

**REGULAR MEETING OF THE BOARD OF LAND COMMISSIONERS  
MINUTES  
MAY 18, 2026, AT 9:00 A.M.  
STATE CAPITOL, ROOM 303  
HELENA, MT**

**Members Present**

Greg Gianforte, Governor  
Susie Hedalen, Superintendent of Public Instruction  
Austin Knudsen, Attorney General  
James Brown, Commissioner of Securities and Insurance  
Christi Jacobsen, Secretary of State  
Brenda Johnson, Land Board Secretary

**Members Absent**

None

**Testifying Staff**

Amanda Kaster, DNRC Director  
Ryan Weiss, DNRC Trust Lands Deputy Administrator  
Parker Osterloh, Land Sections Supervisor

**Attachments**

Related Materials, Attachment 1 – Sign-in-Sheet  
Related Materials, Attachment 2 – Montana Land Exchange Policy  
Related Materials, Attachment 3 – Andrea Hastings Complaint  
Related Materials, Attachment 4 – Cross Four Ranch

**Call to Order**

00:00:05 Governor Gianforte called the meeting to order.

**Adopt Proposed Agenda**

00:00:40 Austin Knudsen, Attorney General, moved to approve the May agenda. The motion was seconded by Christi Jacobsen, Secretary of State and carried unanimously.

**Adopt Prior Months Meeting Minutes**

00:00:58 Austin Knudsen, Attorney General moved to approve the [Prior Month], minutes. The motion was seconded by Christi Jacobsen, Secretary of State and carried unanimously.

**Business Considered**

**0526-1 Agriculture and Grazing Leases: Competitive Bid Hearings**

00:01:13 Amanda Kaster, DNRC Director, gave an overview of the item.

**A. Lease No. 10791 – Tyler Noll, et at. (Lessee)/Chad Follmer (Bidder)**

00:05:39 Christi Jacobsen, Secretary of State moved to approve item 0526-1A. The motion was seconded by Austin Knudsen, Attorney General.

**Board Discussion/Comments:**

00:05:48 Greg Gianforte, Governor

00:06:18 The motion to approve item 0526-1A carried unanimously.

**B. Lease No. 10590 – Allen Denzer, et al. (Lessee)/Z & Z Farms LLC (Bidder)**

Public Comment: N/A

00:07:24 Christi Jacobsen, Secretary of State moved to approve item 0526-1B. The motion was seconded by Austin Knudsen, Attorney General, and carried unanimously.

**C. Lease No. 5183 – Kenneth Judisch (Lessee)/Anthony Nickol (Bidder)**

Public Comment:

00:08:44 Anthony Nickol, High Bidder on State Lease

00:10:26 Susie Hedalen, Superintendent of Public Instruction moved to approve item 0526-1C. The motion was seconded by Austin Knudsen, Attorney General.

Board Discussion/Comments:

00:10:36 Austin Knudsen, Attorney General

00:10:51 Amanda Kaster, DNRC Director

00:11:05 Parker Osterloh, Land Section Supervisor

00:11:37 Austin Knudsen, Attorney General

00:12:13 Greg Gianforte, Governor

00:12:36 Parker Osterloh, Land Sections Supervisor

00:12:58 The motion to approve item 0526-1C carried unanimously.

**D. Lease No. 1092 – Madison River Ranch Assoc. Inc (Lessee)/Andrea Hastings (Bidder)**

Public Comment:

00:14:24 Andrea Hastings, High Bidder

00:18:01 John Hastings, High Bidders Spouse

00:19:01 Mark Juranek, Representative from the Madison River Ranch Assoc (Lessee)

00:20:21 Susie Hedalen, Superintendent of Public Instruction moved to approve item 0526-1D. The motion was seconded by Austin Knudsen, Attorney General.

Board Discussion/Comments:

00:20:35 Austin Knudsen, Attorney General

00:21:10 Amanda Kaster, DNRC Director

00:22:53 Parker Osterloh, Land Section Supervisor

00:23:52 Greg Gianforte, Governor

00:24:02 Parker Osterloh, Land Section Supervisor

00:24:29 Greg Gianforte, Governor

00:24:36 Parker Osterloh, Land Sections Supervisor

00:24:55 James Brown, Commissioner of Securities and Insurance

00:29:50 Austin Knudsen, Attorney General

00:30:16 Andrea Hastings, High Bidder

00:30:38 Susie Hedalen, Superintendent of Public Instruction

00:31:04 Andrea Hastings, High Bidder

00:31:20 Amanda Kaster, DNRC Director

00:31:39 Parker Osterloh, Land Sections Supervisor

00:32:15 Greg Gianforte, Governor  
00:32:42 Amanda Kaster, DNRC Director  
00:33:06 Parker Osterloh, Land Section Supervisor  
00:34:12 Greg Gianforte, Governor  
00:34:26 Parker Osterloh, Land Sections Supervisor  
00:34:38 Amanda Kaster, DNRC Director  
00:35:19 Austin Knudsen, Attorney General  
00:36:36 Susie Hedalen, Superintendent of Public Instruction

00:38:16 The motion to approve item 0526-1D failed 1-4.

00:38:28 James Brown, Commissioner of Securities and Insurance made a motion to reverse the vote of item 0526-1D and a new motion to approve the lease to the high bidder Andrea Hastings and was seconded by Austin Knudsen, Attorney General.

Board Discussion/Comments:

00:38:53 Amanda Kaster, DNRC Director  
00:38:59 James Brown, Commissioner of Securities and Insurance  
00:39:00 Amanda Kaster, DNRC Director  
00:39:04 James Brown, Commissioner of Securities and Insurance

00:39:16 Susie Hedalen, Superintendent of Public Instruction made an amendment to have a stipulation that there is a plan in place for the sagebrush management.

00:39:56 The motion to approve the amendment carried 4-1.

#### **0526-2 Easements**

00:40:26 Amanda Kaster, DNRC Director, gave an overview of the item.

Public Comment: N/A

00:41:09 Austin Knudsen, Attorney General moved to approve item 0526-2. The motion was seconded by Christi Jacobsen, Secretary of State and carried unanimously.

Board Discussion/Comments: N/A

#### **0526-3 Request for Approval of Land Exchange Policy Update**

00:41:26 Amanda Kaster, DNRC Director, introduced agenda item 0526-3 and handed over to Commissioner Brown and his staff to give an outline of his agenda item.

00:41:52 James Brown, Commissioner of Securities and Insurance  
00:42:38 Jack Connors, State Auditors Office, Chief Legal Counsel  
00:47:43 Greg Gianforte, Governor  
00:49:15 Ryan Weiss, DNRC Trust Lands Deputy Administrator

Public Comment:

00:51:09 Russell Fruits, Montana Chapter of Backcountry Hunters and Anglers.  
00:54:39 Steve Platt, Private Citizen  
00:55:00 Greg Gianforte, Governor  
00:55:01 Steve Platt, Private Citizen  
00:55:07 James Brown, Commissioner of Securities and Insurance

00:55:20 Steve Platt, Private Citizen  
00:57:25 Jeff Herbert, Montana Sportsman's Alliance  
01:00:15 Clayton Elliott, Montana Trout Unlimited  
01:02:55 Tom Jacobson, Private Citizen  
01:04:48 Raylee Honeycutt, Montana Stock Growers Association  
01:06:55 Carly Johnson, Montana Farm Bureau Federation  
01:08:59 Ben Lamb, Montana Conservation Society  
01:11:54 Kevin Ferrin, Montana Wildlife Federation

01:15:026 James Brown, Commissioner of Securities and Insurance moved to approve item 0526-3. The motion was seconded by Austin Knudsen, Attorney General.

Board Discussion/Comments:

01:15:31 James Brown, Commissioner of Securities and Insurance  
01:28:24 Austin Knudsen, Attorney General  
01:29:22 Susie Hedalen, Superintendent of Public Instruction

01:31:00 Greg Gianforte, Governor moved to amend motion 0526-3, request for approval of land exchange policy to a 30-day public scoping and place the land exchange policy on the July 2026 agenda for approval. The motion was seconded by Christi Jacobsen, Secretary of State.

Board Discussion/Comments:

01:32:00 James Brown, Commissioner of Securities and Insurance

01:34:39 The amended motion failed 2-3.

01:35:22 The motion to approve item 0526-3 carried 3-1. Abstained 1

01:35:51 Christi Jacobsen, Secretary of State made a motion to add consideration of the shooting range near Lincoln, Montana to the June Land Board agenda. The motion was seconded by Austin Knudsen, Attorney General.

Board Discussion/Comments:

01:37:15 Greg Gianforte, Governor  
01:37:21 Amanda Kaster, DNRC Director  
01:37:36 Austin Knudsen, Attorney General  
01:37:42 Amanda Kaster, DNRC Director  
01:38:20 Greg Gianforte, Governor  
01:38:24 Christi Jacobsen, Secretary of State  
01:38:27 Amanda Kaster, DNRC Director  
01:38:56 Christi Jacobsen, Secretary of State  
01:38:58 Amanda Kaster, DNRC Director  
01:39:02 Greg Gianforte, Governor  
01:39:08 Amanda Kaster, DNRC Director  
01:39:09 Greg Gianforte, Governor  
01:39:29 Austin Knudsen, Attorney General  
01:39:50 Amanda Kaster, DNRC Director  
01:40:08 Ryan Weiss, DNRC Trust Lands Deputy Administrator  
01:40:53 Greg Gianforte, Governor  
01:41:01 James Brown, Commissioner of Securities and Insurance

01:41:42 The motion carried unanimously.

