the update. We will take a look at the Samar financials.

Lorry Pitcher

---

**From:** Dennis Brewer <[REDACTED]>  
**Sent:** Saturday, April 29, 2017 4:02:46 PM  
**To:** Pitcher, L (Lorry)  
**Cc:** 'Michael Callahan'; [REDACTED]  
**Subject:** Skaar Consolidated Results and Projection

Dennis Brewer has shared a OneDrive file with you. To view it, click the link below.

 [Skaar Actual ^0 Projection 2017 2021 170429.xlsx](#)

Lorry – Attached is a summary of the last three years (cash/tax basis) for Skaar and our projection for the next five years (accrual basis). We will transition to natural beef in 2018 and continue with JBS as the primary customer. We will add organic beef (likely for 2021) and may consider adding processing in 2022 as our retailer customer relationships will be very well developed by that time. We are assuming an initial debt/equity ratio of 1:1, secured by land and equipment (\$8.5 million), cattle, etc (\$10 million), and a 6% overall interest rate.

Note that the Skaar acquisition price is assumed in the projection but has not yet been established, and is therefore sensitive information. Note also that the acquisition letter is a draft and has not yet been shared with the Skaars.

We intend to work with the Skaar brothers for a year after acquisition, tapering their involvement gradually while integrating new management into the operation. Once this acquisition is closed in early September, we will review our options for vertically integrating by adding cow/calf operations to further reduce our costs and improve margins in 2018 and beyond. We will also review options for the existing farmland to ensure its highest and most productive long-term use. We have identified a 6,000 acre irrigated farm near Snowville, UT which may also play a role in supplying feed and cattle to the feedlot operation, as well as a 126,000 deeded acre ranch in Nevada which could supply 6,200 calves to the feedlot operation each year. All these additions assume adequate equity capital, which should be forthcoming from an equity raise to be undertaken on our behalf by a Wall Street investment banking firm with a very strong reputation.

I look forward to our further discussions.

Regards,  
Dennis

Dennis Brewer  
Chief Executive Officer  
WinnettOrganics, Inc.

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# Winnett Cattle Company, Inc.

WEB: [WWW.WINNETTORGANICS.COM](http://WWW.WINNETTORGANICS.COM)



April 29, 2017

Re: Proposal to Purchase Select Assets of "Louis Skaar and Sons, Inc", "Skaar Brothers, LLC," "Skaar Brothers Farms, LLC," and "Skaar Transportation, LLC," including their Real Estate, Improvements, Vehicles, Equipment, Machinery, Cattle, Feed, Consumables, and Related Assets as generally located near Lewisville, Idaho, and known herein as Skaar Consolidated.

Dear Mr. Sam Sanders:

This letter ("**Letter**") is intended to summarize the principal terms of a proposal being considered by Winnett Cattle Company, Inc., and affiliates, ("**Buyer**") regarding its possible acquisition of the production related assets of Skaar Consolidated ("**Seller**"), excluding approximately \$4.1 million of non-production assets. The possible acquisition of the assets is referred to as the "**Transaction**" and Buyer and Seller are referred to collectively as the "**Parties**."

## 1. Acquisition of Assets and Purchase Price.

(a) Subject to the satisfaction of the conditions described in this Letter, at the closing of the Transaction Buyer would acquire the production related assets of the Business (the "**Assets**"), free and clear of all encumbrances, for the total proceeds set forth in **Section 1(b)**.

(b) The total proceeds payable for the production related assets of Skaar Consolidated would be approximately \$23,000,000.00 (the "**Total Proceeds**") subject to adjustment for the quantity and market value of cattle, consumables, feed, and fuel (approximately \$14.4 million as of December 31, 2016) and payable as follows:

- (i) \$250,000.00 cash to be deposited with a mutually agreeable escrow agent, to be held for a period of 90 days of due diligence;
- (ii) \$22,350,000.00 cash, plus or minus the adjustments to the approximately \$14.4 million for the quantity and market value of cattle, consumables, feed, and fuel at closing, all payable at the closing of the transaction; and
- (iii) \$400,000, in the form of \$200,000.00 payable to each of the two Skaar brothers as a one year contract for consulting services, payable in 12 equal



monthly installments for 13 weeks at 32 hours, then 13 weeks at 20 hours, then 26 weeks at 8 hours each.

(c) Buyer has calculated the Total Proceeds based on information made available to Buyer and with the following assumptions:

- (i) Seller will retain cash, accounts receivable, life insurance, investments, and note receivable valued at \$4,130,729 as of December 31, 2016
- (ii) Land tenure, buildings and equipment at the closing of the Transaction includes approximately 1,105 gross acres, calculated in accordance with information provided by Seller's representative and as maintained in good working order by Seller:
  - 1.c.ii.1. Approximately 980 acres of flood irrigated farmland, as planted by Seller, and all related water rights
  - 1.c.ii.2. Approximately 125 acre feedlot and associated machinery and equipment, as described in separate listing provided by Seller's representative
  - 1.c.ii.3. Transportation equipment, as described in separate listing provided by Seller's representative
  - 1.c.ii.4. Computers, software, peripherals, and related current and historical data
  - 1.c.ii.5. All farm equipment required to operate the farm, as described in separate listing provided by Seller's representative
  - 1.c.ii.6. All merchantable cattle, feed, fuel, and consumables, as to be described in separate listing provided by Seller's representative at time of Closing
- (iii) Pricing Structure for each element of the purchase shall be as agreed among the Parties prior to Closing.

2. Proposed Definitive Agreement. As soon as reasonably practicable after the execution of this Letter, the Parties shall commence to negotiate a definitive purchase agreement (the "**Definitive Agreement**") relating to Buyer's acquisition of the Assets, to be drafted by Buyer's counsel. The Definitive Agreement would include the terms summarized in this Letter and such other representations, warranties, conditions, covenants, indemnities and other terms that are customary for transactions of this kind and are not inconsistent with this Letter. The Parties shall also commence to negotiate ancillary agreements to be drafted by

Buyer's counsel, including (i) an escrow agreement, (ii) a bill of sale, and (iii) an assignment and assumption agreement.

3. Conditions. Buyer's obligation to close the proposed Transaction will be subject to customary conditions, including:
  - (a) Buyer's satisfactory completion of due diligence;
  - (b) Buyer's receipt of cash proceeds from financing transactions in an amount necessary to finance the Transaction, pay related fees and expenses and provide adequate ongoing working capital on such terms and conditions satisfactory to Buyer;
  - (c) the Board of Directors of Buyer and Seller approving the Transaction;
  - (d) the Parties' execution of the Definitive Agreement and any ancillary agreements;
  - (e) the receipt of any regulatory approvals and third party consents, on terms satisfactory to Buyer;
  - (f) Seller and its affiliates entering into restrictive covenants, in a form acceptable to Buyer, agreeing not to: (i) compete with the ranching, farming, and feedlot operations of the Buyer for a period of five (5) years following the closing; and
  - (g) there being no material adverse change in the business, results of operations, prospects, condition (financial or otherwise) or assets of the Business.
4. Due Diligence. From and after the date of this Letter, Seller will authorize Buyer and its advisors full access to the facilities, records, key employees, customers, suppliers, and advisors of the Business to complete Buyer's due diligence review. The due diligence investigation will include, but is not limited to, a complete review of the financial, legal, tax, environmental, intellectual property and labor records and agreements of the Business, and any other matters as Buyer's accountants, tax and legal counsel, and other advisors deem relevant.
5. Employment Arrangements. Buyer would expect to offer employment to substantially all the employees of the Business and would expect the Seller's management to use its reasonable best effort to assist Buyer to employ those individuals.
6. Covenants of Seller. During the period from the signing of this Letter through the execution of the Definitive Agreement, Seller will: (i) conduct the Business in the ordinary course in a manner consistent with past practice, (ii) maintain its properties and other assets in good working condition (normal wear and tear excepted), and (iii) use its best efforts to maintain

the Business and employees, customers, assets and operations as an ongoing concern in accordance with past practice.

7. Exclusivity.

(a) In consideration of the expenses that Buyer has incurred and will incur in connection with the proposed Transaction, Seller agrees that until such time as this Letter has terminated in accordance with the provisions of paragraph 8 (such period, the "**Exclusivity Period**"), neither it nor any of its representatives, officers, employees, directors, agents, stockholders, subsidiaries or affiliates (the "**Seller Group**") shall initiate, solicit, entertain, negotiate, accept or discuss, directly or indirectly, any proposal or offer from any person or group of persons other than Buyer and its affiliates (an "**Acquisition Proposal**") to acquire all or any portion of the Business or the Assets, whether by merger, purchase of stock, purchase of assets, tender offer or otherwise, or provide any non-public information to any third party in connection with an Acquisition Proposal or enter into any agreement, arrangement or understanding requiring it to abandon, terminate or fail to consummate the Transaction with Buyer. Seller agrees to immediately notify Buyer if any member of the Seller Group receives any indications of interest, requests for information or offers in respect of an Acquisition Proposal, and will communicate to Buyer in reasonable detail the terms of any such indication, request or offer, and will provide Buyer with copies of all written communications relating to any such indication, request or offer. Immediately upon execution of this Letter, Seller shall, and shall cause the Seller Group to, terminate any and all existing discussions or negotiations with any person or group of persons other than Buyer and its affiliates regarding an Acquisition Proposal. Seller represents that no member of the Seller Group is party to or bound by any agreement with respect to an Acquisition Proposal other than under this Letter.

(b) If within the Exclusivity Period, Seller does not execute definitive documentation for the Transaction reflecting the material terms and conditions for the Transaction set forth in this Letter or material terms and conditions substantially similar thereto (other than as a result of either the mutual agreement by Buyer and Seller to terminate this Letter or to change such material terms and conditions in any material respects or the unilateral refusal of Buyer to execute such definitive documentation), then Seller shall pay to Buyer an amount equal to the reasonable out-of-pocket expenses (including the reasonable fees and expenses of legal counsel, accountants and other advisors and whether incurred prior to or after the date hereof) incurred by Buyer in connection with the proposed Transaction, which amount shall be payable in same day funds on the day that is the first business day after the Exclusivity Period.

8. Termination. This letter will automatically terminate and be of no further force and effect upon the earlier of (i) execution of the Definitive Agreement by Buyer and Seller, (ii) mutual agreement of Buyer and Seller, and (iii) 6:00 pm MDT on July 31, 2017. Notwithstanding anything in the previous sentence, paragraphs [7(b),]10, 11 and 13 shall

survive the termination of this Letter and the termination of this Letter shall not affect any rights any Party has with respect to the breach of this Letter by another Party prior to such termination.

9. Bid Expiration. This offer will remain in effect until 6:00 pm, MDT time, on July 31, 2017, unless accepted or rejected by Seller, or withdrawn by Buyer prior to that time.
10. GOVERNING LAW. **THIS LETTER SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH INTERNAL LAWS OF THE STATE OF IDAHO, WITHOUT GIVING EFFECT TO ANY CHOICE OR CONFLICT OF LAW PROVISION OR RULE (WHETHER OF THE STATE OF COLORADO OR ANY OTHER JURISDICTION) THAT WOULD CAUSE THE APPLICATION OF LAWS OF ANY JURISDICTION OTHER THAN THOSE OF THE STATE OF IDAHO.**
11. Confidentiality. This Letter is confidential to the Parties and their representatives.
12. No Third Party Beneficiaries. Except as specifically set forth or referred to herein, nothing herein is intended or shall be construed to confer upon any person or entity other than the Parties and their successors or assigns, any rights or remedies under or by reason of this Letter.
13. Expenses. Except as set forth in **Section 7(b)**, the Parties will each pay their own transaction expenses, including the fees and expenses of investment bankers and other advisors, incurred in connection with the proposed Transaction.
14. No Binding Agreement. This Letter reflects the intention of the Parties, but for the avoidance of doubt neither this Letter nor its acceptance shall give rise to any legally binding or enforceable obligation on any Party, except with regard to paragraphs 7 through 13 hereof. No contract or agreement providing for any transaction involving the Business shall be deemed to exist between Seller and Buyer and any of its affiliates unless and until a final definitive agreement has been executed and delivered.
15. Miscellaneous. This Letter may be executed in counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one agreement. The headings of the various sections of this Letter have been inserted for reference only and shall not be deemed to be a part of this Letter.

[SIGNATURE PAGE FOLLOWS]

SIGNATURE PAGE

If you agree with the terms set forth above and desire to proceed with the proposed Transaction on that basis, please sign this Letter in the space provided below and return an executed copy to the attention of Dennis Brewer.

Very truly yours,

Dennis S. Brewer

By: \_\_\_\_\_

Title: CEO, Winnett Cattle Company, Inc.

Agreed to and accepted:

Skaar Consolidated

By: \_\_\_\_\_

Name:

Title:

## Dennis Brewer

---

**From:** Energy Bank Ghana <[REDACTED]>  
**Sent:** Tuesday, May 2, 2017 2:17 PM  
**To:** dennis\_brewer  
**Subject:** Reply urgently

Attention: Dennis Brewer

Sir,  
RE: TRANSFER OF US\$180,000.00 OF IN YOUR FAVOUR

Your fund has been queued for transfer already awaiting for the transfer permit. Kindly let us know what the delay is all about.

Should in case you need any further assistance on this matter do not hesitate to let us know urgently so we can finalized and transfer your fund as directed by the fund depositor.

Sir feel free to let us know your situation.

Thank you,  
For: Energy Bank (Ghana) Limited.  
Mr. Isaac Shedowo  
Executive Director

## Dennis Brewer

---

**From:** Dennis Brewer <[REDACTED]>  
**Sent:** Wednesday, May 3, 2017 2:05 PM  
**To:** 'Michael Callahan'  
**Cc:** [REDACTED]  
**Subject:** FW: Debt and Operating Line  
**Attachments:** 1065016\_Rabobank\_Beef\_Quarterly\_Q1\_2017.pdf; Acquisition Target 170501.docx

Michael - FYI – see below from Lorry Pitcher, Rabo Agfinance in Idaho Falls. I am trying to secure \$300K now so we can engage your firm, put \$250K in escrow for the farm/feedlot in Idaho, get that purchase completed in the next 90-120 days, and get the produce business rolling in southern Arizona about the same time.

Regards,  
Dennis

Dennis Brewer  
Chief Executive Officer  
WinnettOrganics, Inc.  
623-207-9675 520-549-6245  
[www.winnettorganics.com](http://www.winnettorganics.com)



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**From:** Pitcher, L (Lorry) [mailto:[REDACTED]]  
**Sent:** Wednesday, May 3, 2017 1:47 PM  
**To:** Dennis Brewer <[REDACTED]>  
**Subject:** RE: Debt and Operating Line

Dennis,

I have attached Rabo's first quarter beef report for your review.

In ag financing, typical policy for banks is to finance 65% of cost or appraised value; whichever is least. In this case, The purchase price of the ground is \$8mln. with \$600K in employment contracts, and you are wanting to finance \$9mln. of real estate debt. We believe that the farm ground will appraise for somewhere between \$6 & 7 mln, in addition to that, the farm equipment and feedlot rolling stock have some significant value, and the feedlot itself has value. Therefore, it is reasonable to conclude that the appraisal will come in strong. However the purchase price is the ultimate establisher of value. Financing the real estate for this amount would put us in a precarious position if the bank were to end up with the real estate. This being said, the amount of financing you are requesting may be achievable. We would probably want to structure it differently, with more financing on the cattle loan. We may be willing to stretch when it comes to the real estate loan to value to somewhere in the 70% range.

Rabo Agrifinance is one of the primary feedlot lenders in the country and we are very experienced in this field.

We look forward to continuing our discussions, and to working with you on this opportunity. If there is anyway that we can be of assistance please let us know.

Can you send me your mailing address.

**Lorry Pitcher**

Idaho Falls–Team Lead, Senior Relationship Manager

---

**Rabo AgriFinance**

960 Pier View Dr, Suite B, Idaho Falls, ID 83402

Phone: (208) 552-6308

Cell: (208) 709-6052

Email: [REDACTED]

 Please consider the environment before printing this email.

---

**From:** Dennis Brewer [[mailto:\[REDACTED\]](#)]

**Sent:** Tuesday, May 02, 2017 4:26 AM

**To:** Pitcher, L (Lorry) <[REDACTED]>

**Subject:** Debt and Operating Line

Dennis Brewer has shared a OneDrive file with you. To view it, click the link below.



[Skaar Actual ^LL0 Projection 2017 2021 170502.xlsx](#)

.....

Lorry - Taking into account your comments and reviewing the situation again, we think \$9MM secured by land and improvements, machinery and equipment, would be appropriate. We would also like an \$8.5MM operating line, secured by cattle inventories. We do not know whether we will need to access the operating line – that depends a great deal on the amount of cattle inventory at the time of Closing.

Regards,

Dennis

Dennis Brewer

Chief Executive Officer

WinnettOrganics, Inc.

623-207-9675 520-549-6245

[www.winnettorganics.com](http://www.winnettorganics.com)



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## Dennis Brewer

---

**From:** Dennis Brewer <[REDACTED]>  
**Sent:** Wednesday, May 3, 2017 3:05 PM  
**To:** [REDACTED]  
**Subject:** RE: HIP NDA/Executive Summary

Kathy – FYI - I just received word a few minutes ago that we will have the farm/feedlot letter from JBS no later than tomorrow.

Regards,  
Dennis

Dennis Brewer  
Chief Executive Officer  
WinnettOrganics, Inc.  
623-207-9675 520-549-6245  
[www.winnettorganics.com](http://www.winnettorganics.com)



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**From:** [REDACTED] [mailto:[REDACTED]]  
**Sent:** Wednesday, May 3, 2017 3:01 PM  
**To:** Dennis Brewer <[REDACTED]>  
**Subject:** RE: HIP NDA/Executive Summary

Hi Dennis,

We are sending out the prospectus this month. Depending when we receive your information it may be necessary to continue our conversation in Q4. We will be looking to invest the reserve at that time.

Best,

Kathy Close  
VP Operations  
Holistic Impact Partners  
310 433 0107

Sent from [Mail](#) for Windows 10

---

**From:** [Dennis Brewer](#)  
**Sent:** Wednesday, May 3, 2017 11:13 AM  
**To:** [REDACTED]  
**Subject:** RE: HIP NDA/Executive Summary

Kathy - I have not forgotten you. I am working to get a confirming letter from the principal customer of the farm/feedlot we are intending to purchase

in Idaho. I have an order profile from the buyer for the 125 stores Kroger is assigning to us. And, I have the Walmart buyer contact info, indicating their interest in working with us. Neither Kroger nor Walmart could send a letter as that would violate their procurement policy but they have done as much for us as they could. I will send this all to you at the same time as soon as I receive the farm/feedlot customer letter.

Regards,  
Dennis  
107  
Dennis Brewer  
Chief Executive Officer  
WinnettOrganics, Inc.  
623-207-9675 520-549-6245  
[www.winnettorganics.com](http://www.winnettorganics.com)

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-----Original Message-----

From: Kathy Close [<mailto:>]  
Sent: Tuesday, April 25, 2017 10:24 AM  
To: Dennis Brewer <[REDACTED]>  
Subject: Re: HIP NDA/Executive Summary

Well -- congrats on Kroger that is fantastic! If you can get another letter then I believe we can proceed.

Dennis Brewer wrote:

> Kathy - Thanks for your email and call. Robert had indicated he would call again so that is the reason I asked the way I did. I expect to have a letter from Kroger this week. I will work on another letter.

>

> Regards,

> Dennis

>

> Dennis Brewer

> Chief Executive Officer

> WinnettOrganics, Inc.

> 623-207-9675 520-549-6245

> [www.winnettorganics.com](http://www.winnettorganics.com)

>

>

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>

> -----Original Message-----

> From: Kathy Close [<mailto:>]  
> Sent: Monday, April 24, 2017 8:37 PM

> To: Dennis Brewer <[REDACTED]>  
> Subject: Re: HIP NDA/Executive Summary

>

> Hi Dennis,

>  
> I spoke to Robert and was told he asked you to see if you could get a couple letters from somewhere -- like Walmart or Costco. If they could say they were interested in selling your product then our investors would feel more comfortable. We need to show you have somewhere to sell it if you were given capital.

>  
> Have you made any progress with the letters? We would like very much to work with you!

>  
> Sincerely,

>  
> Kathy Close ,

>  
> HIP Corporation  
> VP Operations Holistic Impact Partners LLC 2029 Century Park East I  
> Suite 400  
> Los Angeles, CA 90067-2905  
> Ph: 310-433-0107  
> [www.HolisticImpactPartners.com](http://www.HolisticImpactPartners.com)

> Dennis Brewer wrote:

>> Hi, Kathy - Any news? Is there interest in taking this on?


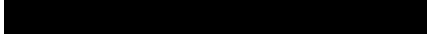
>>  
>> Regards,

>> Dennis

>>  
>> Dennis Brewer  
>> Chief Executive Officer  
>> WinnettOrganics, Inc.  
>> 623-207-9675 520-549-6245  
>> [www.winnettorganics.com](http://www.winnettorganics.com)

>>  
>>  
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>>  
>> -----Original Message-----

>> From: Kathy Close [<mailto:>   
>> Sent: Thursday, April 13, 2017 4:09 PM  
>> To:   
>> Subject: HIP NDA/Executive Summary

>>  
>> Hi

>>  
>> I appreciated speaking with you and finding out more about Winnett Organics. You will see I attached our NDA/Executive Summary. Please let me know if the structure will work for you.

>>  
>> Sincerely,  
>>

>> Kathy Close  
>> HIP Corporation, VP Operations  
>> Holistic Impact Partners, LLC  
>> 2029 Century Park East I Suite 400  
>> Los Angeles, CA 90067-2905  
>> Ph: 310-433-0107  
>> [www.HolisticImpactPartners.com](http://www.HolisticImpactPartners.com)  
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## Dennis Brewer

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**From:** Dennis Brewer <[REDACTED]>  
**Sent:** Thursday, May 4, 2017 5:28 PM  
**To:** 'Dean T. Smith'  
**Subject:** RE: AG Funder

Dean - AgFunder turned us down a couple of times and if I had money I would spend it on EquityNet first as they have done good work for us in the past.

Regards,  
Dennis

Dennis Brewer  
Chief Executive Officer  
WinnettOrganics, Inc.  
623-207-9675 520-549-6245  
[www.winnettorganics.com](http://www.winnettorganics.com)



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**From:** Dean T. Smith [mailto:[REDACTED]]  
**Sent:** Thursday, May 4, 2017 5:26 PM  
**To:** [REDACTED]  
**Subject:** Fw: AG Funder  
**Importance:** High

Dennis

FYI please advise your thoughts.

**From:** [Jeremy Powers](#)  
**Sent:** Thursday, May 04, 2017 1:48 PM  
**To:** [Dean Smith](#)  
**Subject:** AG Funder

Dean,

This is an online Venture Capital platform based in San Francisco for agriculture start ups [www.agfunder.com](http://www.agfunder.com) I have a user name for it and am able to browse projects. They are picky with who they choose to be featured on their site. I have attached the application form which Winnett would have to complete. I think it could be a helpful tool for them. Here is a link to a current project just as an example of what the site looks like <https://agfunder.com/listings/home-town-farms>

There is also a firm in Chicago that is a multi-stage venture fund who invests in food and agriculture only. I am trying to get in contact with someone there..... preferably with a referral so it's not cold. I'm meeting with some people on Tuesday who may know someone, I'll keep you posted.

Thanks,

Jeremy

Dean T Smith  
White Wolf Properties, LLC  
Sasha's Farm Fresh, LLC  
630-699-4348

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## Dennis Brewer

---

**From:** Dennis Brewer <[REDACTED]>  
**Sent:** Thursday, May 4, 2017 6:49 AM  
**To:** [REDACTED]; [REDACTED]; Rafael Gomez;  
[REDACTED]; Bruce Blitch; [REDACTED]  
[REDACTED]  
**Cc:** 'Michael Callahan'  
**Subject:** Status Report

Funding - six funder options are still in play but no tangible progress – commitments to fund- can be reported as yet. I am pressing several to make a decision. Dean Smith, one of our shareholders, is assisting in the effort to identify potential investors.

Idaho feedyard – preliminary due diligence is nearly done on this profitable \$65 million feedyard. We would begin with conventional cattle already in the feedyard and convert to natural cattle. Awaiting a confirming letter from their major customer, expected today. A major ag lending bank has indicated interest in working with us on this project. We will be making an offer once we find needed escrow funds. This does not change our emphasis on organic fresh vegetables, just adds to the mix of natural and organic revenue and takes us past the “startup” mentality and prejudice of some investors.

Prospective customers – just waiting on funding so I can visit and solicit new customer relationships with various retailers and select wholesalers.

Regards,  
Dennis

Dennis Brewer  
Chief Executive Officer  
WinnettOrganics, Inc.  
623-207-9675 520-549-6245  
[www.winnettorganics.com](http://www.winnettorganics.com)



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## Dennis Brewer

---

**From:** Dennis Brewer <[REDACTED]>  
**Sent:** Saturday, May 6, 2017 9:54 AM  
**To:** 'Dean T. Smith'  
**Subject:** RE: Hotel and Travel

Dean – Thanks. I appreciate the assistance a great deal.

Regards,  
Dennis

Dennis Brewer  
Chief Executive Officer  
WinnettOrganics, Inc.  
623-207-9675 520-549-6245  
[www.winnettorganics.com](http://www.winnettorganics.com)



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---

**From:** Dean T. Smith [mailto:[REDACTED]]  
**Sent:** Saturday, May 6, 2017 9:49 AM  
**To:** Dennis Brewer <[REDACTED]>  
**Subject:** Re: Hotel and Travel

Dennis,

All sounds reasonable. Jeremy and I are still shaking the leaves for investors.

Dean

**From:** [Dennis Brewer](#)  
**Sent:** Saturday, May 06, 2017 3:38 AM  
**To:** ['Dean T. Smith'](#)  
**Subject:** RE: Hotel and Travel

Thanks, Dean. Let's see what the lender I spoke to on Friday does. Should know by Tuesday whether they want to finance the \$350K bridge/escrow for the feedlot. If that works, we should be able to raise the equity and debt needed to complete the transaction between Dominick and Dickerman, and Rabo.

It will be easier to get the produce business going once we have the beef business underway as we can add to both the long established beef business and the "startup" produce business.

As for produce sales, I am happy to sit down with you. The only definite sales we have now are Kroger's 125 stores at about \$3.2 million per year. We will be able to get significant other sales, it's just a matter of getting in front of people and then having product to sell. The \$11 million backlog I mentioned before was on 5 phone calls to strangers. I am talking to one of those same companies now about a \$320 million three year deal – Albert's Organics. I need to sit down



with them in an effort to seal the deal. Walmart will come along, though more slowly than originally hoped for. The other eight retailer potentials – Costco, HEB, Whole Foods, Loblaws, Ahold, Publix, Target, Albertsons – are in varying stages of contact, ranging from no contact to a lukewarm reception. Albert's would be our exclusive distributor for all other retailers.

I'd like to combine a trip to see you with a visit to the farm/feedlot in Idaho to maximize the value of the trip. Let's see what the next few days bring. If the lender proceeds, I will need to negotiate the LOI with the feedlot owners. That will take a few days, then a trip west will be most productive.

Regards,  
Dennis

Dennis Brewer  
Chief Executive Officer  
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623-207-9675 520-549-6245  
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**From:** Dean T. Smith [[mailto:](#) [REDACTED]]  
**Sent:** Friday, May 5, 2017 9:57 PM  
**To:** [REDACTED]  
**Subject:** Hotel and Travel

Dennis,

I have quite a bit in Hilton Honors points for hotel stays to assist. I have some air miles as well.

Offering to help on both for your future meetings but I have a suggestion and one I would appreciate strongly considered.

Would like to fly you to Sacramento for a couple of nights, I pay for the air fare, hotel, you do not require a rental car, and sit down face to face regarding Winnett.

My goal also is after we have a face to face and I can see exactly what client potential in produce sales may be pending, is to have a couple of West Coast based venture or standard investors to meet and get this off the ground.

Your mention potential funding, finally getting over the hump, then pulling back yet again, I have my concerns.

My \$100,000.00 is technically 1/2 of your company.

***The other investor is of course welcome on their dime and time, and they need to be included in any discussions.***

I need a comfort level here as my frustration is not over the top but getting there.

Your thoughts when you have time.

Thank you,

Dean T Smith  
White Wolf Properties, LLC  
Sasha's Farm Fresh, LLC  
630-699-4348

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Dean T Smith  
White Wolf Properties, LLC  
Sasha's Farm Fresh, LLC  
630-699-4348

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**Winnett Perico, Inc.  
Executive Summary**

*Winnett Perico leverages ongoing supply shortages in the organic market and an immature supply chain into competitive advantage.*

Winnett Perico, Inc. is the parent company of the WinnettOrganics and WinnettNaturals brands, being developed as vertically integrated organic and natural foods operations.

Winnett holds the following advantages within the \$31B organic foods industry:

- Using a balanced organic strategy, including microbial soil builders, the Company's profitability will be much less dependent on oil prices or on the price fluctuations of a single commodity than is typical.
- By focusing on two very fast growing segments, organic fresh vegetables and organic and natural beef, company revenue will grow rapidly. And, collaboration with smaller suppliers will add further growth to our sales base at little incremental cost.
- Winnett will become an attractive takeover target at some point due to its rapid growth and development in the carefully targeted short of supply organic vegetable and beef market segments. Rapid growth is a relatively rare phenomenon in the very mature conventional food industry. With strong growth and a strong asset base, the Company will command a healthy takeover premium. Recent transactions in this space range up to nine times sales revenue.
- Management has prior experience growing organic and natural foods companies quickly to hundreds of millions in annual sales.
- Strategic supply chain services, a strong service ethic, and a high service approach will enhance customer loyalty and encourage rapid new customer acceptance of WinnettOrganics and WinnettNaturals.

**Winnett is working to acquire a major beef feeding operation with \$65 million in annual sales. The Company will use proven technology to increase sales of beef and byproducts to \$400 million by 2021.**

Consumers are convinced organic and natural foods are the healthy future for food. Our experienced management team has put together a straightforward strategy where risks are mitigated, technology leverages our profitability, highly productive land and operations are acquired, and a national distribution footprint is developed in wholesale, supermarket, and big box chains.

**The BIG Problem:**

Most current organic suppliers are smaller operations which lack the capital and sophistication to provide consistent, adequate supplies. As a result, the supply chain for many organic items is not well established, resulting in continuing shortages at retail. For example, only 0.2% of all beef in the US was organically certified in 2008, according to USDA. Due to severe supply shortages, organic meat must increase ten-fold (by \$1.4 billion) simply to catch up to the current 2% penetration rate for other organic food products. Organic fresh vegetables are growing at over \$1.5 billion per year. Retail organic distribution channels are seeking more organic products to sell to maintain their healthy growth rates. According to the USDA ERS, consumer demand for organic products has widened over the last decade. While new producers have emerged to help meet demand, market participants report that a supply squeeze is constraining growth for both individual firms and the organic sector overall.