**General Public Comment N/A**

**Adjournment**

01:42:08 Adjournment

PRESIDENT

ATTEST

/s/ Greg Gianforte      Date 06/15/2026  
Greg Gianforte, Governor

/s/ Amanda Kaster      Date 06/15/2026  
Amanda Kaster, DNRC Director

**Please note:** *The Land Board has adopted the audio recording of its meetings as the official record, as allowed by [2-3-212, MCA](#). These minutes provide an abbreviated summary of the Land Board discussion, public testimony, action taken, and other activities. The time designations listed are approximate and may be used to locate the referenced discussion on the audio recording of this meeting. You may access the minutes and the audio recording on our website: <https://dnrc.mt.gov/TrustLand/About/LandBoardMeetingArchive>.*

**REGULAR MEETING OF THE BOARD OF LAND COMMISSIONERS**  
**SIGN-IN SHEET**  
**May 18, 2026 AT 9:00 A.M.**  
**STATE CAPITOL, ROOM 303, HELENA, MT**

NAME	AFFILIATION	E-MAIL	Check to be added to the interested parties list.
Tom Jacobson	SELF	tjacob100@gmail.com	✓
Beckie Williams	American Prairie	beckie@americanprairie.org	✓
MARK JURANEK	MRP	markjuraneke@me.com	✓
Sally Niess	MRP	Sallyniess@gmail.com	✓
Tyler Judisch			
Ken Judisch			
Russell Fruits	BHA	RFruits@gmail.com	✓
Terri Denzer		terri.denzer@hotmail.com	✓
Allan Denzer			✓
Rick DORR			
Jim Dawson	MRP	dawson_jim@hotmail.com	✓
Scott McManon	MRP	PSM4457@aol.com	✓
SUE McMANON	MRP	PSM4457@aol.com	✓
JEFF HERBERT	MSA	jeffherbert@gmail.com	✓
STEVE PLATT	self	splatt457@gmail.com	✓
Jeremy Prather	SELF	prather.jeremy@gmail.com	✓
Ben Lamb	MCS	b.lamb@mtconservationistsociety.org	
Clayton Elliott	MTU	clayton@montanastu.org	
KEVIN EARRON	MWF	Kevin@mtwfp.org	✓
Raylee Honeycutt	MT Stockgrowers	raylee@mtbeef.org	

Email [landboard@mt.gov](mailto:landboard@mt.gov) or indicate on this sign-in sheet if you would like to be placed on the Land Board interested parties list.

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# MONTANA LAND EXCHANGE POLICY

## Comprehensive Comparative Analysis

1994 / 2004 Policy vs. 2026 Draft Policy

Montana Board of Land Commissioners | Prepared May 2026

## Executive Summary

This document provides a side-by-side analysis of the substantive and procedural changes between the Montana Board of Land Commissioners' Land Exchange Policy originally adopted in 1994 (revised 2004) and the 2026 draft revision. The analysis is organized by policy topic area, with each change categorized as New, Modified, or Removed.

This comparison covers differences between the 1994/2004 policy and the May 2026 draft policy package, including the draft policy text and accompanying process and FAQ materials. Post-approval closing and possession items appear in the accompanying process materials rather than in the main policy text.

### Change Summary by Category

Category	Changes
Substantive — Valuation & Appraisal Standards	4
Substantive — Exchange Criteria	5
Procedural — Consultant / Contractor Framework	5
Procedural — Timeline & Review Process	5
Procedural — Public Participation	5
Procedural — Board Decision Options	3
New: Closing & Possession Phase	5
New: Policy Introduction & Purpose Framing	3
<b>Total Changes Identified</b>	<b>35</b>

# Section 1 — Policy Purpose & Introduction

The 2026 draft retains and reframes the existing constitutional and statutory foundation, adds case law, and provides a clearer fiduciary framing for the Board's obligations.

Topic / Status	1994 / 2004 Policy	2026 Draft Policy
<b>Board Duty — Fiduciary Framing</b> <b>MODIFIED</b>	Policy focused primarily on the Board's duty to disapprove disadvantageous exchanges (§ 77-2-207, MCA).	Draft adds an affirmative fiduciary framing: This strengthens the rationale for approving advantageous exchanges but does not eliminate Board discretion.
<b>Case Law Citation</b> <b>NEW</b>	No case law cited in the introduction.	State v. Stewart (48 Mont. 347) is cited to support the Board's fiduciary obligation to administer trust lands to secure the largest measure of legitimate advantage for beneficiaries.
<b>Good Deal Standard</b> <b>MODIFIED</b>	Rule of thumb ("good deal") mentioned briefly as a practical test.	The good deal standard is retained and given greater prominence as the Board's overarching evaluative frame, alongside the formal criteria.
<b>Co-Sponsor Role</b> <b>NEW</b>	No mention of co-sponsors or public interest groups participating alongside applicants.	Public interest groups may now participate as co-sponsors: identifying lands, reaching out to landowners, and supporting applicant filings consistent with policy criteria and trust obligations.
<b>Application Cost Warning</b> <b>MODIFIED</b>	Brief note that the process is costly and time-consuming.	Expanded to note that studying the policy in advance should help applicants avoid costly unfavorable reviews; significant public participation opportunities are highlighted as an enhancement.

# Section 2 — Substantive Exchange Criteria

## 2A. Criterion 1: Equal or Greater Value — Valuation & Appraisal

Topic / Status	1994 / 2004 Policy	2026 Draft Policy
<b>Appraisal Standard</b> <b>MODIFIED</b>	Appraisal must follow USPAP, but this was tied to the post-authorization stage only.	USPAP compliance is now explicitly required and stated prominently throughout — not just post-authorization. The appraiser must coordinate with both the Department and the consultant prior to conducting an appraisal.
<b>Valuation Framework</b> <b>MODIFIED</b>	Two-track valuation: (1) highest and best use with access discount; (2) highest and best use without discount. Department then arrives at a value.	Simplified to a single direction: value must reflect highest and best use, with a reasonable discount applied for lands lacking documented legal access or otherwise checkerboarded. The two-track formulation is removed.
<b>Checkerboard / Access Discount</b> <b>MODIFIED</b>	Implied but not labeled; discounts for access limitations addressed as part of the two-track framework.	Explicitly named: a reasonable discount must be applied to state exchanged lands that lack documented legal access or are otherwise landlocked.
<b>Appraiser Instructions — Market Factors</b> <b>MODIFIED</b>	Department to consider intrinsic values (location, proximity to public lands, scenery, recreational opportunities) not reflected in market price.	Department shall instruct the appraiser to consider all market-reflected factors per USPAP when evaluating relative value. Intrinsic value framing is replaced with a market-evidence standard, scenic and recreational factors are retained as instructed considerations.
<b>Non-Financial Benefits</b> <b>MODIFIED</b>	Department could consider benefits such as future lessee improvements, demolition of dilapidated buildings, and road/trailhead infrastructure.	Expanded to explicitly list: future lessee improvements, site cleanup, demolition, build-out of roads/trailheads/parking, public health or safety enhancements, and whether acquired lands include a residence or improvement that could be segregated and sold for the trust's economic benefit.

## 2B. Criterion 2: State Land Bordering Navigable Waters

Topic / Status	1994 / 2004 Policy	2026 Draft Policy
<b>Statutory Reference</b> <b>MODIFIED</b>	Cites § 77-2-203(2), MCA requiring exchange only for lands bordering similar navigable water bodies.	Citation updated to § 77-2-203(3), MCA. The substantive requirement is unchanged.
<b>Board Interpretation</b> <b>NEW</b>	Requirement stated without interpretive guidance on geographic scope.	Board's interpretation now explicitly stated: the requirement does not mandate exchange within the same watershed or county — only that public use value is maintained or increased within the acquired lands.
<b>Definition of Significant Public Use Value</b> <b>NEW</b>	Not defined.	Defined as a qualitative consideration tied to water resources with a documented history of meaningful use for crop irrigation, livestock watering, fishing, recreational floating, or waterfowl hunting.

## 2C. Criterion 3: Equal or Greater Income to the Trust

Topic / Status	1994 / 2004 Policy	2026 Draft Policy
Baseline Income Estimate <b>MODIFIED</b>	Projected income estimated at minimum lease rate without speculating about competitive bidding.	Same approach retained, but alternative income streams confirmed by the Board as reasonable may be substituted for the minimum lease rate baseline.
Income Sources Enumerated <b>MODIFIED</b>	Compared leases, licenses, mineral extraction, and forest product income.	Adds recreational value (projected user days under § 77-1-801, MCA) and leases for communication infrastructure as explicitly enumerated future income sources.

## 2D. Criterion 4: Equal or Greater Acreage

Topic / Status	1994 / 2004 Policy	2026 Draft Policy
General Rule <b>MODIFIED</b>	Board prefers equal or greater acreage as a general rule; flexibility allowed for higher value or income.	Substantively unchanged. Language clarified to state that less acreage may be accepted if offset by substantially higher value or income; more acreage can also be considered under good deal attributes even if other criteria are not all exceeded.

## 2E. Criterion 5: Consolidation of State Lands

Topic / Status	1994 / 2004 Policy	2026 Draft Policy
Mineral Estate <b>MODIFIED</b>	Exchange should not sever a mineral estate from a surface estate unless the mineral estate of the acquired lands is already severed and ownership differs from the applicant.	Same rule, with language clarified for readability.
Policy Priority <b>MODIFIED</b>	Department to place priority on consolidation per § 77-2-203, MCA.	Consolidation priority is retained and reinforced. The operative citation should be § 77-2-203(2), MCA, which contains the specific consolidation-priority language.

## 2F. Criterion 6: Potential for Long-Term Appreciation

Topic / Status	1994 / 2004 Policy	2026 Draft Policy
General Standard <b>MODIFIED</b>	Acquired land should be as likely to increase in value or revenue potential as the state land exchanged.	Standard retained. Language clarified: if other criteria are satisfied and no outstanding public benefits accompany the exchange, rapidly appreciating residential or recreational property will not be exchanged for agricultural land even if parcels have equivalent present value.

## 2G. Criterion 7: Access

Topic / Status	1994 / 2004 Policy	2026 Draft Policy
General Access Standard <b>MODIFIED</b>	Exchange should not diminish access to state or public lands; acquired lands	Standard retained and significantly expanded with additional guidance.

Topic / Status	1994 / 2004 Policy	2026 Draft Policy
	should offer similar recreational opportunities.	
<b>Landlocked Parcel Exchanges</b> <b>MODIFIED</b>	Mentioned briefly as an example of favorable exchanges.	Exchanges that increase public access associated with landlocked state lands will be favorably considered. If accessible state lands are to be exchanged, the proposed lands to be acquired should offer improved public access to previously landlocked state or other public lands.
<b>Third-Party Public Land Access</b> <b>NEW</b>	—	Acquired lands that provide new or enhanced public access to federal public lands (BLM, Forest Service, etc.) should be favorably considered under this criterion.
<b>Unique Access Characteristics</b> <b>NEW</b>	—	Acquired lands offering unique public access characteristics — including presence of big game species (elk, bighorn sheep, mountain goats, moose, antelope), unique waterway access, historical artifacts, or rare geological or terrain features — will be given additional weight in the criteria analysis.

## 2H. Criteria Summary & Statement of Intent

Topic / Status	1994 / 2004 Policy	2026 Draft Policy
<b>Mandatory vs. Discretionary Criteria</b> <b>MODIFIED</b>	Criteria 1–3 (value, water, income) are mandatory. Criteria 4–7 (acreage, consolidation, appreciation, access) may be waived in exceptional circumstances with outstanding public benefits.	Same framework retained. The 2026 draft adds explicit language that the Board may still exercise discretion to disapprove an exchange even when all criteria are satisfied, so long as that decision rests on sound fiduciary and administrative principles associated with trust oversight.
<b>Outstanding Public Benefits</b> <b>MODIFIED</b>	Listed examples: reduced management costs, recreational opportunities, economic growth, wildlife habitat/water quality, preservation of community social structure.	Examples retained. The 2026 draft makes clearer that these benefits may justify Board approval even where certain discretionary criteria are not fully satisfied.

# Section 3 — Consultant / Contractor Framework

The role of the consultant was called "contractor" in the 1994/2004 policy. It is restructured in the 2026 draft, moving from an informal facilitation arrangement to a formal three-party contract with Board approval and direct Department oversight. Use of a consultant is permissive – the 2026 policy uses the word “may”.

Topic / Status	1994 / 2004 Policy	2026 Draft Policy
<b>Terminology</b> <b>MODIFIED</b>	"Contractor" and "proponent" used throughout.	"Consultant" and "applicant" used consistently. Terminology is standardized throughout the document.
<b>Encouragement vs. Strong Encouragement</b> <b>MODIFIED</b>	Consultant use was presented as optional, at the Department's discretion.	Consultant use is voluntary, but strongly encouraged except for: (1) significant financial hardship for the applicant; or (2) the applicant possesses sufficient expertise and resources to accomplish the consultant's tasks (in which case a written scope of work must be agreed upon).
<b>Board Approval of Consultant</b> <b>NEW</b>	No Board role in approving the consultant.	During preliminary Board review, the Board may approve or reject the nominated consultant. This is a new explicit Board responsibility.
<b>Three-Party Agreement</b> <b>MODIFIED</b>	Written agreement between Department and proponent on costs. Contractor billed proponent directly.	Formal three-party agreement between Department, consultant, and applicant. Consultant's activities directed by the Department. Applicants pay all fees regardless of outcome. Board and Department have no responsibility for consultant payment. The Consultant's loyalty is to the state.
<b>Consultant Selection Process</b> <b>MODIFIED</b>	Proponent selects contractor in consultation with Department.	Same, but the selected consultant must demonstrate prior experience with government land transactions via a statement of qualifications and references and must obtain written authorization from the applicant and submit a copy to the Department.
<b>Scope of Work Contents</b> <b>MODIFIED</b>	Listed: appraisal, MEPA analysis, surveys, timber cruising, public hearing.	Expanded to explicitly include: preparation of legal notices, contracting for appraisal services, contracting experts for MEPA support, securing title commitments, obtaining surveys, timber cruising, planning and facilitating the public hearing, and reviewing/summarizing public comments.

# Section 4 — Preliminary Review Process

## 4A. Department Preliminary Review

Topic / Status	1994 / 2004 Policy	2026 Draft Policy
<b>Review Timeline</b> <b>NEW</b>	No stated timeline for the Department's preliminary review.	Department must prepare its preliminary report within 90 days of a correct and complete application, or a longer period agreed upon by the applicant.
<b>Extension Authority</b> <b>NEW</b>	No extension mechanism stated.	DNRC may request that the Board approve an extension of not more than 90 additional days to complete the preliminary review.
<b>Three Parallel Tracks</b> <b>NEW</b>	Review described as a sequential process.	The 2026 draft introduces three parallel tracks beginning simultaneously upon application: (1) Public Engagement Track; (2) Consultant Track; and (3) Technical Review Track (90-day clock). These run concurrently to accelerate the process.
<b>Preliminary Report Contents</b> <b>MODIFIED</b>	Six required elements: (1) how exchange meets seven criteria; (2) public comment summary; (3) outstanding public benefits; (4) Department concerns; (5) Department recommendations for further direction; (6) applicant's commitment to fund review costs.	The core report categories are retained but the draft adds letters of endorsement from supporters or co-applicants and a summary of public comment submitted through the consultant or applicant. The list is restructured as lettered items (a)–(f).
<b>Director Rejection Authority</b> <b>REMOVED</b>	Department Director could reject proposals outright before Board review if criteria were not met.	Director's independent rejection authority is removed. All proposals route through the Board's preliminary review process.

## 4B. Board Preliminary Review

Topic / Status	1994 / 2004 Policy	2026 Draft Policy
<b>Number of Decision Options</b> <b>MODIFIED</b>	Board could: (1) grant blanket authority for full review; (2) direct specific/narrow tasks; (3) implicitly deny by not authorizing.	Board now has five explicit decision options: (a) approve to proceed with full review; (b) approve or reject the consultant; (c) reject outright; (d) deny but request a modified application addressing specific issues; (e) direct Department to complete specific, narrow tasks and report back before proceeding.
<b>Outright Rejection</b> <b>MODIFIED</b>	Rejection implied but not explicitly listed as a Board option at the preliminary stage.	Outright rejection at the preliminary stage is now an explicit named option (option c), providing clearer process documentation.
<b>Request for Modifications</b> <b>NEW</b>	Not an explicit option; implied by denial.	Now an explicit Board option (option d): deny the application but invite the applicant to submit a modified version addressing the identified deficiencies. Process restarts.

## Section 5 — Public Participation

Public participation was treated briefly in the 1994/2004 policy. The 2026 draft elevates it to a central structural element, enumerating seven distinct participation opportunities and formalizing the Department's obligations throughout.

Topic / Status	1994 / 2004 Policy	2026 Draft Policy
<b>Interested Party List</b> <b>NEW</b>	—	Department shall create and maintain an evolving list of interested parties for any proposed exchange. Interested parties must be notified upon application submittal.
<b>Number of Participation Opportunities</b> <b>MODIFIED</b>	Public comment solicited at one stage (preliminary evaluation) before forwarding to the Board.	Seven distinct participation opportunities enumerated: (1) interested party notification at application; (2) notice to existing lessees/licensees; (3) public comment during Department preliminary review; (4) comment at Board's regularly scheduled preliminary review meeting; (5) MEPA review public comment; (6) public hearing per § 77-2-204(2), MCA; (7) final Board review and approval/disapproval meeting.
<b>Lessee / Licensee Notice</b> <b>MODIFIED</b>	Notice given to lessees/licensees per statute.	Retained as a distinct enumerated participation opportunity (#2) with the same statutory basis.
<b>Public Comment at Board Meeting</b> <b>NEW</b>	Not explicitly stated as a public opportunity.	Now explicitly listed as opportunity #4: the public may provide comment during the Board's regularly scheduled preliminary review meeting.
<b>Co-Sponsor Participation</b> <b>NEW</b>	—	Public interest groups may act as co-sponsors, formally participating with the applicant to identify lands, reach out to surrounding landowners, and support the application consistent with policy criteria and trust obligations.

## Section 6 — Full Review by the Department

Topic / Status	1994 / 2004 Policy	2026 Draft Policy
<b>Consultant's Role During Full Review</b> MODIFIED	Contractor could facilitate but Department retained authority.	If the Board approved the consultant, a written contract is executed obligating the consultant to complete the agreed scope by established deadlines. Department retains primacy, and monitors progress and reports monthly to Board staff.
<b>Public Hearing Facilitation</b> MODIFIED	Department conducts the public hearing.	Public hearing may be facilitated and conducted by either the consultant or the Department. The consultant may prepare legal notices and coordinate logistics with the agency acting as an overseer.
<b>Board Member Staff Feedback</b> NEW	—	Department shall solicit and consider comments and feedback from the staff of each Board member during the full review process.
<b>Final Report Availability</b> MODIFIED	Department's report and recommendation made available to all interested parties prior to Board action.	Same requirement retained; report is made available to the public prior to any Board action.

## Section 7 — Final Board Review and Approval

Topic / Status	1994 / 2004 Policy	2026 Draft Policy
<b>Decision Standard</b> MODIFIED	Board to determine whether exchange is advantageous; duty to disapprove if disadvantageous.	Same standard retained. The 2026 draft and accompanying process materials reinforce the importance of clearly stating reasons for approval or disapproval on the record. This is currently reflected only in the Board minutes per the 1994/2004 policy.
<b>Reasons on the Record</b> RETAINED / REINFORCED	Board shall state reasons for approving or disapproving; reflected in meeting minutes.	Retained and reinforced. The process flowchart highlights "clearly state reasons for approval or disapproval on record" as a key Board practice principle.