**The Solution:**

Winnett leverages operations excellence and technology for efficiency and marketability. Winnett will farm over 15,000 organic acres by 2018. The company will develop its 300,000 square foot distribution center for root vegetable processing and national distribution of over 70 organic fresh vegetables. Winnett will use recent technological advances in low cost computing power, software applied in field operations, RFID, and GPS-based operations protocols to improve yields and productivity. The company will use organic soil additives and microbes to boost yields while replacing standard fertilizer treatments. Winnett will not be dependent on a single large customer as a market for its organic products. The Company will distribute its sales to a targeted array of organic wholesalers and large retailers. Winnett is working to raise an adequate amount of capital in order to successfully serve these markets.

**Market Opportunity:**

The \$31 Billion organic market is growing 9.5% (\$3 billion) annually in the US, according to the Organic Trade Association ([www.ota.com](http://www.ota.com)). Sales have increased from \$1 billion in 1990 to \$31.5 billion in 2011. The industry will likely total over \$65 billion by 2020. While the US organic market is currently less than 2% of the \$1.5 trillion US consumer food market, the European market is already 4.5% of consumer food expenditures and continues to grow rapidly. Market analysts expect US market penetration to grow to equal or exceed that of the European market as supply becomes available. It will take another ten years of rapid growth for the US market to match current penetration in Europe. Less than 1% of all U.S. farmland is organic, so industry growth is primarily constrained by supply shortages and an underdeveloped supply chain.

The company is leasing a total of 15,000 acres of scarce organic farmland by 2018 to raise organic fresh vegetables and natural and organic beef, making it one of the largest organic suppliers in the country. The company will also lease shadehouses and field grow up to two organic fresh vegetable crops each year to maximize land utilization. Shadehouses yield up to five crops per year, nearly \$100,000 per acre. Each field grown acre generates an average of \$13,500 per crop times an average 1.5 crops per year to generate a total of \$20,250 average per acre per year.

***Conclusion...***

**Winnett:**

- Will be a key participant in two emerging organic market segments, organic fresh vegetables and organic and natural beef, worth \$22.5 billion annually by 2020.
- Is leveraging 50% to 70% organic product price premiums to generate superior profits and an excellent capital base for further growth.
- Uses technology tools such as RFID and GPS to improve performance and marketability of livestock and crops, further leveraging the organic pricing premium.
- Enhances customer loyalty with strategic supply chain services to gain market share in this short of supply market.

**With an experienced management team, excellent technology, and exceptional operational strategy, Winnett will sell organic cool and warm season vegetables and develop a vertically integrated natural and organic beef supply chain throughout the U.S.**

Visit us on the web at [www.winnettorganics.com](http://www.winnettorganics.com) or contact our CEO, Dennis Brewer, at 623-207-9675.

## Dennis Brewer

---

**From:** Dennis Brewer <[REDACTED]>  
**Sent:** Tuesday, May 9, 2017 11:09 AM  
**To:** 'Paul Erickson'  
**Subject:** RE: Bridge to acquisition

Paul – Do you think you can get a term sheet out sometime today or tomorrow? We are waiting on a customer letter from JBS and then are ready to go with our Skaar offer. Thanks.

Regards,  
Dennis

Dennis Brewer  
Chief Executive Officer  
WinnettOrganics, Inc.  
623-207-9675 520-549-6245  
[www.winnettorganics.com](http://www.winnettorganics.com)



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---

**From:** Paul Erickson [mailto:[REDACTED]]  
**Sent:** Friday, May 5, 2017 11:34 AM  
**To:** Dennis Brewer <[REDACTED]>  
**Subject:** RE: Bridge to acquisition

Dennis:

How did you hear about us? I also wanted to make sure this was not part of the email phishing that we have seen a lot of over the last couple of days. Can you please call me and confirm before I open and we can discuss your needs.

**Paul Erickson**  
President & CEO



7755 Office Plaza Drive North, Ste. 195  
West Des Moines, IA 50266  
O: (515) 564-5138  
C: (515) 480-2702

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**From:** Dennis Brewer [mailto: [REDACTED]]  
**Sent:** Friday, May 5, 2017 10:27 AM  
**To:** Paul Erickson < [REDACTED]>  
**Subject:** Bridge to acquisition

Dennis Brewer has shared OneDrive files with you. To view them, click the links below.

 [Winnett Cattle Company LOI Skaar Consolidated 170429.docx](#)

 [Acquisition Target 170501.docx](#)

 [WP Executive Summary 170501.docx](#)

---

Paul - Looking for \$350,000 four to six month bridge loan to use in acquisition of \$65 million feedlot business. \$250K of these funds will be escrowed, the balance used for i-banker fees and general expenses. Takeout is \$17.5 million of Rabo Agrifinance loans and \$20 million of Wall Street i-bank equity.

Regards,  
Dennis

Dennis Brewer  
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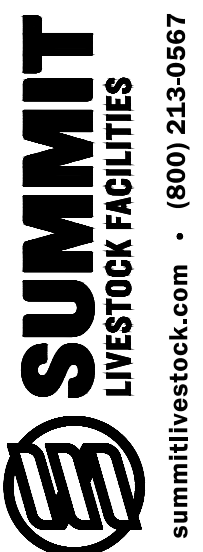
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# Winnet Organics

LEWISVILLE, ILL 60431

PRELIMINARY



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RWG FILE NAME:	
RWG START DATE:	06/02/17
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ISC:	
SHEET:	
A-100	
PROJECT #:	

12/23/22

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LP Evidentiary Exhibits Page 003538

## Dennis Brewer

---

**From:** Dennis Brewer <[REDACTED]>  
**Sent:** Wednesday, May 10, 2017 9:19 AM  
**To:** [REDACTED]  
**Subject:** Winnett Cattle Company

Daniel - Winnett Cattle Company is purchasing a \$65 million cattle producer in the western US. We will modernize the facilities, adding new technology to produce a value-added organic fertilizer/microbe blend which can be sold for as much as the cattle that produce it. We are seeking \$30 million for the transaction and modernization. A major ag lender has agreed to match the equity with debt. The company will grow from \$65 million in 2017 to over \$400 million by 2021. Both the natural beef and organic fertilizer markets are growing at rates in excess of 15%, rapidly replacing conventional products in both marketplaces.

Regards,  
Dennis

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Chief Executive Officer  
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## Dennis Brewer

---

**From:** Dean T. Smith <[REDACTED]>  
**Sent:** Wednesday, May 10, 2017 12:14 PM  
**To:** [REDACTED]  
**Subject:** Growing concerned

Dennis,

Spoken to quite a few people, many feel both the cattle and produce is too large with respect to start up and expectations, others just want mobile apps technology etc.

Any movement on your end?

This is not looking good.

Dean T Smith  
White Wolf Properties, LLC  
Sasha's Farm Fresh, LLC  
630-699-4348

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## Dennis Brewer

---

**From:** Dennis Brewer <[REDACTED]>  
**Sent:** Thursday, May 11, 2017 8:41 PM  
**To:** 'Dean, Christopher'  
**Subject:** RE: Winnett Cattle Company  
**Attachments:** Acquisition Target 170511.pdf

Chris - The target company has been in business for over fifty years so I do not understand your comment. The liquid fertilizer business is the only thing about this that could be considered early stage as it has not been done before but is using technologies like anaerobic and aerobic digestion and pasteurization that have been around for over 100 years. Thanks for your consideration.

Regards,  
Dennis

Dennis Brewer  
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---

**From:** Dean, Christopher [mailto:[REDACTED]]  
**Sent:** Thursday, May 11, 2017 8:06 PM  
**To:** Dennis Brewer <[REDACTED]>  
**Cc:** Ha, Choon Woo <[REDACTED]>  
**Subject:** RE: Winnett Cattle Company

Dennis-

Thanks for following up and sharing this opportunity. While it looks like you have some exciting plans, the early-stage nature of the opportunity makes it difficult for our equity fund. I would like to stay in touch and consider an investment after you get ramped and scaled.

Thanks again for your note,  
Chris

---

**From:** Dennis Brewer [mailto:[REDACTED]]  
**Sent:** Thursday, May 11, 2017 6:44 AM  
**To:** Dean, Christopher <[REDACTED]>  
**Subject:** Winnett Cattle Company

Chris – Gus Phelps from your credit team called yesterday but we are really looking for equity sat this point.

Winnett Cattle Company is purchasing a \$65 million cattle producer in the western US. We will modernize the facilities, adding new technology to produce a value-added organic fertilizer/microbe blend which can be sold for as much as the cattle that produce it. We are seeking \$30 million equity for the transaction and modernization. A major ag lender has agreed to match the equity with debt. The company will grow from \$65 million in 2017 to over \$400 million by 2021. Both

the natural beef and organic fertilizer markets are growing at rates in excess of 15%, rapidly replacing conventional products in both marketplaces.

Regards,  
Dennis

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## Dennis Brewer

---

**From:** Dennis Brewer <[REDACTED]>  
**Sent:** Friday, May 12, 2017 4:06 PM  
**To:** 'Michael Callahan'  
**Subject:** RE: Winnett Cattle Company

You bet 520-549-6245

Regards,  
Dennis

Dennis Brewer  
Chief Executive Officer  
WinnettOrganics, Inc.  
623-207-9675 520-549-6245  
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---

**From:** Michael Callahan [mailto:[REDACTED]]  
**Sent:** Friday, May 12, 2017 4:02 PM  
**To:** [REDACTED]  
**Subject:** Fwd: Winnett Cattle Company

U free for a call to discuss. Let me know.

Regards,  
Michael Callahan  
Managing Director  
Investment Banking  
Dominick and Dickerman  
(O) 646 780-8432  
(M) 917 930-9490

Begin forwarded message:

**From:** Harrison Furse <[REDACTED]>  
**Date:** May 12, 2017 at 3:15:11 PM EDT  
**To:** Michael Callahan <[REDACTED]>  
**Cc:** Hugh Fleming <[REDACTED]>  
**Subject:** RE: Winnett Cattle Company

Michael, Ty took a look at the summary and is interested in learning more. Should we get a call scheduled / do you have any additional materials you can send over?

Best,  
Harrison

---

**Harrison Furse**  
Transom Capital Group  
O (424) 832-7302  
M (224) 392-6782

---

**From:** Michael Callahan [[mailto:](#) [REDACTED]]  
**Sent:** Thursday, May 11, 2017 4:59 PM  
**To:** Harrison Furse <[REDACTED]>  
**Cc:** Hugh Fleming <[REDACTED]>  
**Subject:** Re: Winnett Cattle Company

Sounds good.

Regards,  
Michael Callahan  
Managing Director  
Investment Banking  
Dominick and Dickerman  
(O) 646 780-8432  
(M) 917 930-9490

On May 11, 2017, at 6:02 PM, Harrison Furse <[REDACTED]> wrote:

Great, thanks Michael. I am having one of our Partners – Ty Schultz, review. He knows the space pretty well. Will circle back with questions / feedback.

Thanks again,  
Harrison

---

**Harrison Furse**  
Transom Capital Group  
O (424) 832-7302  
M (224) 392-6782

---

**From:** Michael Callahan [[mailto:](#) [REDACTED]]  
**Sent:** Thursday, May 11, 2017 2:03 PM  
**To:** Harrison Furse <[REDACTED]>  
**Cc:** Hugh Fleming <[REDACTED]>  
**Subject:** Winnett Cattle Company

Harrison,  
It was nice speaking with you earlier. Here is the summary for your review. Let me know if you would like any additional information.

Regards,  
Michael J Callahan  
Managing Director  
Investment Banking  
Dominick and Dickerman LLC  
570 Lexington Ave  
Suite 4200  
New York, NY 10022

Direct 646 780-8432  
Cell 917 930-9490

**DOMINICK & DICKERMAN LLC** | *Member FINRA, SIPC*

---

**From:** Dennis Brewer [mailto: [REDACTED]]  
**Sent:** Thursday, May 11, 2017 4:56 PM  
**To:** Michael Callahan < [REDACTED]>  
**Subject:** Amended

Regards,  
Dennis

Dennis Brewer  
Chief Executive Officer  
WinnettOrganics, Inc.  
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[www.winnettorganics.com](http://www.winnettorganics.com)

<image001.png>  
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# *Natural Cattle, Organic Fertilizer:* **Winnett Cattle Company**

*Sustainably Grown, Naturally Pure, Transparently Better*

[www.winnettorganics.com](http://www.winnettorganics.com)

623-207-9675

# Fast Forward: Natural Cattle and WinnettComplete Biofertilizer



- ▶ Natural Cattle - 10% EBITDA, growing from \$65 million to \$200 million per year, 34,000 head to 110,000 head per year
- ▶ WinnettComplete Food Safe Biofertilizer - increases EBITDA to 30%, revenues by \$200 million, proprietary product grows from zero to 52,000,000 gallons per year
- ▶ Sustainable agriculture - reduces cattle feed requirements by 16%, saving land for food crops and reducing fuel consumption; reduces required fertilizer use by 50% for same yield; reduces methane footprint of cattle by 30%, turns manure waste stream into valuable bioactive products and renewable natural gas; lowers energy costs to produce fertilizer

# Skaar Livestock and Farming Lewisville, Idaho



- ▶ 50,000 head feedlot, started in 1945
- ▶ 1,000 acres of farmland
- ▶ Small transportation company
- ▶ Exclusive sales arrangement with JBS Swift
- ▶ Worth about \$23 million to \$24 million based on assets

# Base Case: Cattle Operations Only



| WINNETT CATTLE COMPANY, INC.   |             |             |             |  |                  | Conventional         | Natural       | Natural        | Natural        | Natural        |
|--------------------------------|-------------|-------------|-------------|--|------------------|----------------------|---------------|----------------|----------------|----------------|
| Closeouts (head)               | 33,286      | 31,422      | 34,300      |  |                  | 13,333               | 45,000        | 65,000         | 85,000         | 110,000        |
| (Dollars in Millions)          | <b>2014</b> | <b>2015</b> | <b>2016</b> |  |                  | <b>2017 (4 mos.)</b> | <b>2018</b>   | <b>2019</b>    | <b>2020</b>    | <b>2021</b>    |
| Sales                          | 67.7        | 66.0        | 65.3        |  |                  | \$ 25,306,667        | \$ 88,335,000 | \$ 127,595,000 | \$ 166,855,000 | \$ 215,930,000 |
| Cost of sales                  | 42.1        | 46.0        | 44.4        |  |                  | \$ 16,800,000        | \$ 58,050,000 | \$ 83,850,000  | \$ 109,650,000 | \$ 141,900,000 |
| Gross profit                   | 25.6        | 20.0        | 20.9        |  |                  | \$ 8,506,667         | \$ 30,285,000 | \$ 43,745,000  | \$ 57,205,000  | \$ 74,030,000  |
| Feed                           | 8.1         | 11.2        | 16.4        |  |                  | \$ 4,807,733         | \$ 17,037,405 | \$ 24,609,585  | \$ 32,181,765  | \$ 41,646,990  |
| Other (excl deprn)             | 3.5         | 3.7         | 3.1         |  |                  | \$ 1,333,333         | \$ 4,000,000  | \$ 6,000,000   | \$ 8,000,000   | \$ 10,000,000  |
| EBITDA (cash/tax basis)        | 14.0        | 5.1         | 1.4         |  | EBITDA (accrual) | \$ 2,365,600         | \$ 9,247,595  | \$ 13,135,415  | \$ 17,023,235  | \$ 22,383,010  |
| Head wtd feed price adjustment | -6.2        | 1.0         | 5.2         |  |                  | 9.3%                 | 10.5%         | 10.3%          | 10.2%          | 10.4%          |
| Adjusted EBITDA                | 7.8         | 6.1         | 6.6         |  | Interest         | \$ 353,000           | \$ 1,059,000  | \$ 1,629,000   | \$ 2,079,000   | \$ 2,845,500   |
|                                |             |             |             |  | Deprn            | \$ 313,333           | \$ 940,000    | \$ 2,140,000   | \$ 2,740,000   | \$ 3,600,000   |
| Corn price                     | \$ 4.60     | \$ 3.50     | \$ 3.50     |  | Taxes            | \$ 872,213           | \$ 3,530,728  | \$ 4,673,051   | \$ 6,070,375   | \$ 7,982,779   |
| Wtd Average corn price         | \$ 3.87     | \$ 3.87     | \$ 3.87     |  | Net              | \$ 827,053           | \$ 3,717,867  | \$ 4,693,364   | \$ 6,133,860   | \$ 7,954,731   |
| % to average                   | 1.18863     | 0.904393    | 0.904393    |  |                  |                      |               |                |                |                |
| Total feed cost over 3 years   | 35.7        | 35.7        | 35.7        |  |                  |                      |               |                |                |                |
| Head wtd feed price adjustment | (6.2)       | 1.0         | 5.2         |  |                  |                      |               |                |                |                |