## Section 8 — Closing and Possession Phase

*The 2004 policy text ended with Board approval, but has an accompanying flowchart public on the Department’s website. The 2026 draft package, through the accompanying process flowchart, retains post-approval closing, execution, and possession steps — including a Lessee Improvement Settlement phase and a structured Final Report with trust and agency notifications — with specific tasks, responsible parties, and sequencing.*

Topic / Status	2004 Policy	2026 Draft Policy
<b>Closing Transaction Steps</b> <b>RETAINED</b>	Same in 2026 policy.	The Rev2026 process flowchart adds a closing/execution phase preceded by a Lessee Improvement Settlement (§77-2-206, MCA). The closing phase consists of seven steps: (1) proposed exchange documents drafted; (2) staff legal counsel reviews documents; (3) documents finalized; (4) final title reports on exchange lands; (5) proration of taxes agreement executed; (6) closing date set; (7) closing — including delivery of documents, recording with county clerk and recorder, and water rights transfer filed with DNRC.
<b>Document Recording</b> <b>RETAINED</b>	Same in 2026 policy.	Exchange documents are recorded with the county clerk and recorder.
<b>Water Rights Transfer</b> <b>RETAINED</b>	Same in 2026 policy.	Water rights transfer filings are made with DNRC as part of the closing/execution phase.
<b>Possession of Property</b> <b>RETAINED</b>	Same in 2026 policy.	Possession of property by both parties is identified as the defined endpoint of the process, following completion of the Closing Transaction and the Final Report notification phase.

## Section 9 — Overall Policy Direction

Beyond the specific changes catalogued above, the 2026 draft reflects a broader shift in the character and philosophy of the Land Exchange Policy.

### Key Directional Shifts

- **Board-centric oversight.** The 2026 draft shifts meaningful decision-making authority to the Board at multiple stages — preliminary review, consultant approval, and extension requests — that were previously handled administratively by the Department. In addition, Board member staff are to be consulted with during the Department formal review process.
- **Formalized public engagement.** Public participation is elevated from a procedural requirement to a structural design principle, with seven enumerated opportunities built into the process architecture.
- **Applicant guidance.** The 2026 draft provides substantially more guidance to applicants about what constitutes a favorable exchange, what factors are weighted, and how the Board will evaluate specific scenarios. This is to help reduce costs and improve the quality of applications while providing clear and consistent direction.
- **Clarified role of consultant.** The consultant's role and responsibilities are more explicitly spelled out in the 2026 draft. The consultant must be approved by the Board, the specific scope of assigned tasks is set forth in a contract, activities are directed by the Department, and duty of loyalty is to the state (not the applicant).
- **Process transparency.** The addition of the process flowchart, FAQ, and explicit Board decision options at each stage reflects a commitment to a transparent, documented process.
- **Fiduciary framing.** The 2026 draft more explicitly grounds the entire policy in the Board's constitutional and statutory fiduciary obligations to the Trust and its beneficiaries, setting a clearer legal foundation for all policy decisions.

### Provisions Unchanged from 1994/2004

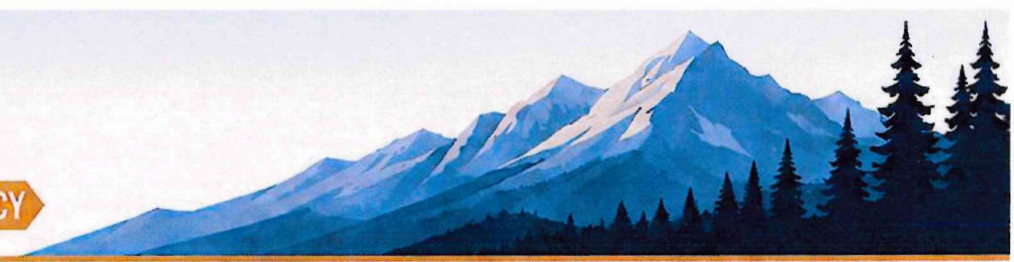
The following provisions are substantively unchanged between the two versions:

- The constitutional basis for land exchanges (Mont. Const. art. X, § 11(4)).
- The Board's duty to disapprove disadvantageous exchanges (§ 77-2-207, MCA).
- The mandatory nature of Criteria 1–3: value, navigable water, and income.
- The applicability of USPAP to formal appraisals.
- The requirement for a public hearing in the county containing the state land (§ 77-2-204(2), MCA).
- The prohibition on exchanges encouraging large-scale development without considering that development value (§ 77-2-205, MCA).
- The ability to use a consultant/contractor in the review process.
- The applicant's obligation to pay review costs regardless of outcome.
- The 5.2 million acres of state trust lands figure cited as the management context.
- The Department's closing and possession steps once the Board approves an exchange.



# MONTANA LAND EXCHANGE POLICY - FAQ

## PROPOSAL UPDATING THE LAND EXCHANGE POLICY



### GENERAL OVERVIEW

**What is the purpose of the Land Exchange Policy?**

The policy guides applicants and the Montana Board of Land Commissioners and the Montana Department of Natural Resources and Conservation in evaluating and processing land exchange proposals. Its goal is to ensure exchanges are orderly, transparent, and beneficial to the state trust and its beneficiaries.

**Why are land exchanges necessary?**

Montana trust lands are often fragmented or landlocked, which:

- Limits revenue generation
- Increases management costs
- Restricts public access

Land exchanges help:



Consolidate lands



Improve access



Increase long-term trust value

### KEY DECISION STANDARD

**What is the "good deal" test?**

A practical guiding principle:



The Board must be confident the exchange is a "good deal" for the state trust.

This includes financial, operational, and public benefit considerations—not just equal value.

### PUBLIC PARTICIPATION

**How can the public participate?**

There are at least seven opportunities, including:

- 1 Early notification lists
- 2 Public comment during Department review
- 3 Board meeting comments
- 4 MEPA review comments
- 5 Public hearings
- 6 Final Board decision meeting
- 7 Opportunities may vary by proposal



Can organizations participate in exchanges?

Yes. Public interest groups may:

- Act as co-sponsors
- Help identify lands
- Support applications

### LAND EXCHANGE CRITERIA

**What criteria are used to evaluate exchanges?**

There are seven core criteria:

- 1 Equal or greater value \*
- 2 Lands bordering navigable waters \*
- 3 Equal or greater income to the trust \*
- 4 Equal or greater acreage
- 5 Consolidation of state lands
- 6 Long-term appreciation potential
- 7 Public access

\* The first three criteria (value, water, income) are mandatory.



**How is "equal or greater value" determined?**

- Based on appraisals by certified appraisers
- Uses highest and best use, not current use
- Includes consideration of development potential, recreation and conservation value, and access and location factors



**Can development potential affect valuation?**

Yes. If land could be developed:

- It is valued based on its development potential, not current use
- This prevents undervaluing state trust assets



**How is income to the trust evaluated?**

The exchange must result in equal or greater income, including:

- Lease revenue
- Resource extraction (timber, minerals)
- Recreational revenue

Future income potential is also considered.



**Must acreage be equal?**

Not strictly. While the Constitution prefers equal acreage:

- The Board may accept less acreage for higher value or income
- Generally, equal or greater acreage is preferred



**Why is consolidation important?**

The proposal would prioritize exchanges that:

- Reduce fragmentation
- Eliminate isolated parcels
- Improve management efficiency and value



**How is long-term value considered?**

The Board evaluates whether acquired land will:

- Maintain or increase value over time
- Avoid trading appreciating land for lower-growth assets



**What are the access requirements?**

Exchanges should:

- Maintain or improve public access
- Preferably unlock access to landlocked public lands

Unique access benefits (wildlife, waterways, recreation) are highly valued.



### PRACTICAL GUIDANCE FOR APPLICANTS

**What should applicants do before submitting a proposal?**

- ✓ Review the policy carefully
- ✓ Evaluate whether the exchange meets criteria
- ✓ Engage stakeholders early

This helps avoid costly and unsuccessful applications.

**What makes a strong proposal?**

A strong exchange:

- ✓ Clearly meets the three mandatory criteria
- ✓ Improves access and consolidation
- ✓ Demonstrates long-term value
- ✓ Provides public benefits

### PROCESS & TIMELINE

**What happens after an application is submitted?**

- 1 Department review (within 90 to 180 days)
- 2 Preliminary Board review

Possible outcomes:

- Advance to full review
- Request changes
- Reject proposal

**What happens during full review?**



• Detailed analysis (including MEPA)



• Public hearing (required by law)



• Final report prepared for the Board

### CONSULTANTS

**Why are consultation used?**

Land exchanges are complex.

Consultants help:

- Manage technical work (appraisals, surveys, MEPA)
- Facilitate the process
- Reduce agency workload

**Who pays for the consultant?**



The applicant pays all costs, including:

- Consultant fees
- Third-party services

The state is not financially responsible.

**Who controls the consultant's work?**

The consultant:

- Works under Department direction
- Operates under a three-party agreement (Department, applicant, consultant)



**BOTTOM LINE**

**What is the ultimate goal of the policy?**

To ensure land exchanges:

- Strengthen Montana's state land trust
- Maximize benefits for education funding beneficiaries
- Provide public value and access
- Reflect sound fiduciary management

# DNRC COMPLAINT

Andrea Hastings  
Post Office Box 583  
Ketchum, ID 83340

February 6, 2026

Ms. Kara Huyser  
DNRC Unit Manager  
Forestry & Trust Lands  
2273 Boothill Ct  
Bozeman, MT 59715

Re: State Land Lease Agreement #1092  
Land Use Complaint.