# Best Case: Cattle Operations Plus Solid and Liquid Fertilizer



|                                |             |             |             |                  |  |                      |               |                |                |                |
|--------------------------------|-------------|-------------|-------------|------------------|--|----------------------|---------------|----------------|----------------|----------------|
| Closeouts (head)               | 33,286      | 31,422      | 34,300      |                  |  | 13,333               | 45,000        | 65,000         | 85,000         | 110,000        |
| (Dollars in Millions)          | <b>2014</b> | <b>2015</b> | <b>2016</b> |                  |  | <b>2017 (4 mos.)</b> | <b>2018</b>   | <b>2019</b>    | <b>2020</b>    | <b>2021</b>    |
| Sales                          | 67.7        | 66.0        | 65.3        |                  |  | \$ 25,306,667        | \$ 85,410,000 | \$ 245,207,037 | \$ 321,567,037 | \$ 417,017,037 |
| Cost of sales                  | 42.1        | 46.0        | 44.4        |                  |  | \$ 16,854,240        | \$ 56,883,060 | \$ 135,468,124 | \$ 177,549,484 | \$ 230,151,184 |
| Gross profit                   | 25.6        | 20.0        | 20.9        |                  |  | \$ 8,452,427         | \$ 28,526,940 | \$ 109,738,913 | \$ 144,017,553 | \$ 186,865,853 |
| Feed                           | 8.1         | 11.2        | 16.4        |                  |  | \$ 4,807,733         | \$ 16,226,100 | \$ 23,437,700  | \$ 30,649,300  | \$ 39,663,800  |
| Other (excl deprn)             | 3.5         | 3.7         | 3.1         |                  |  | \$ 1,265,333         | \$ 4,270,500  | \$ 12,260,352  | \$ 16,078,352  | \$ 20,850,852  |
| EBITDA (cash/tax basis)        | 14.0        | 5.1         | 1.4         | EBITDA (accrual) |  | \$ 2,379,360         | \$ 8,030,340  | \$ 74,040,861  | \$ 97,289,901  | \$ 126,351,201 |
| Head wtd feed price adjustment | -6.2        | 1.0         | 5.2         |                  |  | 9.4%                 | 9.4%          | 30.2%          | 30.3%          | 30.3%          |
| Adjusted EBITDA                | 7.8         | 6.1         | 6.6         | Interest         |  | \$ 90,675            | \$ 1,191,092  | \$ 1,172,025   | \$ 1,172,025   | \$ 1,172,025   |
|                                |             |             |             | Depreciation     |  | \$ 154,048           | \$ 462,143    | \$ 3,899,643   | \$ 4,622,857   | \$ 6,272,411   |
| Corn price                     | \$ 4.60     | \$ 3.50     | \$ 3.50     | Taxes            |  | \$ 907,221           | \$ 2,710,270  | \$ 29,311,907  | \$ 38,885,383  | \$ 50,535,375  |
| Wtd Average corn price         | \$ 3.87     | \$ 3.87     | \$ 3.87     | Net              |  | \$ 1,227,416         | \$ 3,666,836  | \$ 39,657,286  | \$ 52,609,636  | \$ 68,371,390  |
| % to average                   | 1.18863     | 0.904393    | 0.904393    |                  |  |                      |               |                |                |                |
| Total feed cost over 3 years   | 35.7        | 35.7        | 35.7        |                  |  |                      |               |                |                |                |
| Head wtd feed price adjustment | (6.2)       | 1.0         | 5.2         |                  |  |                      |               |                |                |                |

# Cash Flow: Sources and Uses



| CASH FLOW                                                          |  |  |  |  |               | 2017 (4 mos.)   | 2018            | 2019            | 2020            | 2021            |
|--------------------------------------------------------------------|--|--|--|--|---------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Net Income (EAT)                                                   |  |  |  |  |               | \$ 1,227,416    | \$ 3,666,836    | \$ 39,657,286   | \$ 52,609,636   | \$ 68,371,390   |
| Depreciation & Amortization                                        |  |  |  |  |               | \$ 154,048      | \$ 462,143      | \$ 3,899,643    | \$ 4,622,857    | \$ 6,272,411    |
| Other Noncash Adjustments                                          |  |  |  |  |               |                 |                 |                 |                 |                 |
| Accounts Receivable                                                |  |  |  |  |               | \$ (973,333)    | \$ (2,311,667)  | \$ (6,146,040)  | \$ (2,936,923)  | \$ (3,671,154)  |
| Inventory                                                          |  |  |  |  |               | \$ (11,236,160) | \$ (2,984,605)  | \$ (19,646,266) | \$ (10,520,340) | \$ (13,150,425) |
| Other Current Assets                                               |  |  |  |  |               |                 |                 |                 |                 |                 |
| Accounts Payable                                                   |  |  |  |  |               | \$ 1,404,520    | \$ 373,076      | \$ 2,455,783    | \$ 1,315,043    | \$ 1,643,803    |
| Other Current Liabilities                                          |  |  |  |  |               |                 |                 |                 |                 |                 |
| Adjustments                                                        |  |  |  |  |               |                 |                 |                 |                 |                 |
| Cash Flow from Operations                                          |  |  |  |  |               | \$ (9,423,509)  | \$ (794,217)    | \$ 20,220,407   | \$ 45,090,273   | \$ 59,466,025   |
| Capital Spending - Equipment (Farm, Fertilizer Plant )             |  |  |  |  |               | \$ (2,500,000)  | \$ (17,500,000) | \$ (2,000,000)  | \$ (7,500,000)  | \$ (7,500,000)  |
| Capital Spending - Improvements (Barns, Digester, Water Treatment) |  |  |  |  |               | \$ (2,100,000)  | \$ (18,750,000) | \$ (8,750,000)  | \$ (11,562,500) | \$ (11,562,500) |
| Capital Spending - Land                                            |  |  |  |  |               | \$ (4,700,000)  |                 |                 |                 |                 |
| Cash Flows from Investing                                          |  |  |  |  |               | \$ (9,300,000)  | \$ (36,250,000) | \$ (10,750,000) | \$ (19,062,500) | \$ (19,062,500) |
| Equity Investment                                                  |  |  |  |  |               | \$ 30,000,000   |                 |                 |                 |                 |
| Line of Credit Borrowings (Payments)                               |  |  |  |  |               | \$ -            | \$ 423,702      | \$ (423,702)    | \$ -            | \$ -            |
| LT Debt Borrowings                                                 |  |  |  |  |               | \$ 6,045,000    | \$ 20,000,000   | \$ -            | \$ -            | \$ -            |
| Cash Flows from Financing                                          |  |  |  |  |               | \$ 36,045,000   | \$ 20,423,702   | \$ (423,702)    | \$ -            | \$ -            |
| Net Cash Increase (Decrease)                                       |  |  |  |  |               | \$ 17,321,491   | \$ (16,620,516) | \$ 9,046,705    | \$ 26,027,773   | \$ 40,403,525   |
|                                                                    |  |  |  |  |               |                 |                 |                 |                 |                 |
| Cash Balance at Beg of Period                                      |  |  |  |  |               | \$ -            | \$ 17,321,491   | \$ 700,975      | \$ 9,747,680    | \$ 35,775,453   |
| Net Cash Increase (Decrease)                                       |  |  |  |  |               | \$ 17,321,491   | \$ (16,620,516) | \$ 9,046,705    | \$ 26,027,773   | \$ 40,403,525   |
| Cash Balance at End of Period                                      |  |  |  |  |               | \$ 17,321,491   | \$ 700,975      | \$ 9,747,680    | \$ 35,775,453   | \$ 76,178,978   |
|                                                                    |  |  |  |  |               |                 |                 |                 |                 |                 |
| Unused borrowing capacity                                          |  |  |  |  | \$ 23,955,000 | \$ 23,777,896   | \$ 6,647,955    | \$ 44,273,160   | \$ 95,567,753   | \$ 162,295,340  |

# Cattle Manure Can Be Harvested Like Any Crop



- ▶ Confine cattle
- ▶ Capture manure in slat floored monoslope building
- ▶ Liquefy and pump manure to anaerobic digester
- ▶ Cattle excrete 62 pounds per day, 88% liquid



# Basic Chemical Processes Can Monetize Manure



- ▶ Anaerobic digestion produces biogas, solids, liquids
- ▶ Aerobic digestion of solids produces compost
- ▶ Filtration produces concentrated liquid manure and water
- ▶ Biogas burned produces heat to pasteurize liquid manure
- ▶ Pasteurized liquid packaged is food safe organic liquid fertilizer

# Replacing Liquid Fish With Food Safe Biofertilizer



- ▶ Organic liquid fish retails for \$17 per gallon
- ▶ WinnettComplete - Food Safe Biofertilizer retails for about \$12 per gallon
- ▶ WinnettComplete - Food Safe Biofertilizer wholesales in bulk for \$3.00 per gallon, plus \$16 per acre for application
- ▶ WinnettComplete - Food Safe Biofertilizer retail pack direct production cost is \$1.75 per gallon, bulk direct production costs pennies per gallon

# Other Benefits of Transition: \$11M on 100,000 head



- ▶ Waste management problem reduced to near zero cost, allowing us to move people from waste management jobs to value added organic fertilizer production jobs
- ▶ Moving from cracked corn to steam flaked corn improves feed efficiency by 11%, \$40 per head, with renewable natural gas from digester
- ▶ Additional 4% feed efficiency gain from indoor feeding, \$14 per head. Cattle stay healthier, particularly in winter and inclement weather
- ▶ Natural cattle sell for \$50 to \$75 more per head

# Senior Leadership



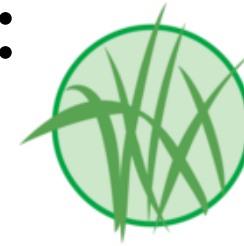
- ▶ Dennis Brewer, Chair and CEO - 38 years experience
  - ▶ PCC Natural Markets Chair
  - ▶ HomeGrocer infrastructure consultant
  - ▶ CEO of startup and mid-market companies
  - ▶ Supply chain consultant and executive
  - ▶ Deloitte manager, consultant
  - ▶ Livestock feeding experience
  - ▶ Engineering, construction, chemistry experience
  - ▶ BA, MBA, former CPA

# Our Team Has Depth of Experience



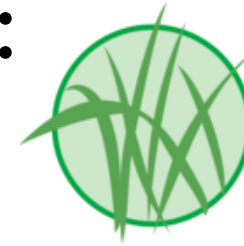
- ▶ Rafael Gomez, VP of Food Safety - 16 years
- ▶ Jason Waseman, VP of Logistics - 20 years
- ▶ Mark Vindiola, Director of Human Capital - 20 years
- ▶ Bill Reed, VP of Real Estate & Construction - 20 years
- ▶ Bruce Blitch, Chief Information Officer - 25 plus years
- ▶ Paul Smith, Chief Financial Officer - 40 plus years

# Building North American Organic Brand: WinnettOrganics Consumer Strategy



- ▶ Distinctive identity - sustainable, organic, traceable with consumer compostable packaging
- ▶ Market leadership - keep high value in front of consumer, pull products through retailer. Proven to be the fastest way to a multi-billion dollar company
- ▶ Focused digital strategy - point of sale app integrated to website provides traceability, nutrition info, recipes, coupons, loyalty rewards including electric vehicle lease, dinner parties

# Building North American Organic Brand: WinnettOrganics Retailer Strategy



- ▶ Price leadership - select long term discounts to move volume and pull other items through the channel
- ▶ Free/reduced freight - giving retailers reasons to buy branded items in truckload quantities
- ▶ RPC incentives - sharing cost savings with retailers and enhancing sustainability
- ▶ Organic University - retailer merchandising education

# Running A Familiar Path: Leadership Experienced In Brand Development



- ▶ Senior leadership team averages 25 plus years experience in consumer branded products and fresh foods, from retail floor to leadership
- ▶ All aspects of integrated brand development covered - branding, IT, operations, culture, channels
- ▶ Previous experience at scale and scaling up - startup to \$3B sales
- ▶ National and regional mass market contacts with Wal-Mart (\$244B grocery), Kroger (\$112B) and Albertsons (\$58B), others



# Next Steps



- ▶ Internal consideration and notification
- ▶ Term Sheet/Letter of Intent
- ▶ Due diligence
- ▶ Closing

# Forward Looking Statements



- ▶ Some of the statements herein, constitute forward-looking statements, which can be identified by the use of forward- looking terminology such as “may,” “will,” “should,” “expects,” “plans,” “anticipates,” “believes,” “estimates,” “predicts,” “potential,” “continue” or the negative of these terms or other comparable terminology. These forward-looking statements include information about our plans, objectives, expectations, intentions, assumptions, and other statements in this Presentation that are not statements of historical fact. These statements involve known and unknown risks, uncertainties, and other factors that may cause our or our industry’s actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by these forward-looking statements. Factors that may cause such a difference include, but are not limited to: our limited operating history; our Ability to meet our business plans; our Ability to build and retain a qualified management team; our Ability to grow and maintain growth; governmental monetary and fiscal policies, as well as legislative and regulatory changes; our Ability to adequately capitalize our firm; and the effects of competition from other organic operating companies operating in our market areas or elsewhere, including substantially larger and well established organizations, and other factors that might cause such discrepancy.
- ▶ Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, levels of activity, performance or achievements. Moreover, neither we nor any other person assumes responsibility for the accuracy and completeness of these statements. We are under no duty to update any of the forward-looking statements after the date of this Presentation to conform these statements to actual results.

# SKAAR LIVESTOCK & FARMING

LEWISTOWN, IDAHO | JEFFERSON COUNTY

LISTED EXCLUSIVELY BY





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## INTRODUCTION

Louis Skaar & Sons Inc. was founded by Louis Skaar in 1945 in its present location in Lewisville, Idaho located near Rigby and Idaho Falls. The largest operation of its kind in eastern Idaho, Skaar engages in cattle-feed production, cattle feeding, cattle and manure sales, and transportation of cattle and feed commodities. Presently Skaar Livestock & Farming is privately held by Louis's sons, DuWayne and Justin Skaar who are actively engaged in operations on a daily basis and recognized as leaders in the industry.

Today, the Skaar brothers operate the 125 acres of pens, concrete feed bunkers and associated improvements, feeding about 18,000 head of cattle. In addition to the feedlot which is permitted for 25,000 head of cattle, Skaar also has a 1,500-head grow yard located six miles east of the Headquarters as well as 998 acres of productive farmland. Modern mechanized and irrigated farming techniques utilized by Skaar provide a constant source of cattle feed, producing approximately 50% of the necessary feed. Raised crops include alfalfa, hay, barley and corn. The balance of the required feed is obtained from the nearby Eastern Idaho region. A fleet of over-the-road semis gives the operation the ability to transport food or livestock on an as-needed basis.

Twenty-five workers are employed full time. A half dozen or more seasonal workers are also employed during the busiest summer growing season. Farming is mechanized with heavy machinery for production efficiency. Most of the workers live within twenty miles of the Headquarters. Retirement and health plans are also provided.

Skaar Livestock & Farming relies on an animal nutritionist to ensure the nutritional value of the feed being provided to the cattle. There is also a veterinarian that makes regular visits to ensure the welfare of the cattle and to provide the management with guidelines for cattle care.

Skaar no longer grows potatoes, but potato slurry from a nearby processing plant is one of the substantial ingredients in the finishing ration for their fed cattle. Four different rations are fed, depending on the age and weight of the cattle; energy levels are increased in large part through a higher percentage of corn grain as the cattle get closer to slaughter weight.

The Headquarters Building, situated on a fully-permitted site in a suitable location, consists of a 2,400 square foot office, and a 6,600 square foot shop for maintenance of trucks, farm equipment, and storing high-tech equipment utilized for efficient and scientific feeding of cattle.

Angus, Hereford and Charolais feeder calves, averaging about 600 pounds, are purchased from a six-state area in the cattle producing Rocky Mountains. After gain, approximately 38,000 cattle, averaging 1,300 pounds, are shipped annually in Skaar trucks to JBS Meat Packers, the exclusive buyer, in Hyrum, Utah located 180 miles south of the Headquarters. JBS Swift, owned by a Brazilian family, is recognized as one of the largest multi-national food companies in the world with international export capabilities. After processing, the total beef yield is approximately 15 million tons annually from JBS Meat Packers.

DuWayne and Justin Skaar are ready to retire, but would be willing to consult for a year or two if the new owner wishes.

## LOCATION & ACCESS

Skaar Livestock & Farming Headquarters is located about 20 miles north of Idaho Falls via Interstate 15 and the Roberts exit. The Headquarters, on N 3200 E, is about 6 miles from the Interstate via well-maintained paved county roads.

The four satellite farms are located within a six-mile radius of the Headquarters. Access to all of the land parcels is excellent via paved county-maintained roads.

Located in Jefferson County, Lewisville, a small community with a population of approximately 500 people, offers minimal services with the exception of a U.S. Post Office.

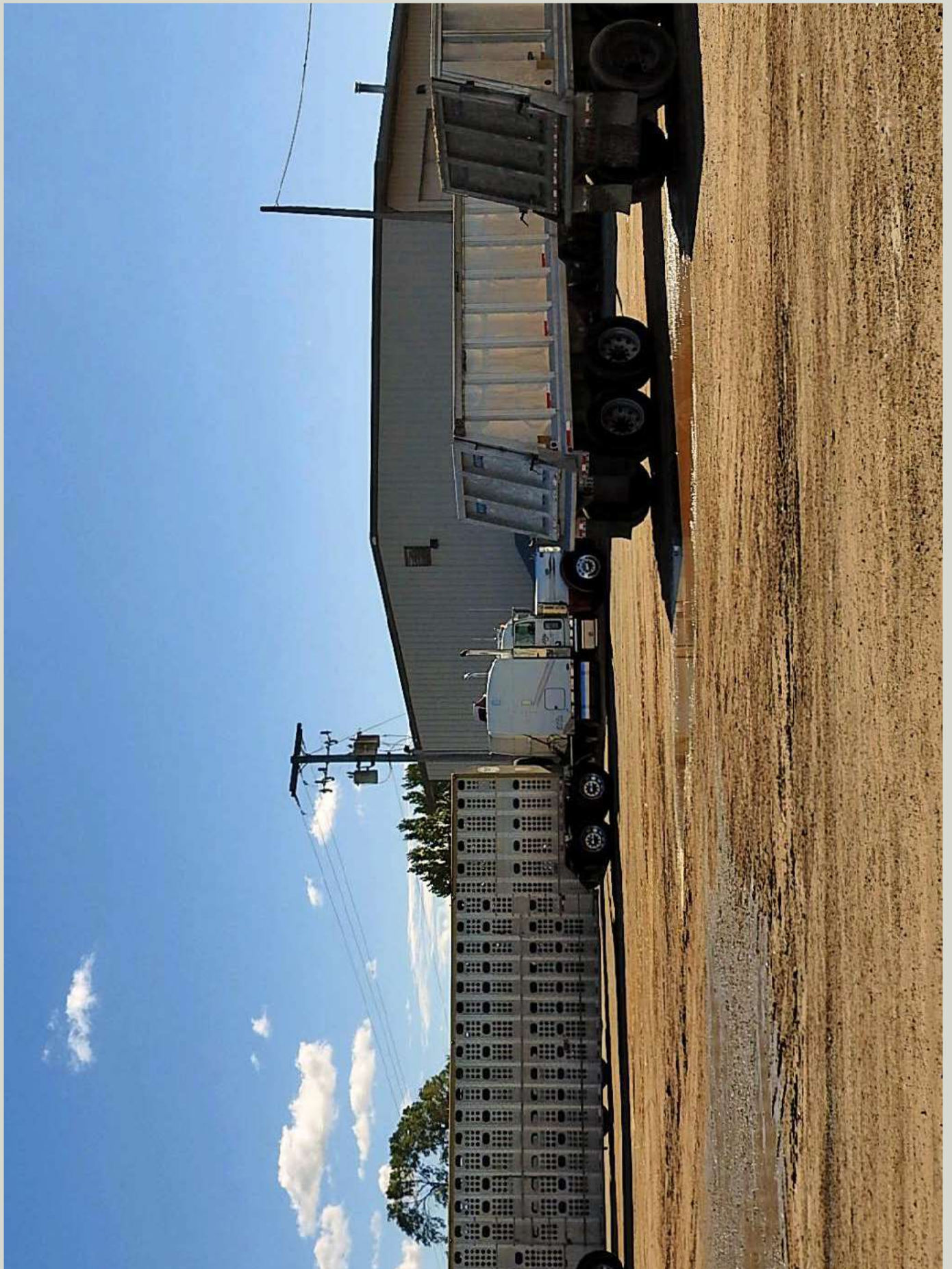
About ten miles away, Rigby, the county seat of Jefferson County with a population of about 4,000, offers all of the amenities of a small rural city. Located about 20 miles from Skaar Headquarters, the larger city of Idaho Falls provides a wide variety of shopping, entertainment and cultural choices. Idaho Falls Regional Airport (IDA) offers excellent commercial services through Allegiant, Delta and United with direct flights to major hubs including Denver, Salt Lake City and Minneapolis.

Approximate distances to other cities and attractions are as follows:

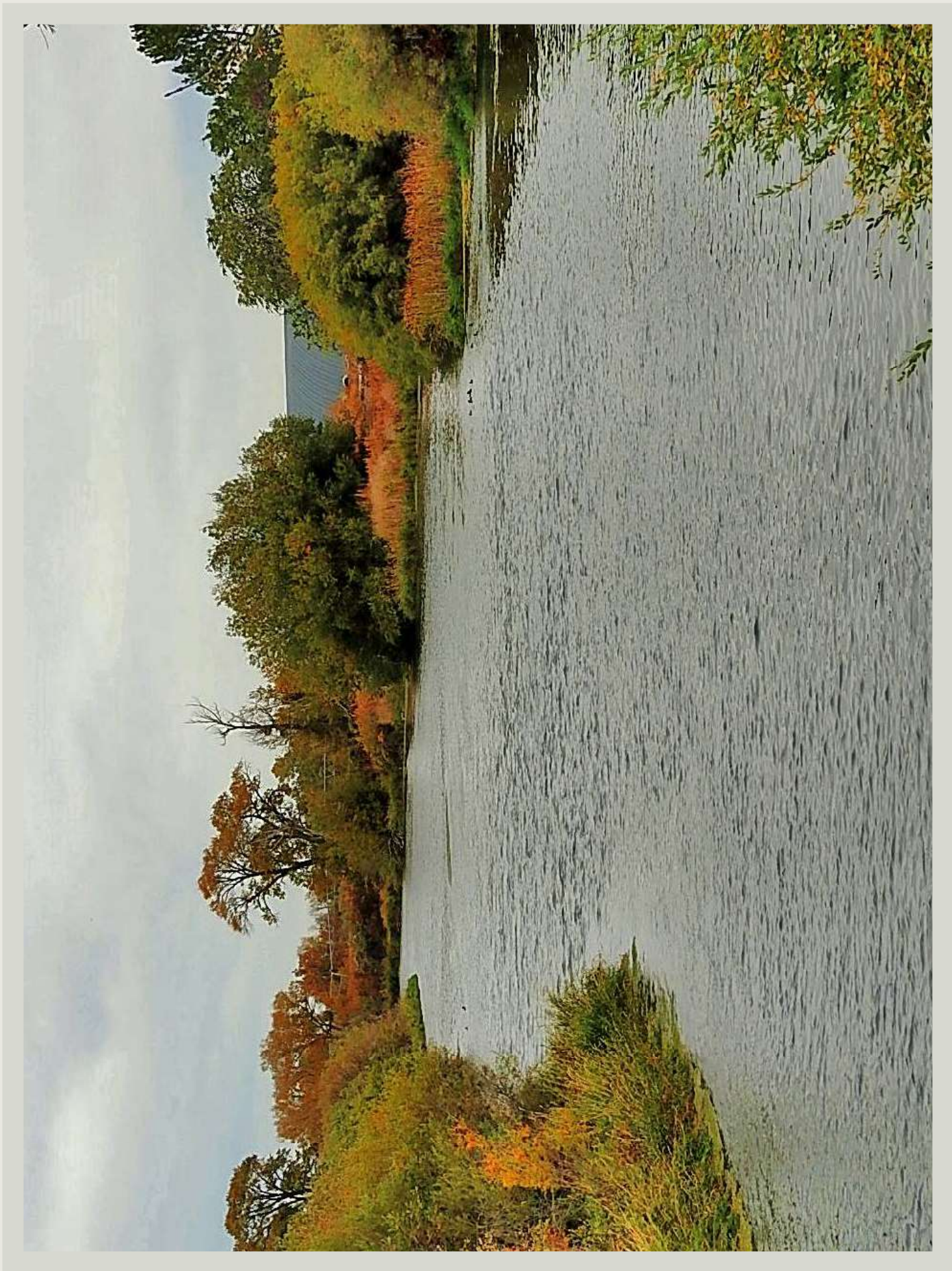
|                      |           |
|----------------------|-----------|
| Rigby, Idaho         | 9 Miles   |
| Idaho Falls, Idaho   | 18 Miles  |
| Hyrum, Utah          | 180 Miles |
| Salt Lake City, Utah | 237 Miles |













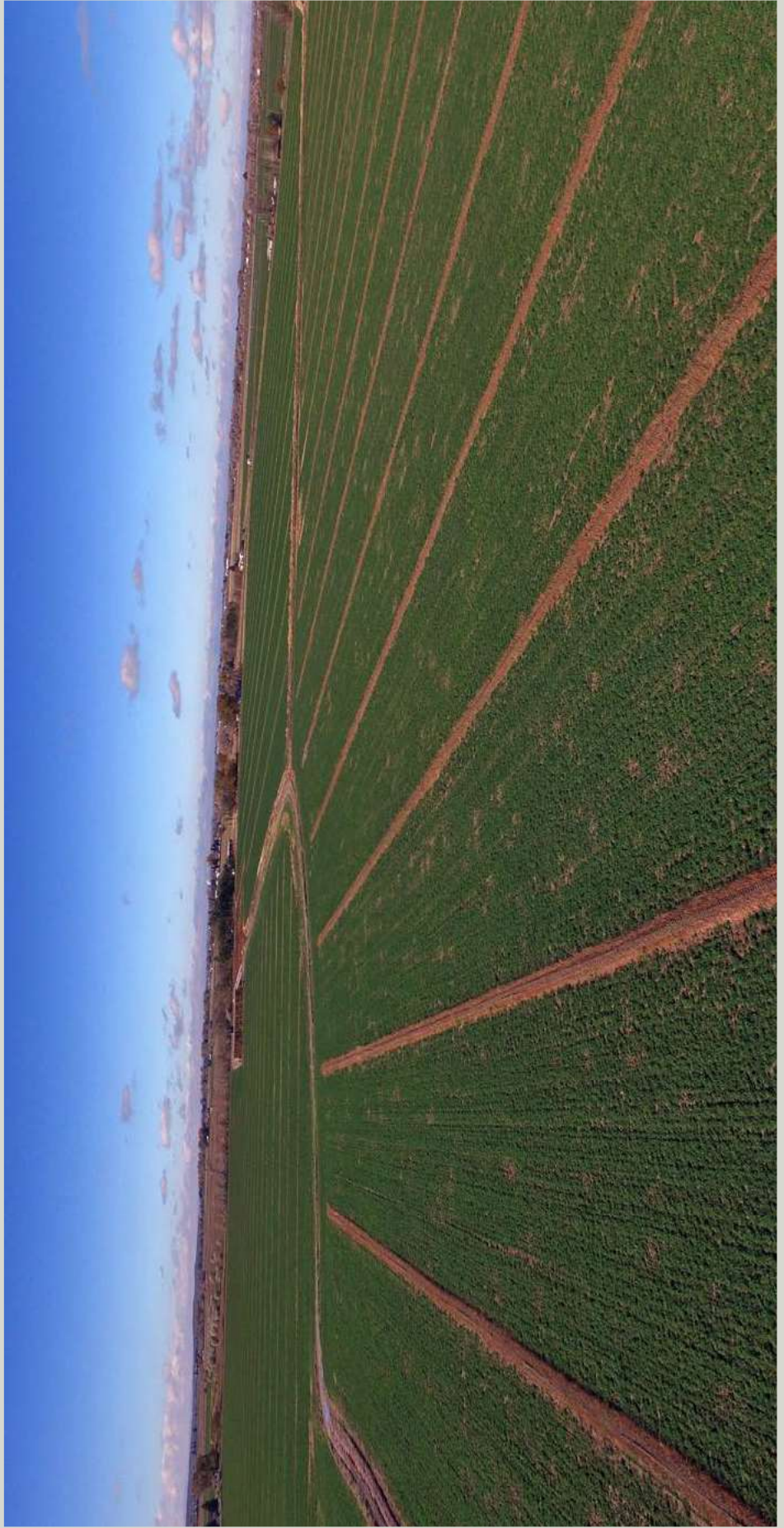
## ELEVATION & CLIMATE

Skaar Headquarters sits at an elevation of approximately 4,775 above sea level and is generally level. The elevations of the four satellite farms do not vary more than 50 feet from the elevation of the Headquarters.

The average annual precipitation is approximately 10".

Average maximum temperatures in June, July and August range from 76° to 85°F. In December, January and February average maximum temperatures are between 28° and 33°F.

Summer nights average about 51°F and winter average minimum is between 13° and 15°F. There are about 205 sunny days throughout the year. On average, the frost-free growing season in Rigby is about 118 days with the first frost in the fall around September 20<sup>th</sup> and the last frost around May 25<sup>th</sup>.



## REAL ESTATE TAXES

Property taxes for 2016 were approximately \$13,624.00.