Ms. Huyser,

I am writing to you regarding land use violations of the State Land Lease Agreement #1092. The lessee is Madison River Rch Assoc Inc (henceforth MRR).

My family (Miller) has owned MRR Tract 63 (20 acres), since 1989, with our residence surrounded on three sides by State Land. We have a historical easement accessing the parcel to the original Womack homestead from 1900 A.D., which sits in our front yard.

I understand that Trust Lands belong to the people of Montana and that as part of Montana Statehood requirements on November 8, 1889, the Trust Lands were created to benefit Montana Schools. Montana School Trust Lands were set aside for grazing due to Montana's agricultural nature.

## ISSUES WITH CURRENT LESSEE

### Wildfire Concerns

For the last 23 years, we have struggled with fire concerns due to the lack of grazing and non-existent fire mitigation by the lessee (MRR) on this particular lease. Of primary concern is the fuel buildup that is directly adjacent to our family home. Our home sits at the mouth of a narrow canyon. As fire and winds travel up the canyon, the residence would be in direct line of wildfire. We have explained our concerns to the MRR Board of Directors (lessee). They have been uninterested in assisting in this matter; and, object to our self-help in mitigation of the danger.

The Miller home is circled by old growth sagebrush on the State Land.  
Exhibit #1. Photo with residence circled.

Lessee MRR is aware of the fire danger.

Exhibit #2: MRR Meeting Minutes 6/5/1993:  
*"Discussion ensued regarding the pros and cons of cattle grazing, i.e. fire danger etc."*

Exhibit #3: MRR Minutes 6/25/1994  
*"Ray Strickland [see Exhibit R: "Ray Strickland, a retired fire chief..."] reported lack of grazing and fire [emphasis added] go hand & hand. Need grazing to keep the grass down and in our high wind area a fire would really be destructive."*

Exhibit #4: Crawley letter 12/11/2004 to MRR Board of Directors(BOD):  
*"...they consider it a class 10 risk-the highest risk category-due to lack of any fire protection. They [insurance] don't consider the new fire station in the south Valley to even exist since it is staffed out of Ennis."*

Exhibit #4b/2, 3/2/2020 2 page letter from Bloomquist Law Firm, Richard Tappan Esq. to MRR HOA: *This interference ...threatens to increase the danger of wildfires in the vicinity of Ms. Hastings' property..."*

Exhibit #5: Crawley letter 12/11/2004 to Madison County Commissioners:  
*"...letter...from the Madison Valley Fire Department. It states in the letter that response time to our property is 1 hour to 1 hour and thirty minutes."*

### Grazing Lease- State School Lands.

Exhibit #6: MRR Minutes 6/21/1996:

-MRR is aware that the State Land is a grazing lease.

*"John Legler announced the 103.8 acres of leased State Land is to be used for grazing only."*  
[emphasis added]

-The lessee Madison River Rch Assoc Inc prohibited grazing in 2003 on their property and the State Land (emphasis added).

Exhibit #7: Jeanne Loughrey, MRR Treasurer, letter dated 5/19/2009.

Re: State Land Lease Research results

**"P.S. Never mention we prohibit grazing."** [emphasis added]

Exhibit #7a: MRR CCR's 5.4 Grazing Rights Leasing of cattle grazing rights is permanently eliminated on all unfenced tracks.

### Ownership of State School Lands.

-Lessee MRR considers the State Land to be owned by MRR and not by the state of Montana.

Exhibit #8: MRR Annual Meeting Minutes 1999.

*"John also reported Terry is working on establishing a streamside corridor including our Common Area and possibly the State Leased Land that would guarantee, in perpetuity, that there would be no development. This would become law."*

Exhibit #9: MRR Annual Meeting Minutes 2000.

*"...without giving up ownership or any other rights pertaining to ownership, including access."*

*"There is also a possibility to do this for the land we now lease from the state."*

*"We would still own it, but it would usurp only our development rights."*

*"John said there was a 50% possibility that a Conservation Easement could be placed on the adjoining lease."*

*"We would have to hire a lawyer to research access rights which would cost approximately \$1,000-\$1,300. This is money we would have to spend to determine if there are any legal accesses."*

**Sub-Lease Profit of State Lands not reported per ARM26.3.146.**

Exhibit #10: State of Montana, Department of State Lands: 26.3.145 Assignments.  
*"Assignments which result in a profit to the assignor over and above the value of improvements may result in cancellation of the lease..."*

Exhibit #11a: 1990 Treasurer's Report 5/15/90 Madison River Homeowner's Assn (MRR)

Grazing Lease Income: **\$8672.92**

Annual State Lease Fee: unknown

Exhibit #11b: 1991 Richard A. Miller letter 4/17/1991 to the Lessee, Yellowstone Basin

Properties (subsequently MRR)

*"It is my understanding that the grazing income last year was \$8,700 and should be approximately the same this year."*

Grazing Lease Income: **\$8700**

Annual State Lease Fee unknown

Exhibit #12: 1991-1992 YBP/MRR Treasurer's Report

Grazing Lease Income: **\$6,216.00.**

Annual State Lease Fee: unknown

Exhibit #13: 1992-1993 MRR Treasurer's Report

Grazing Lease Income: **\$11,162.14**

Annual State Lease Fee: \$124.93

Exhibit #14: 1993-1994 MRR Treasurer's report

Grazing Lease Income: **\$0.**

Annual State Lease Fee: \$126.79

Exhibit #15: 1994-1995 MRR Treasurer's Report

Grazing Lease Income: **\$7,956.80**

Annual State Lease Fee: \$142.91

Note: 1995-1996; 1996-1997; MRR Corporate Records not provided for these years.

Exhibit #16: 1997-1998 MRR Annual Meeting Minutes

Grazing Lease Income: **\$1850.00**

Annual State Lease Fee: Unknown

Exhibit #17: 1998-1999 MRR Treasurer's Report

Grazing Lease Income: **\$5,731.69**

Annual State Lease Fee (inc. renewal app. Fee) : \$127.60

Exhibit #18: 1999-2000 MRR Minutes 6/24/2000

Grazing Lease Income: **\$7700.00**

Annual State Lease Fee: Unknown

Exhibit #19: 2000-2001 MRR Treasurer's Report

Grazing Lease Income: **\$11,440.24**

Annual State Lease Fee: 143.26

Exhibit #20: 2001-2002 MRR Treasurer's Report

Grazing Lease Income: **\$10,578.40**

Annual State Lease Fee: \$185.08

Exhibit #21: 2002-2003 MRR Treasurer's Report

Grazing Lease Income: **\$14,034.61**

Annual State Lease Fee: \$148.77

### Subletting State Land

Exhibit #22: MRR Minutes 1991:

*"The Lessee [Vujovich] wanted to renegotiate the lease..."*

*"Robert Wittman will get ahold of Mr. Vujovich and see what exact terms he is requesting and prepare the appropriate documentation."*

Exhibit #23: Notice of Annual Meeting 5/9/1994

*"The Association [MRR] has entered into a grazing lease with Mr. Volker Saier."*

Exhibit #24: MRR Minutes 1995:

*"We will be rotating the pastures to to cover the entire ranch [includes state lease]... Volker Saier is good to work with and wants a long term relationship."*

Exhibit #25: MRR Minutes 2001:

*“Chairman Ray Strickland reported that he has met with rancher Bob Sitz who is currently leasing the MRR range for grazing. Bob Sitz would like a 5-year contract for grazing...”*

Exhibit #26: Agricultural & Grazing Lease of State Lands, paragraph 4. Subleasing.

**Riparian Zone Two Track Road on State Lease.**

Exhibit #27: 3 photographs of two track vehicular road in the Riparian Zone.

**Unlawful use of State Land**

In December 2019, former MRR President John Clark, with his wife, Joann Clark; and, separately David Schmidt, owner of Wade Lake Resort, made multiple snowmobile trips (including December 24, 25 & 26) using State Trust Land to observe, photograph, and disturb the quiet enjoyment of my home. The Clarks nor Mr. Schmidt were the State Land Lease Manager.

Exhibit #28: John Clark photograph of Miller residence taken from State Land.

Exhibit #29: 7/15/2019 State of Montana Lease Form showing MRR representative, Sue McMahan as manager of lease.

**Knapweed Infestation on State Lease.**

-For 10 years the North-West area of State Lease #1092 has not been treated for invasive weeds. The spreading of seeds has created a knapweed invasion on our adjacent property (Miller), MRR Tract #63, bordering the state land. Our weed sprayer, Praetorian Service & Weed Management, Sheridan, MT, has been fighting the infestation for several years.

Exhibit #30: 3 photographs.

**Weed Infestation in Riparian Zone on State Lease.**

Along the above mentioned Riparian Zone Road- Invasive weed infestation- purple thistle and knapweed.

Exhibits #31: 6 photographs.

**Illegal posting of Blue Recreational State Signs.**

MRR placed Blue Recreational signs at property line in the middle of the historical easement road through State Land at both ends of the State easement. Bozeman DNRC office phone number given, no phone numbers for MRR HOA are shown.

Exhibit #32: 1 photograph of blue DNRC Recreational Sign.

Exhibit #33: State of Montana Notice:

*“Any other means of posting the state land against unauthorized use is not only non-applicable, it is also illegal.”*

**Non-Noticed Surveys.**

In 2019 and 2023, MRR hired Margaret Stecker surveyor of Skyline Surveying, to complete two separate surveys on State land boundaries connecting to the Miller property. Per Montana law, she did not notice either the state, nor Miller landowners, nor did she identify her survey stakes per Montana code.

Exhibit #34 : 2 photographs

Exhibit #35: Montana MCA

Exhibit #36 Skyline Surveying 10/2/2019 Bill for Survey to MRR: “Field work...where they touch State Land.