## UTILITIES & SERVICES

Electric service is provided by *Rocky Mountain Power*. Telephone service is provided through *Century Link* and good cellular service is available through *Verizon* and *AT&T*.

Residential water is provided via domestic wells. Heat for the facilities and homes is propane with the exception of the two-bedroom employee house at the Headquarters which uses a coal-fired furnace. All of the homes are on individual sewer-septic systems.

## FENCES & BOUNDARY LINES

The Sellers hereby make known that there may be variations between the deeded property lines and the location of the existing fence boundary lines on the Property. The Sellers make no warranties with regard to the location of the fence lines in relationship to the deeded property lines, nor do the Sellers make any warranties or representations with regard to specific acreage within the fenced property lines.

The Sellers are selling the Property in its “as-is-where-is” condition which includes the location of the fences as they now exist. Boundaries shown on any accompanying maps are approximate. The maps are not to scale and are for visual aid only. The accuracy of the maps and information portrayed thereon is not guaranteed nor warranted.





## MINERAL RIGHTS

The Sellers will convey with the Ranch 100% of whatever mineral, oil, gas, geo-thermal, hydro-carbon and gravel rights they actually own, subject to reservations by previous owners. The Sellers make no representation as to the quantity or quality of any mineral or other sub-surface rights appurtenant to the Property.

## WATER RIGHTS

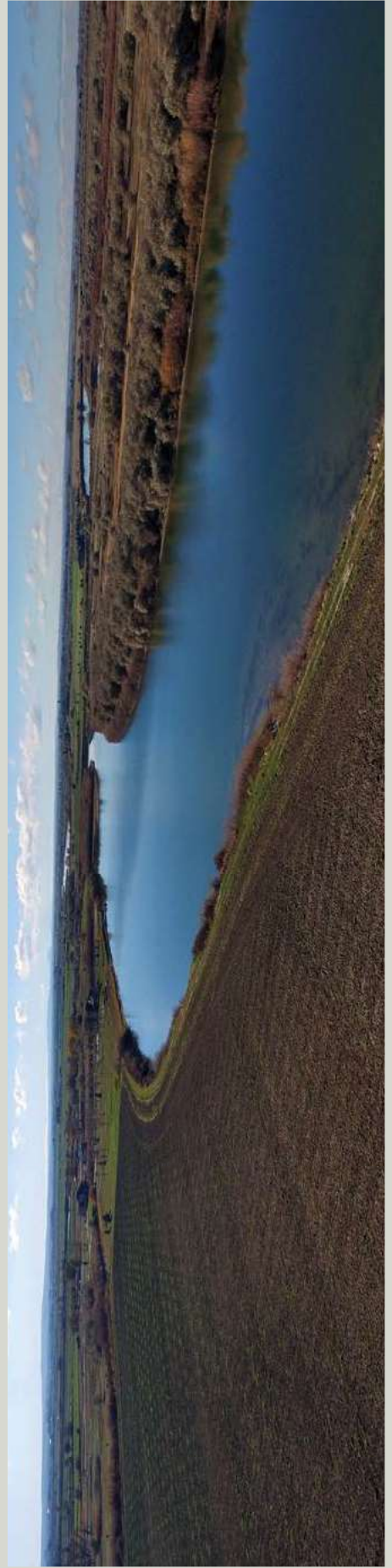
### **Irrigation Water Stock and Canal Stock**

- 67 shares of Independent Irrigation Company are allocated to Taylor Farm.
- 238 1/10 shares of Long Island Irrigation Company are also allocated to Taylor Farm.
- 264 shares of Deer Park Canal Company are allocated to Taylor Farm. The Deer Park Canal is a carrying canal for Long Island Irrigation Company Water.
- 93.9 shares of Parks and Lewisville Irrigation Company are allocated to Feedlot Farm and Calf Lot Farm.

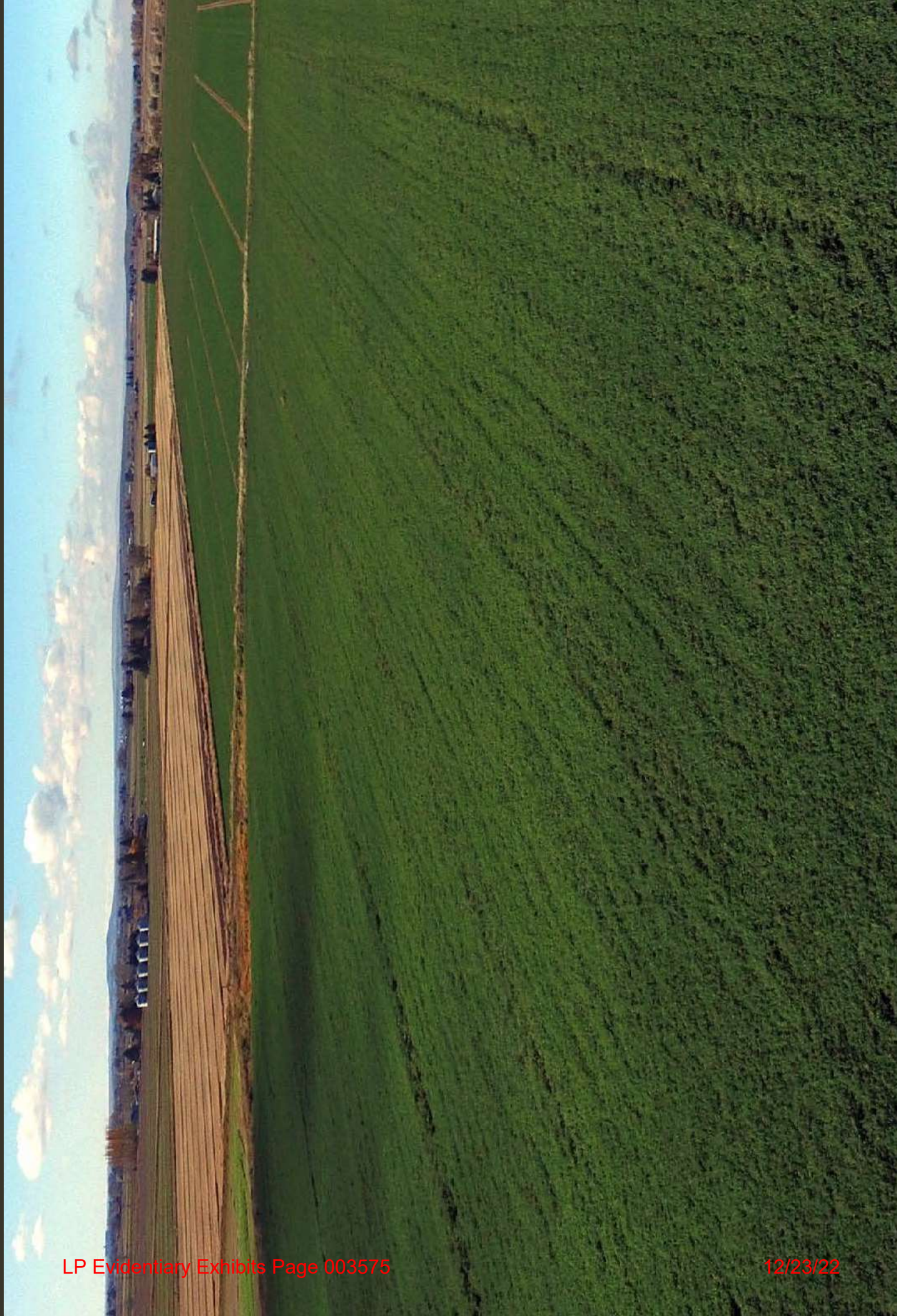
### **Decreed Water Rights**

Water Right Nos. 25-234, 25-235, 25-236, 1-10463 and 1-10465 together represent 10 CFS from the Snake River used to irrigate a total of 591.9 acres at the Big 6 Farm and Taylor Farm. The priority date for these water rights is 6/1/1892. The period of use is April 1<sup>st</sup> to October 31<sup>st</sup>.

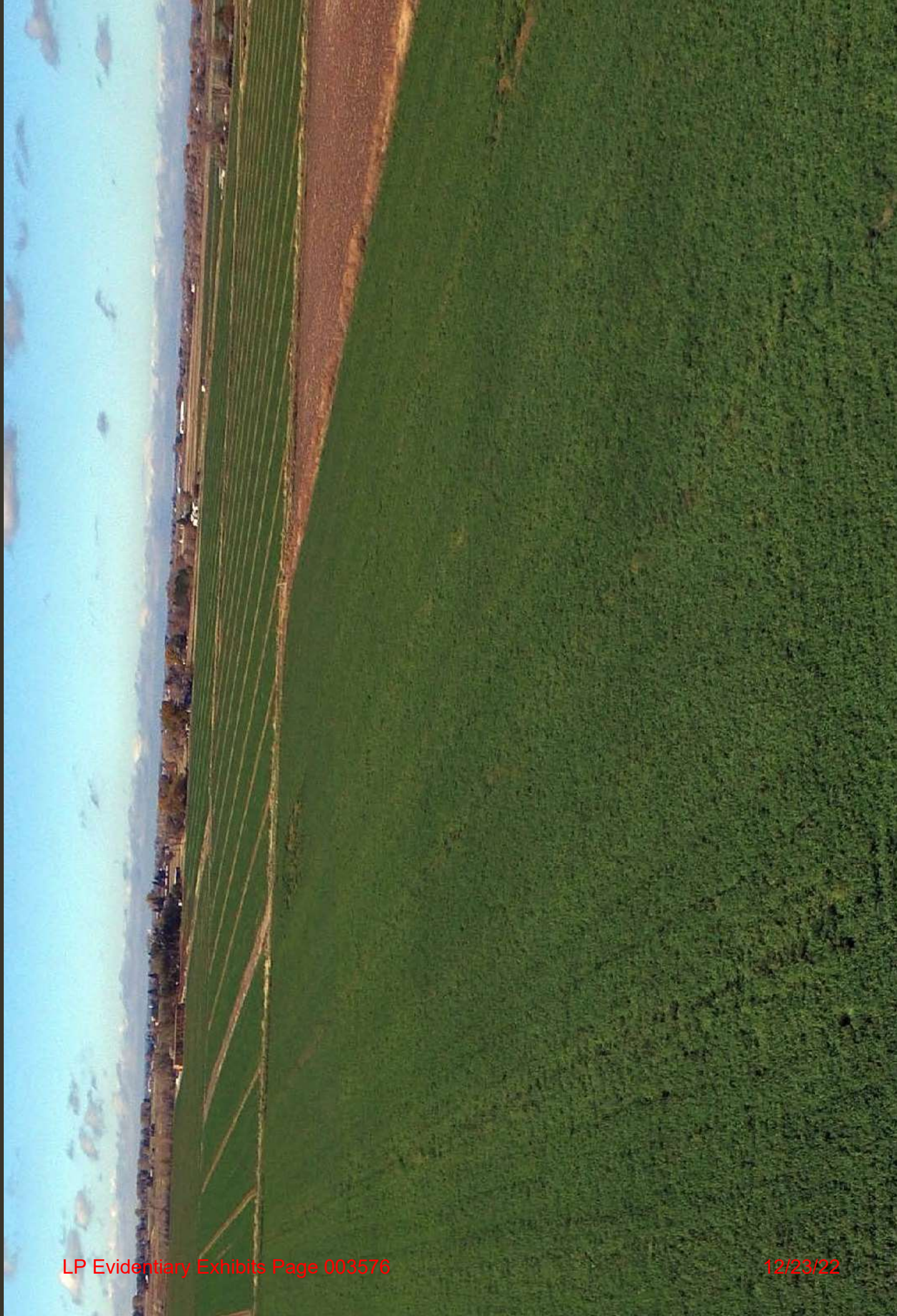
In addition, a 16" irrigation water well provides water to the 56.76 acres of cropland on the north side of the Feedlot. The 147' deep well is identified by Water Right No. 25-4187 and well tag No. 3586. The priority date of this water right is 6/18/1962. Since the static level of the well is only 12' deep, a 25-horsepower motor is adequate.



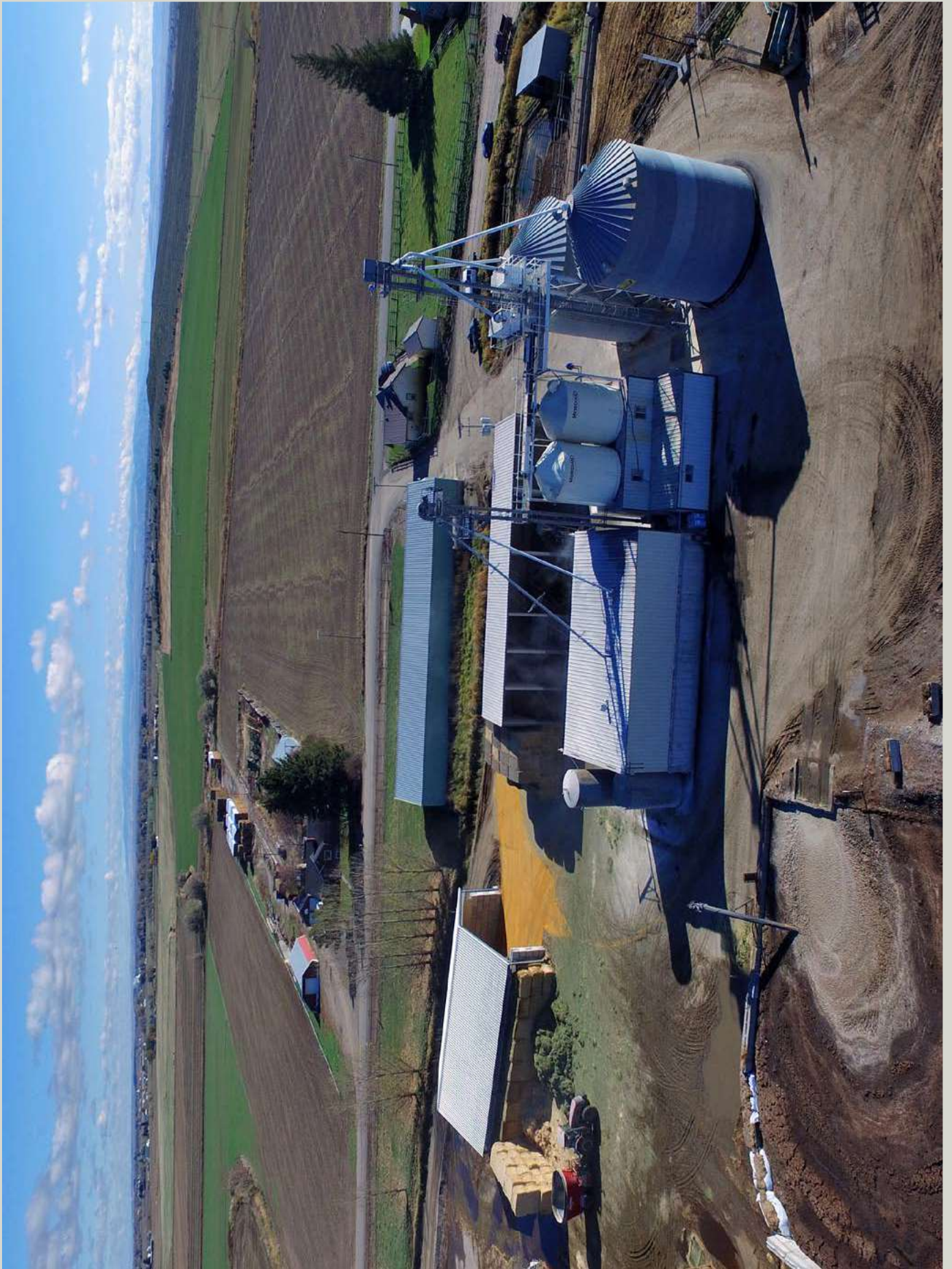














## PHYSICAL DESCRIPTION

Skaar Farms is comprised of five separate productive tracts of land, each utilized to maximize efficiency and yields. The units are within a six mile radius of the Headquarters.