End.

Miller  
Residence



Exhibit 1

MADISON RIVER RCH ASSOCIATION, INC.  
MINUTES OF ANNUAL MEETING OF MEMBERS  
June 5, 1993

The annual meeting of the members of MADISON RIVER RCH ASSOCIATION, INC., a Non-Profit Land Owners Association, was held, pursuant to Notice of Annual Meeting dated the 19th day of April 1993, at the Stagecoach Inn, 204 Madison Avenue, West Yellowstone, Montana, 59758, at 1:40 o'clock P.M., on June 5, 1993.

John Legler, the President, welcomed all those present. There were no outside guests present. According to the Amendment to Bylaws a quorum constitutes those present in person or by proxy, therefore a quorum of members was present. Sixty Five (65) owners were present in person or by proxy.

Present in person were John Legler, David Adamson, Jeanne Loughrey, Charles Pruett, Hans Thallmayer, Jim Heinz, Paul Gauer, Ray Strickland, Joe & Linda Young, Ed & Nancy Traeger, Jack & Jeanne Hardy, Ronald Elliot, Scott Titus, Ken Castelein, Gail Taylor, Al Kuykendall, Bob Lencho, Bill & Sandra Hoolan, Dick & Addie Miller, Harold & Gail White, Jim Nielsen, Jim McIntyre, Margaret Moser, Larrie & Elaine Elser, Paul & Patty Lytle, Michael & Kimberly Carpenter, John Friederich, Phyllis Radack, Roger & Barabara Stommel, Peter & Stephanie Falcone, Gene & Karen Welch, David & Debbie Gill, and Dennis & Colleen Dey.

Jeanne Loughrey reiterated the key points from the minutes of the 1992 annual meeting. The complete rereading of the minutes was waived. The minutes were approved as mailed.

David Adamson reported on the status of the grazing lease. After lengthy negotiations with Joe Vujovich, \$11.00 per cow/calf pair was settled upon as the monthly rate. This is up \$1.00 over the previous year. However, the Board decided not to graze this year. The following conditions led to this decision: Mr. Vujovich allowed 200+ head of cattle onto the property late Fall and fences were cut - Mr. Vujovich kept his herd in beyond the contract date - Mr. Vujovich was too difficult to deal with - there was severe overgrazing damage to certain areas of the property. Therefore, the Board did not negotiate a lease for this season. Discussion ensued regarding the pros and cons of cattle grazing, i.e. fire danger, etc. David suggested a County Agent assess the condition of the property each year with recommendations as to whether to graze or not to graze. Those members present approved.

Jeanne Loughrey gave the Treasurer's report. A copy is attached. The fund balance at May 31, 1993 was \$6,012.48.

John Legler gave the President's report as follows:  
- all of the lots are now sold

Jeanne again reminded all members the only way we can keep you informed is to: 1 - keep her informed of address changes and 2 - read the info upon receipt. Last year 30% of the membership changed addresses. A copy of the mailing list is enclosed to those not present and already 12 of the addresses are incorrect.

Jeanne also reminded everyone they are members of the Association by virtue of their purchase, therefore are obliged to adhere to the CC&R's & By Laws. We will send copies if you don't have or have misplaced your copies. Also if you know of any new purchasers, please pass the word to Jeanne. She suggested we could file an addendum at Virginia City stating the buyer is responsible to inform Secretary of new ownership & address. Also sign that they have read the CC&R's and By-Laws.

Dave Adamson gave the grazing committee report. This year our lease is with Volker Saier. He will be grazing part-time, early and late season - until he can get into the Centennial Valley. The lease calls for \$12.00 per calf/cow pair. He brought in 204 calf/cow prs. on June 4 until July 15 on the North pasture. When he brings them back down, October 1 to mid November, he will rotate to the East pasture. Water is the biggest problem. The North piece is running fine. We no longer have a motor for the South piece. The Ranch system needs maintenance & upgrading. We need dollars to hire someone to fix the lines, etc. Mr. Saier wants a long term relationship.

Dave stated he and Parker Leach, co-owners of Lot 106 which has the well on it now being used for grazing purposes, would like to form a water co-op for those interested in obtaining personal drinking water. It would be \$75.00 to start to purchase a 500 gal. tank for drinking water, an enclosure and a water wagon.

It was moved and seconded to renegotiate the grazing lease for next year - 1995. Discussion ensued. Ray Strickland reported lack of grazing and fire go hand & hand. Need grazing to keep the grass down and in our high wind area a fire would really be destructive. The part-time, rotation with Saier seems to be a happy solution without overgrazing. The motion was approved with one dissenting vote. Any owners who have a division fence on property could move it to their property line. Kudos were given to Dave and Jack Hardy for their efforts in keeping the water system running.

John Legler gave the President's report:

1 - We engaged Dan Stroud to mow the sage brush from the shoulders of the Ranch roads, grade the roads, and bring in more gravel for the worst areas at a cost of \$2,952.50. He stated we have good roads.

davidcrawley

From: davidcrawley [davidcrawley@comcast.net]  
Sent: Saturday, December 11, 2004 8:41 AM  
To: Jeanne Loughrey (jeannel@rmci.net); Bill Hoolan (sandra.jaeger@dmsbg.com); VanDFam@aol.com; Patrick A. Toalson (flyroddr@bellsouth.net); Michael K. Wells (mikewells52@comcast.net); Ray Strickland (Ray Strickland)  
Subject: Fire Protection and Winter Access

Hello, my friends – Jeanne, Bill, Barclay, Pat, Mike, Ray,  
and John (John Hastings via snail mail) –

After 10 years of “camping” on our property, Martha and I finally have blueprints for a cabin. Even though it has been rather deluxe camping we are really looking forward to having a house that doesn’t have wheels and it. One of the problems we are having is obtaining homeowner’s insurance. For those of you who already have insurance, you would be shocked at how difficult it is to obtain now. We have found a couple of companies that will offer coverage, but they consider it a class 10 risk – the highest risk category – due to lack of any fire protection. They don’t consider the new fire station in the south valley to even exist since it is staffed out of Ennis. The companies are also aware that there is no access in winter.

I feel that there are enough homes in the south Madison valley now to warrant a real fire station. The other issue involves plowing. I am sure that the posting on the “Three Dollar Bridge” road which says it cannot be plowed is illegal. I don’t believe we may be denied access to our property.

I think we should, as an association, put pressure on the commissioners to address both of these issues. As far as the plowing goes, I would like to see the county keep the road open to our entrance all winter. We then could, at least, get in that far in winter. There probably aren’t enough homes yet for the association to have all ranch roads plowed, but I believe that day will come, and then we will have true year-around homes!!!! For now, several of us could get together and pick out a winter time frame (i.e. 2 weeks around Christmas – OR a time frame agreed upon) to keep the roads open and pool resources to contract this. But in order to have this option, the first step is to press the county to keep the road open to our entrance.

I have written a letter to the Madison County Commissioners addressing these issues and I hope you all will add your support to my letter by either calling or writing as well.

I have sent a copy of this to John Hastings as well (by mail as I did not have his email address). He and his wife, Andrea, own lot #63. I have been impressed with his comments at the annual homeowners meetings and think he would be a valuable person to be involved in these issues. He and Barclay can offer their legal expertise and Ray Strickland is valuable because of his expertise in fire protection and by the fact that he has established rapport with the county commissioners.

Let me know what you think of ideas on this, my letter, and any candid opinions you might have.

Happy Holidays to you all.

12/11/2004

Ex.4

MARCH 2, 2020

Mr. John Clark  
7456 S. Brook Forest Rd.  
Evergreen, CO 80439-6852

Mr. John Graifemberg  
2150 Desperation Drive  
Shingle Springs, CA 95682-8352

Madison River RCH Association  
c/o Wayne Jennings  
Jennings Law Office, P.C.  
P.O. Box 1625  
Bozeman, MT 59771

RE: Demand Letter

Dear Mr. John Clark, Mr. Graifemberg and Members of the Board,

As you are aware, I represent Andrea Hastings, primary owner of Tract 63 in the Madison River RCH and a Member of the Madison River RCH Association. Mr. Graifemberg, acting in his official capacity as President of the Madison River RCH Association and Mr. Clark, individually, tortiously interfered with Ms. Hastings' business interests and contracts during the summer of 2019 by threatening legal action against Ms. Hastings' mowing contractor. This interference has caused considerable financial harm to Ms. Hastings and threatens to increase the danger of wildfires in the vicinity of Ms. Hastings' property where a comparable substitute contractor cannot be located to perform this vital function. Demand is hereby made for cessation of this tortious interference with Ms. Hastings' contractor and for a written communication to Ms. Hastings' mowing contractor acknowledging that the contractor will not be threatened with legal action for any work conducted at the behest of Ms. Hastings on Tract 63.

For your information, on or about August 19, 2019, Mr. Clark and Mr. Graifemberg verbally threatened Ms. Hastings' mowing contractor with legal action while the contractor was working at the behest of Ms. Hastings. As a result of the threats from Mr. Clark and Mr. Graifemberg, the president of the Madison River RCH Association, Ms. Hastings' contractor has refused to engage in any future work on the Hastings property out of fear of legal actions that may be forthcoming from Madison River RCH Association. These threats constitute tortious interference with the Hastings' business interests and contracts and have caused significant financial harm to Ms. Hastings as a result of this interference as well as exponentially increased the danger to the

Ex.4b

Hastings' property from wildfire resulting from the accumulation of combustible material that has not been properly managed as intended by the Hastings.