### FEEDLOT IMPROVEMENTS AND ASSOCIATED FARM

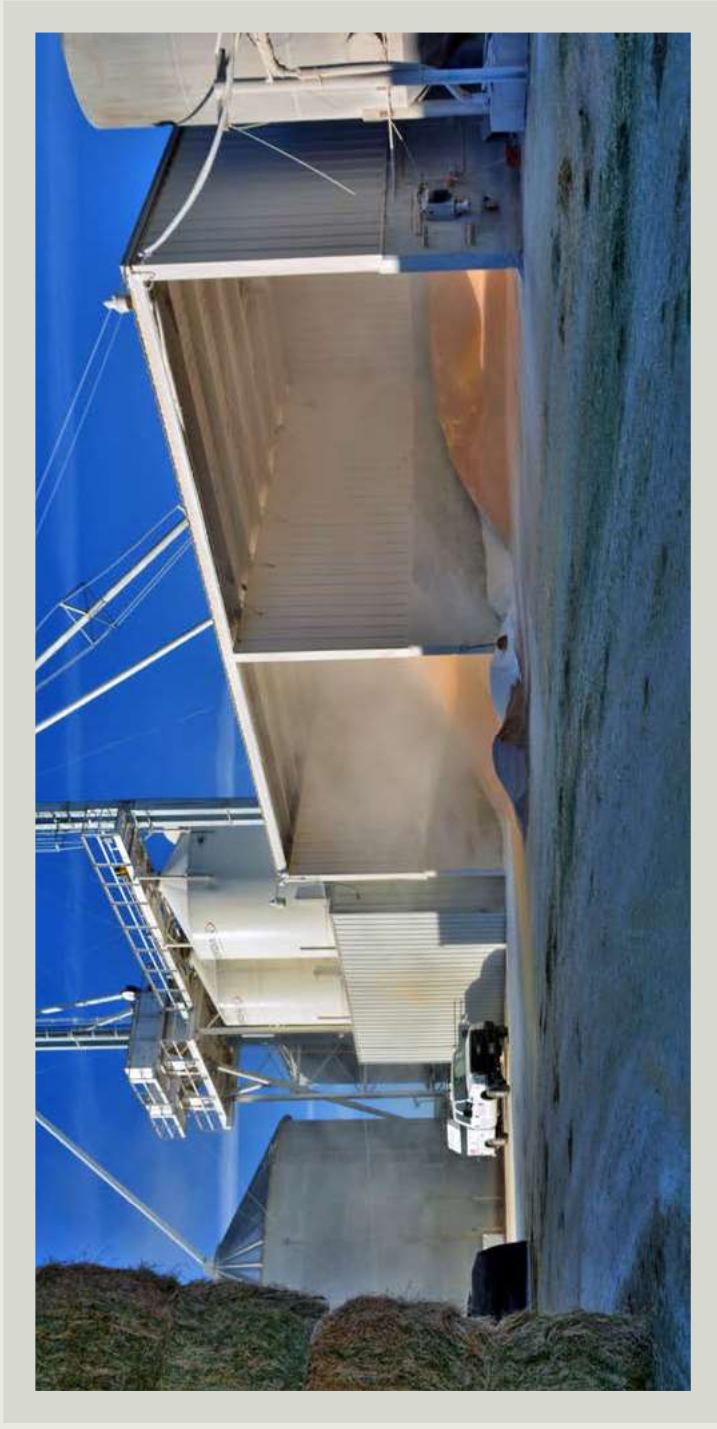
The Feedlot and associated improvements occupy 125 acres of pens and concrete feed bunkers surrounded by about 170.30 acres of laser-leveled flood-irrigated cropland to the north and the west.

The Feedlot is permitted for 25,000 head of cattle, and is currently feeding about 18,000 head. Sprinklers are at strategic locations to help keep down dust and make cattle more comfortable during hot summer days. Three permitted water wells provide consistent water flow throughout the Feedlot without risk of freezing. All three wells are interconnected with redundancy systems to insure constant flow water even if a well pump malfunctions.

The Feedlot contains about 10,750 feet of concrete bunk line with 8' and 10' concrete aprons off the bunks.

Department of Environmental Quality (DEQ) regulations are followed very closely with meticulous records kept associated with the Feedlot's waste management plan. Copies of both the DEQ Feedlot Permit and Waste Management Plan would be made available to qualified buyers upon request; all of which are in place and in good standing, according to the Seller.

With today's technology the Feedlot Manager can read the amount of feed consumed in an individual pen of cattle and transmit that information via a laptop computer and to the feed trailers which in turn can adjust the volume of the specific ration being fed to an individual pen. This technology has resulted in increased feed efficiency and decreased waste. Strict protocols are in place to determine precisely how much feed should be consumed by each animal on a daily basis.



## FEED MILL

Two-75 hp motors run the 18" x 36" rollers in the Feral-Ross roller mills utilized to crack the corn and small grains utilized by the Feedlot. Grain is soaked for 12-hours in overhead bins before being run through the mills. One mill is set for wheat and the second mill set to crack corn. The facility is designed that if an operator so desires, an additional mill could be added. Approximately 650,000 pounds of grain, hay and supplements are pushed through the mill daily. Once the commodities go through the roller mills, it goes on a drag and then lifted out into the commodity bays. All commodities are moved with gravity except for the lift out into the commodity bays.

Micro Beef Technologies computerized management system is utilized to precisely control ration ingredients. Micro Beef Technologies is a cutting-edge, research and development-based innovator of patented computerized management systems for comprehensive individual animal information collection and management decision-making.

The commodity-storage area, which utilizes forced-air ventilation, contains 25,000 bushels of wheat storage and 30,000 bushels of corn storage. Scales and computer programs in each of the commodity bins closely monitor commodity stores and daily usage amounts.

The 75' x 450' high-moisture corn bunk silo has a blacktop floor, 10' high concrete walls and a plastic cover.

There are two soaker tanks with a capacity of 30 tons, which were installed in 2015, and nine covered concrete commodity bunks. The enclosed 50' x 80' storage building holds approximately 500 tons of dried distillers grain.

The Processing Barn includes a covered alley, Silencer squeeze chute, ultrasound machine and individual scale under the squeeze chute. When new cattle arrive at the Feedlot they go through a stringent protocol of vaccinations, de-horning and heifers are ultrasounded for pregnancy. The emphasis is always to limit the stress on the animal and treat them as humanely and quietly as possible in order to get them on feed more quickly when they reach the feeding pens.

The Load Out Facility is integrated into the working corrals near the Processing Barn and has been designed for ease of moving cattle. A 60,000-pound electronic livestock scale is certified by the State of Idaho annually. The deck is rebuilt every five years.

Most of the working corrals, which feed into the Processing Barn and for the Load Out Facility, are steel pipe construction. The yard near this Facility is well laid out to accommodate multiple tractor-trailer rigs as they load and unload livestock.









## HEADQUARTERS IMPROVEMENTS

### OFFICE-SHOP BUILDING

The 2,400 square-foot office contains a reception area, several offices, lavatory, and a conference room. Attached is a 6,000 square-foot mechanics shop for maintenance of trucks and farm equipment, as well as various high-tech equipment utilized for efficient and scientific feeding of the cattle. Three large bay doors allow for easy access of the trucks into the bays which have in-ground pits for undercarriage maintenance.

The semi-truck scale is conveniently located adjacent to the office allowing for the weight-records and trucking information to easily be recorded from inside the office. This 120,000-pound electronic truck scale with electronic printer is certified every year by the state.

37,000 gallons of diesel fuel is available in three tanks. Gasoline is provided in one 2,500 gallon tank; and there is a 1,000 gallon propane storage tank. All of the tanks are above ground.

An insulated 40' x 150' storage building is used to store heavy equipment.

The 185' x 70' Indoor Roping Arena has electricity and water. The well-lit facility has a calf chute and a wash-stall area.

Two homes located on the Feedlot property are utilized for employee housing. One is a three bedroom 2 bath single story home. The second is a 2 bedroom 1 bathroom single story home.



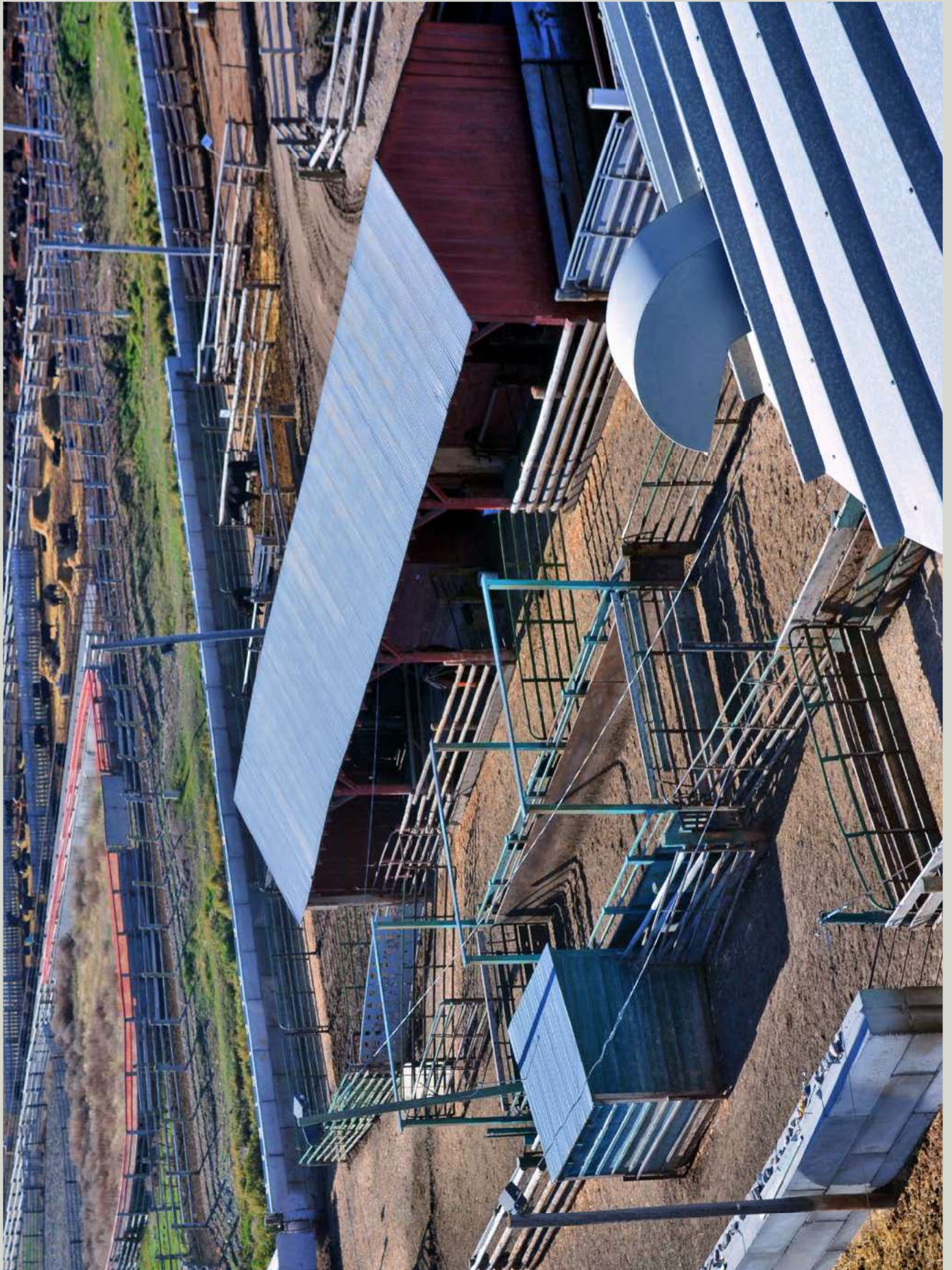




INDOOR ROPING ARENA











PROCESSING BARN





## FARM LAND

The flood-irrigated land on each of the Farm Units is diked with 100 foot lands. Solid water rights are associated with each Unit to provide ample water during the growing season. Crop yields on the Farm Land are approximately 7.5-tons of alfalfa hay per irrigated acre on three cuttings; twenty-two to twenty-four tons per acre of silage grain and twenty-eight to thirty-tons of corn. This is some of the most productive ground Idaho has to offer!

## CALF LOT AND FARM

The Farm is comprised of 142.55 flood-irrigated acres plus the 11.15 acre feed lot. This loading chute and corral system, constructed of steel pipe, is well designed to efficiently work cattle. The Calf Lot contains about 1,250 feet of concrete bunk line with 8' and 10' concrete aprons off the bunks. Calves are held at this lot to ensure they are healthy before moving to the Headquarters Feedlot. The Calf Lot is six miles east of the Feedlot.





## THE BIG SIX FARM

The Big Six is 366.91 flood irrigated acres plus 8.29 acres of improvements located two miles north of the Feedlot.

### Improvements

There is a three-bedroom one-bath house as well as a one-bedroom one-bath apartment, both of which are used as employee housing on the Big Six. A 6" diameter domestic well serves the two homes. Both homes are on individual septic systems.

**Metal Storage Building** – This storage facility, with concrete flooring and a roof auger, will hold 1,000 tons of hay or 130,000 bushels of grain.

**Grain Bins** - Two grain bins with concrete flooring, each hold 1,200 bushels.

**Diesel Tank** – 10,000 gallon above-ground tank.

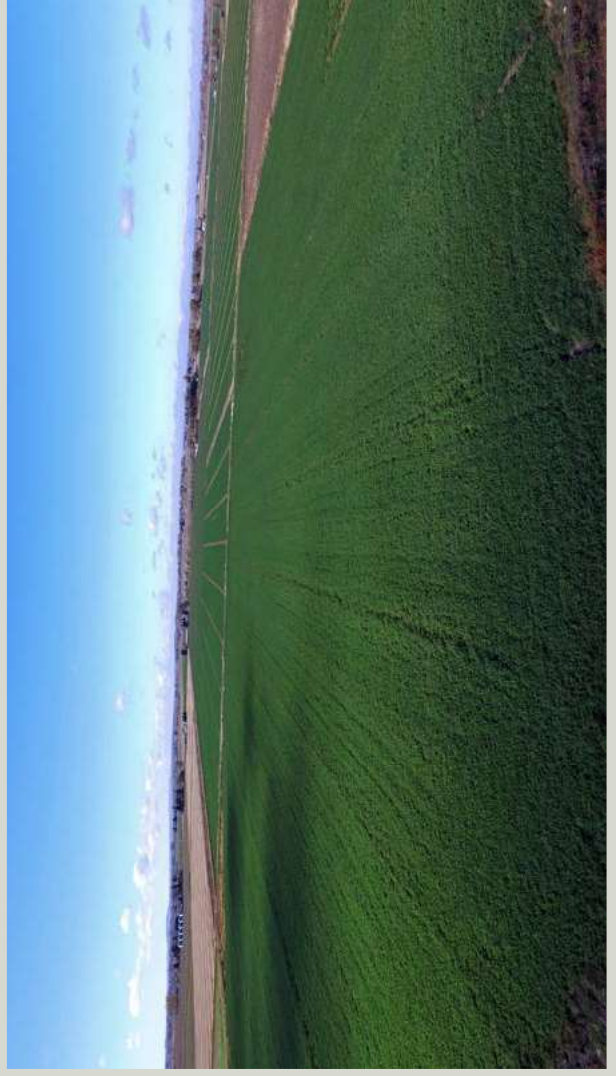
**Outdoor Roping Arena** – Older wood fence with a calf chute.