Montana law recognizes that intentional interference with another's contracts or business interests is a tort. Thus, Madison River RCH Association should understand that it may be held liable for all damages caused by Mr. Graifemberg's threatening behavior, as well as Mr. Clark, individually, that has tortiously interfered with, and resulted in, Ms. Hastings incurring significant financial burden for the lost contracting opportunity, locating and acquiring a reasonable replacement contractor, and the resulting increased fire danger on the Hastings property.

My client only wishes for the Hastings property to be maintained in a manner that minimizes fire danger and maximizes aesthetic and environmental appeal. Unfortunately, finding a competent replacement contractor to work on the Hastings property has been time consuming and resulted in highly inflated cost quotes based long mobilization distances and unreasonable per-hour rates by the only contractor willing to do any work in this area, resulting in an increased expense of approximately \$15,400. Ms. Hastings has made endeavors to avoid protracted and costly litigation of this tortious interference by Mr. Clark and Mr. Graifemberg; however, without a speedy and sincere response to this letter, we will not hesitate to pursue all legal remedies at our disposal.

Please respond to this letter within ten (10) days to indicate whether Mr. Clark, Madison River RCH Association and Mr. Graifemberg intend to pursue settlement of this matter via a written communication to Ms. Hastings' contractor recognizing that no further legal threats will be forthcoming for any work completed on the Tract 63 by John Clark and Madison River RCH Association.

Regards,

BLOOMQUIST LAW FIRM, P.C.

---

Rick C. Tappan  
*Attorney for Andrea Hastings*

David B. Crawley  
12712 471<sup>st</sup> Ave. SE  
North Bend, WA 98045-8821

December 11, 2004

Commissioner C. Ted Coffman  
Commissioner Frank Nelson  
Commissioner David Schulz  
PO Box 278  
Virginia City, MT 59755-0278

Re: Fire Protection for the South Madison Valley

Encl: Copy of informational document from Madison Valley Fire Department

Dear Commissioners:

My wife, Martha, and I have been property owners in Madison County, Montana for over ten years. Our property is located in the Madison River Ranch development in the south Madison valley. This development has approximately 140 lots on about 3000 acres of property and is accessed via the Cliff and Wade Lakes county road across the "Three Dollar Bridge." We are planning to build a retirement home on our property within the next year but have encountered a couple of obstacles. There is a sign on the county road that states that it is illegal to plow the county road in the winter. I have my doubts that such a statute actually exists since I believe it to be illegal to deny property owners access to their property (property access laws date all the way back to early English law). If plowing of the road is actually not allowed we are essentially being denied access to our property and being denied fire protection during the winter. In attempting to obtain a homeowner's insurance policy for our planned home, I have found that obtaining such coverage may be quite difficult or impossible. Several insurance companies I have contacted have denied coverage for the property due to a lack of any fire protection.

In addition to the lack of access to our property in the winter, the insurance companies have noted that the fire station on the south Madison is staffed by volunteer fire fighters based in Ennis resulting in an unacceptable response time. This is consistent with a letter all of our property owners received from the Madison Valley Fire Department. It states in the letter that response time to our property is 1 hour to 1 hour and thirty minutes. In winter, as discussed, there is no access for the fire department at all.

During the last 10 years that we have owned our property, we have seen many new homes built each year in the south Madison valley. There are now hundreds of homes in our area – most without any real fire protection. I believe it is time for the Madison

Ex.5

Page 2

David Adamson gave the grazing report. Volker Saier, the grazier, was going to purchase 400 calves in addition to his 350 cow/calf herd, but was unable to due to the depressed cattle market. Therefore, our grazing income will only be approximately half of the normal income. David recommended we put a minimum income amount in the contract in the future to help protect us. The cattle were on the Ranch May 20<sup>th</sup> to June 18<sup>th</sup>. They will be back in the end of September for as long as possible into November. David also wanted everyone to know Volker is a good grazier - helps a lot - is repairing the water lines. The Ranch could really support more grazing - David suggested Volker could maybe go in with another grazier, with our approval.

John Legler announced the 103.8 acres of leased State Land is to be used for grazing only. As of July 1<sup>st</sup> the road will be closed to river and private property access. The combination to the lock on the new gate bordering the State Land boundary shall be given to emergency vehicles only.

John Legler gave the President's report. He thanked Terry Quirk, Dave Adamson, Jeanne Loughrey and Paul Gauer for all their efforts during the past year. The member's present thanked John for all his efforts and service. John presented the Board of Director's slate for the coming year. John Legler, David Adamson, Jeanne Loughrey, Terry Quirk and Dan Hanson. Paul Gauer turned in his resignation at the Board of Director's meeting. It was accepted with regret. Dan Hanson owns lot 22, is a native Montanan, is on site much of the Winter, is a lifelong hunter and stated he is very conservative and resists regulations with respects to what is going on here on the Ranch. Jack Hardy endorsed Dan. Joe Young moved we accept the ballot as presented. It was seconded and unanimously approved.

The situation of the cattleguards as discussed at last year's annual meeting was discussed at the Board meeting. The Board felt it was an individual matter. Mike Carpenter has a metal mesh that could be placed over the guards fairly inexpensively - he was not present at the meeting. John Legler says he carries a piece of plywood in his car to place accross the grid. The discussion died at this point.

Jack Hardy displayed samples of street(trail) signs that could be used throughout the Ranch. They would be mounted on 6" lodgepole pine posts high enough so cattle can't damage the signs. The placement of these signs would be extremely helpful for emergency vehicles. Jack did not volunteer to do the routing himself as it is too labor intensive. Jack will prepare a list of the needed signs. Jack will get an estimate of the cost to have the making of the signs contracted out. David Adamson suggested stenciling as a alternative to routing. He will check into the cost in Salt Lake. We will organize work crews to install the posts, signs and rock around the base to protect them from cattle. Discussion ensued. Suggestion to use pressure treated cedar. Jeanne Hardy made lists of the locations of owners by lot number and Trail address to be given to the emergency agencies.

Jeanne Loughrey

---

From: Jeanne Loughrey [jeannemt@3rivers.net]  
Sent: Tuesday, May 19, 2009 4:18 PM  
To: Bill Hoolan (oxbowranch@hotmail.com); Mike Wells; Welch, Gene; Clark, John; Frank W. Davis  
Subject: State Land Lease Research results:

Hi all, Our lease expires Feb. 28, 2016 – 7 years.

As a lessee we **must** observe good range management (prevent over-grazing), **control noxious weeds** and minimize erosion.

Prior to lease expiration, field staff will inspect the land to ensure these conditions have been met. If they have, we will receive an application to renew the lease. If we are granted the opportunity to renew the lease and a competitive bid is submitted for it, **we will have the right to match the bid.** If we believe the bid rate is excessive, we may request a hearing. There is a process for this which I won't go into now – after all evidence is presented, the Land Board makes the final decision as to who is awarded the lease. **However, if we elect to match a bid and do not request a hearing, the lease will be issued to us at the competitive bid rate.** (Yes, Bill, you are correct that no one can outbid us.)

State law prohibits the sale of land with water front/river frontage.

The entire acreage of the leased parcel is 103.41 acres. The grazing portion is 93.41 acres all on this side of the river leaving 10 acres, including the river, on the other side.

The other option is a 99 year conservation Easement:

An appraiser would come in and determine the value. Gary Williams, the head of the Dept. of Natural Resources & Conservation in Helena, said we would pay 5 to 6% of the appraised value – roughly - \$240/acre x 103.41 acres = \$24,818 annually. Frankly, I feel this an unnecessary expenditure.

And, as I have said before, the odds of having someone (a grazer on the other side of the river) bid are very low. The acreage is so small, cows won't cross the river and there is no access to our side where the real grazing exists making it very unattractive to a grazer, or in fact, anyone else.

In conclusion, I recommend we stay with the 10 year Agricultural/Grazing lease we currently have, or until such time as the laws change making us rethink our position.

P.S. Never mention we prohibit grazing. Yes, we currently don't allow cattle grazing. But, we might wish to bring in goats to graze the weeds in that area. Who knows what the future will bring.

As always, your devoted servant, Jeanne

Ex.7

specifications, has a concrete block or concrete foundation, and a gate on one side of the cattle guard for livestock, horses, or by persons using the road. An Owner may only install a cattle guard in a road or trail at a place where such road or trail passes through such Owner's Tract.

4.4 Maintenance of Common Easements and Common Areas. The Association, acting by and through its Board of Directors and Members, will be responsible for the maintenance of the Common Areas and Common Easements. The Property is developed as a limited seasonal recreational subdivision, and Owners will not have access by automobile to each Tract on a year-round basis. Neither the Declarant nor the Association shall have any duty or obligation to remove snow or mud from roads or trails in the Property.

4.5 Firearms. Use of firearms is not permitted on the Commons Area. Firearms may not be fired from adjacent property into the Commons Area.

4.6 Motorized Vehicles. Motorized vehicle usage within the ranch Commons area, including ATVs and motorcycles, are restricted to roads and the designated parking area which is adjacent to the road.

4.7 Overnight Guests. Overnight guests should camp on property owner's land, not in the Commons Area.

4.8 Parking Area. All vehicles parking within the Common Area are required to display proper Madison River Ranch parking credentials. Owners must provide parking credentials to their guests. Parking credentials shall not be used or loaned out by property owners for any commercial purposes such as guides or outfitters.

## ARTICLE V

### Grazing Rights

5.1 Association Grazing. The Association shall have the right to lease out the grazing rights to all unfenced Tracts upon such terms and conditions as the Board of Directors and Association shall determine. Proceeds of all grazing leases will be paid to the Association for use in maintaining the Common Areas, Common Easements and other purposes of the Association.

5.2 Fences. Declarant and the Tract Owners shall not be required to participate in or pay for the construction of partition fences between Tracts. Any Tract Owner who wishes to fence his land must bear the expense of fencing unless he can get his neighbor(s) to voluntarily participate in the construction or financing of the fence.