**Quonset** – The 60' x 40' metal building is used for equipment storage.



## HUNTER FARM

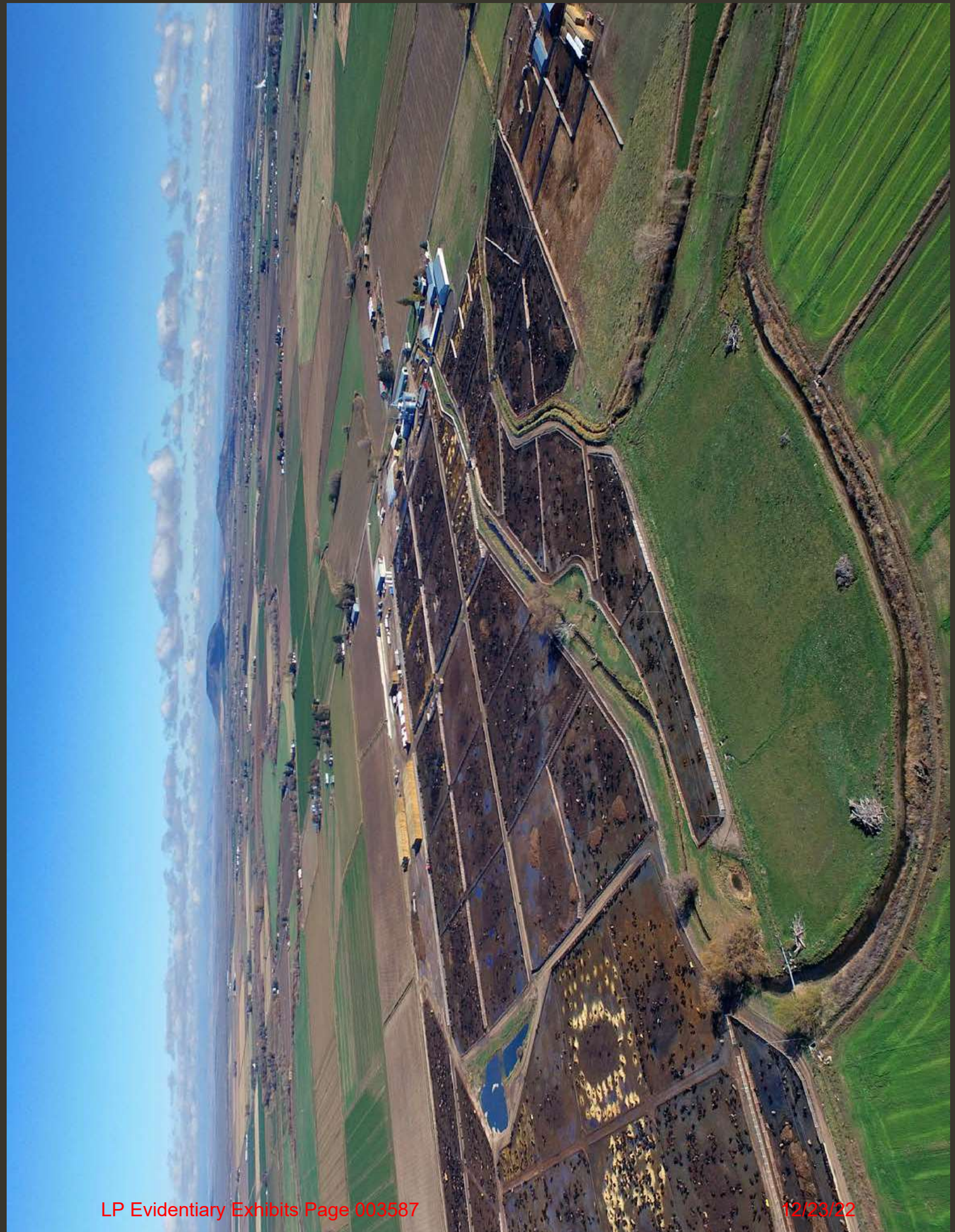
Hunter Farm is comprised of 95.51 laser-leveled flood-irrigated acres. Hunter Farm is located about one mile northeast of the Feedlot.



## TAYLOR FARM

Taylor Farm is comprised of 171.23 laser-leveled flood-irrigated acres located about 5.5 miles northeast of the Feedlot.







## OFFERING PRICE & CONDITIONS OF SALE

Skaar Livestock & Farming, including the feedlot, farmland and rolling stock, as described herein, is offered at US \$10,000,000 Cash. The conditions of sale are as follows:

1. In order to avoid double taxation, the 125 acres where the feedlot and associated improvements are located along with the farm equipment must be transferred to the Buyer as a C-Corp stock sale of Louis Skaar and Sons, Inc.;
2. The Sellers will allocate 25% of the purchase price to the stock sale;
3. The farmland and associated improvements and all irrigation company water stock, canal stock and water rights will be transferred via Special Warranty Deed and water stock transfers. The Sellers will allocate 50% of the purchase price to the farmland and associated improvements;
4. All wheeled equipment (rolling stock) owned by Skaar Transportation LLC will be transferred to the Buyer via a bulk asset sale. 25% of the purchase price will be allocated to rolling stock.
5. All offers to purchase or letters of intent must be in writing and accompanied by an earnest money deposit in the amount of \$500,000.00 to an escrow account at First American Title Company, Rigby, Idaho;
6. All Prospective Buyers must demonstrate to the satisfaction of the Seller absolute financial capability to purchase the Skaar Offering prior to scheduling an inspection of the property;
7. The Seller will provide and pay for a standard owner's title insurance policy in the amount of 75% of the purchase price, issued by First American Title Company, Rigby, Idaho. Any endorsements requested by the Buyer or any lender will be at Buyer's expense. Title to the real property will be conveyed by a special warranty deed;
8. Inventory of any personal property will be transferred via a separate Bill of Sale at Closing;
9. Feed on hand, consumables, cattle and shop equipment are NOT included in the \$10,000,000 offering price.
10. Buyers' Brokers are welcomed and invited to contact Sam Sanders in our Salt Lake City Office for information regarding Cooperation Policies.

This entire Offering is subject to errors, omissions, prior sale, change or withdrawal without notice and approval of purchase by the Seller. Information regarding land classifications, acreages, carrying capacities, crop yields, potential profits, etc., are intended only as general guidelines and have been obtained from sources deemed reliable; however, accuracy is not warranted or guaranteed by the Seller or Swan Land Company. Prospective Buyers should verify all information to their sole and complete satisfaction.



Swan Land Company has been authorized by the Seller to act as their Exclusive Real Estate Agent on the sale of Skaar Livestock & Farming. 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 Agent does not, however, guarantee accuracy and recommends that any Prospective Buyer conduct an independent investigation.

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

**Sam R. Sanders – Broker**

**Swan Land Company**

**P.O. Box 9132**

**Salt Lake City, Utah 84109**

**Mobile 801.694.2092**

**Toll Free 866.999.7342**

**sam@swanlandco.com**

**www.swanlandco.com**

**A 48-hour notice is requested to make proper arrangements for an inspection of Skaar Livestock & Farming.**





**SKAAR LIVESTOCK & FARMING**

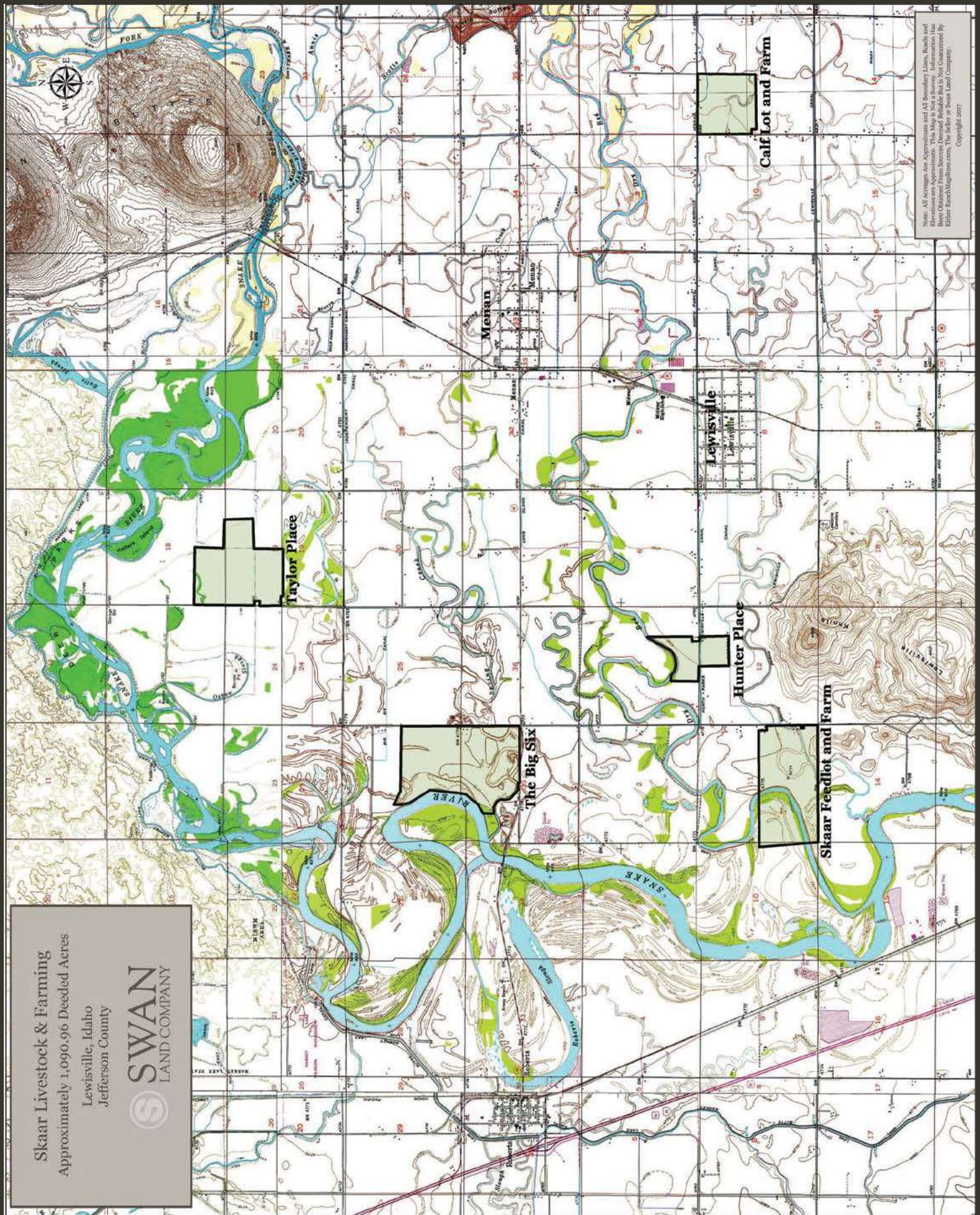


**HYRUM**  
HOME OF JBS MEAT PACKERS



Skaar Livestock & Farming  
Approximately 1,090.96 Deeded Acres  
Lewisville, Idaho  
Jefferson County

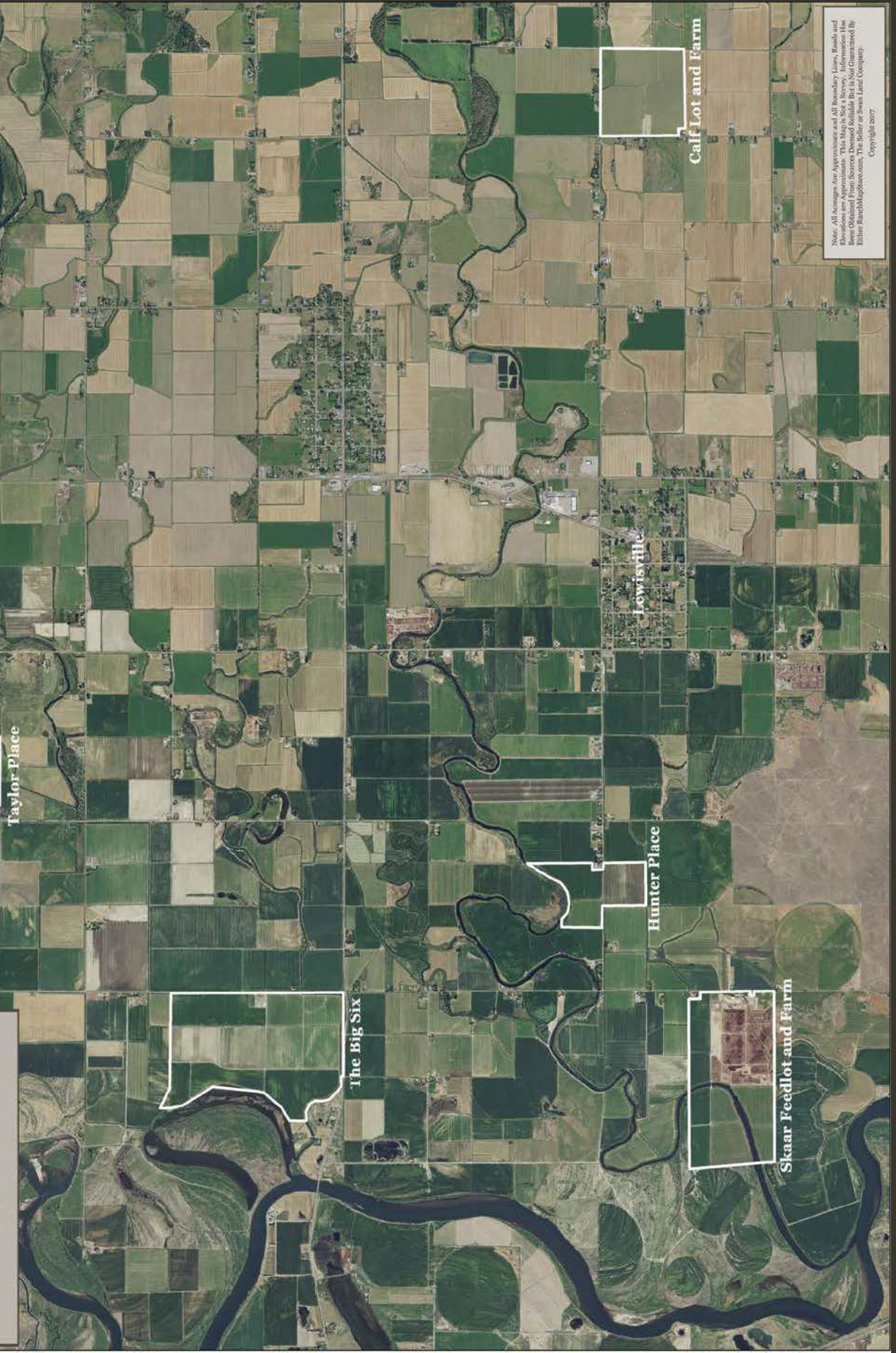
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Note: All acreages are approximations and all boundary lines, roads and elevations are approximations. This map is not a survey. Information has been obtained from sources deemed reliable but is not guaranteed by either RanchMapSource.com, The Seller or Swan Land Company.  
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866.999.7342 | [WWW.SWANLANDCO.COM](http://WWW.SWANLANDCO.COM) | [INFO@SWANLANDCO.COM](mailto:INFO@SWANLANDCO.COM)