5.3 Fence Out Livestock. No Owner may bring an action for trespass of livestock unless that Owner has a lawful and maintained fence around the perimeters of such Owner's Tract.

5.4 Grazing Rights. Leasing of cattle grazing rights is permanently eliminated on all unfenced tracks.

## ARTICLE VI

### General Restrictions on All Property

6.1 Owner's Livestock and Domestic Pets. Any livestock kept by an Owner must be fenced within the boundaries of the Owner's Tract. Each tract shall be subject to a limitation of one (1) large animal per five (5) acres. Large animals shall be defined by example, but not by limitation, as horses, cattle, llamas, sheep, goats or other livestock to be determined. Domestic pets shall

John also reported Terry is working on establishing a streamside corridor including our Common Area and possibly the State Leased Land that would guarantee, in perpetuity, that there would be no development. This would become law.

John reported on the status of the new firehouse. They want to raise money to get an automatic defibrillator. They are holding a barbecue fundraiser August 15 from 2 to 6 PM. The Board recommended the Association contribute \$1,000 to the fire station. It was so moved and passed to donate \$1,000.

John reported 36 properties have dwellings on them.

After a short break, John repeated the procedures if there is a fire. Call 911. Give property number and name of road; they have a map. Call your neighbors. Unlock the gate(s) and keep it that way. If possible have someone meet the fire truck at the gate. It takes 30 to 40 minutes from the time of a call for a unit to reach the upper ranch. The grass is higher than usual this time of year. It is noticeably shorter where the cattle are grazing. He asked all members to remember our firm rules on fires. As things get drier we could not survive a wind driven fire.

John reported he has obtained the proper forms for removal of a derelict car. The County will remove free of charge.

Next year's annual meeting date was discussed. It was decided to go back to the last Saturday in June. The meeting date will be June 24, 2000.

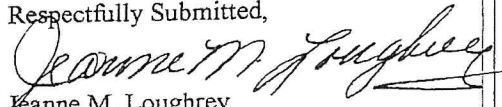
John displayed a pamphlet called "The Code of the New West". It was put together by the County. It seems to be a reaction to out-of-staters moving into Montana. It contains some interesting items you may not be aware of, including some important Madison County phone numbers. A copy is included for those not in attendance.

A discussion ensued regarding winter access. No vehicles are allowed on the County road from December 1<sup>st</sup> to April 15<sup>th</sup>. It is recommended you call the Schmidts at Wade Lake before coming as a courtesy. They have winter clients and keep the area at the entrance of the road plowed for parking. There is a \$3/day or \$30/month charge for use of the area to help pay for the plowing. There is also a wide plowed area down the road toward the Sage Brush - to be used at risk as rocks could be thrown up or you could be plowed in. Also there were some complaints about people snowmobiling across other owners' property without asking permission. Permission should be asked.

John reported 500 or 1,000 gal. propane tanks can be purchased or rented from Northern Energy in Ennis for underground burial. The 500 gal is \$1,100 and the 1,000 gal is \$1,650. Or, after renting them for ten years @ \$110 or \$165 per year, the tank belongs to you. You would have to hire someone like Dan Stroud to bury the tank.

The meeting was adjourned at 3:25 PM.

Respectfully Submitted,

  
Jeanne M. Loughrey  
Sect/Treasurer

Joe Young made a motion for Bill Hoolan to have the power for arbitrary decisions for the Common Area. It was seconded and unanimously approved. Bill Hoolan will adjudicate number of days. Ben Jumper was appointed to the common area committee. If owners wish to use the stables for their horses, they must check in with Bill Hoolan in advance.

John brought up the need for willows along the stream again. Bill felt we need to secure the area before we go to the needed effort. Terry suggested we buy \$200. worth of willows and have a barbecue and a planting party. Ben wondered if the Forest Service wouldn't provide them for practically nothing. Need a willow committee. Bill suggested we abandoned the willow project until next year as the ground is probably too hard for now. It is best when the ground is very wet making spring the best time. Larrie said we'll need to stake out the willows so the sprayer won't kill the willows.

It was suggested we post the Spring Creek as a spawning stream. "No Fishing, Spawning Area". Discussion ensued regarding fishing in the pond. Ben felt it was a good area for young children to learn how to fish. It was generally felt we should treat it as a wildlife sanctuary. No fishing, No hunting.

John next discussed Conservation Easements. A Conservation easement is giving up your right to develop a property you own without giving up ownership or any other rights pertaining to ownership, including access.. You guarantee this area will never be developed i.e., subdivisions, airstrips, etc. He suggested we could do this for our common area. There is also a possibility to do this for the land we now lease from the state. We own the common area. Our covenants already protect the common area for the use of all members. However, covenants can be changed or could be changed with new leadership and membership over time. A Conservation Easement is permanent - irrevocable. A Conservation Easement would allow us to maintain, replace, and remove historic buildings that are there. In 100 years it will be the same for others and no one would be able to build between us and the river. We would still own it, but it would usurp only our development rights. We can still use it and there would be no change in access rights.

John and Jeanne Loughrey met with The Montana Land Reliance to research such a status for our Common Area. They said it would cost us \$800 for an assessment of mineral rights and \$1,300 for a resource documentation report - flora and fauna of area.

It was then opened to discussion and questions. Would it change our tax status? No. As property owners we do not own the mineral rights. This is why we need a mineral survey. Montana Land Reliance would not take the easement if there were any chance of there being a mineral claim on the property. John will pursue the possibility of acquiring the mineral rights. Mike Carpenter suggested we continue to pursue the easement and protect the area for the future. A Conservation Easement Committee was formed with John as the Chairman. Pat Toalson and Mike Carpenter will also be on the committee. The committee will investigate the availability of outside funds for establishing Conservation Easements. John asked for a motion for interest in doing this or a vote of confidence on this. John received a vote of confidence to pursue data collection on a conservation easement.

Further discussion ensued. John said there was a 50% possibility that a Conservation Easement could be placed on the adjoining lease. We would have to hire a lawyer to research access rights which would cost approximately \$1,000-\$1,300. This is money we would have to spend to determine if there are any legal accesses. John felt we should get our 55 acres taken care of first. If a legal access exists, we might not be able to get it. If not, we have a 50% chance of getting it. He wondered if we would be willing to spend the money to investigate it. Was it worth pursuing? No one shot this down. Sandra Hoolan suggested trying to use the leverage of an easement on our own 55 acres to get, say, the Elk Foundation to work with us in getting the state section in on this too. John said it has to be companies that do and hold conservation easement. John wants to work with Montana companies.

DEPARTMENT OF STATE LANDS



STAN STEPHENS, GOVERNOR

CAPITOL STATION

STATE OF MONTANA

(406) 444-2074

1625 ELEVENTH AVENUE  
HELENA, MONTANA 59620

TO APPLICANTS FOR ASSIGNMENT OF STATE LEASES:

The purpose of this memo is to inform those persons wishing to assign state land leases of the specific requirements that must be followed when filing an assignment application.

Rule 26.3.145 ARM provides:

26.3.145 ASSIGNMENTS: (1) Lessees or licensees desiring to assign a lease or license may apply on the standard application form prescribed by the department. No assignment will be approved unless it is made upon the form prescribed by the department. An assignment in order to be binding on the state must be approved by the department. An assignment will not be approved if all rentals or payments due have not been paid or the terms of the lease or license have been violated. The department may disapprove any assignment application which is not in the best interests of the state. The state will not approve the assignment of any lease which is subject to a pledge or mortgage without written approval from the pledgee or mortgagee, if an assignment is made upon terms less advantageous to the assignee, than terms given by the state, the assignment shall not be approved. Assignments which result in a profit to the assignor over and above the value of improvements may result in cancellation of the lease subject to the appeal procedures under ARM 26.3.148. An assignment which is signed by both parties shall be construed to be conclusive proof that all payments for improvements have been paid to the assignor from the assignee. The department will not approve conditional assignments. Such transactions may only be accommodated through the subleasing procedure contained in ARM 26.3.146. The department will only accept assignments containing the original signatures of all appropriate parties.

(2) No assignment or series of assignments will be recognized by the department if the assignment is solely an attempt to avoid the loss of the preference right.

The department is very concerned about the management of state lands and especially how the land will be managed as a result of the assignment. We would, therefore, request the following information to accompany an assignment application and compliance with several conditions:

1. A statement indicating why the assignment is being requested.
2. A brief review of the assignees business and background.
3. Any consideration or payment being transacted because of the assignment of the lease, including improvements.
4. On assignments filed with the department between August 15 and December 31 on agricultural land, all crop payments must be paid in full and the production report submitted to the department.
5. On assignments, including agricultural land, any changes to federal farm payments or contracts must be appropriately approved or amended by the ASCS and verification presented to the department.

If you have any questions or concerns, please contact our office. Thank you for your cooperation.

Sincerely,

*M. Jeff Hagener*  
N. Jeff Hagener, Administrator  
Lands Division

jc

Ex.10

"AN EQUAL OPPORTUNITY EMPLOYER"

April 17, 1991

Mr. Ralph Pryor, President  
 Yellowstone Basin Properties  
 119 No. 7th Avenue  
 Bozeman, Montana 59715

Dear Ralph:

If I am correct, the next annual meeting of the members of the Madison River Ranch Association should be held in early June, 1991. Since I will be out of the country at that time I would like to submit a request for the membership's consideration.

When my wife and I purchased our 20 acres I knew that the landowners would have to bear the cost of electricity to their respective building sites. I assumed that the power was available at the border of your development, but that we would have to share the cost of bringing it in along the main roads. What I did not know was that it actually terminates in the adjoining development about 1/4 of a mile north of the border of the Madison River Ranch. Montana Power now informs me that it will cost approximately \$3,500 to bring electricity to the edge of our development.

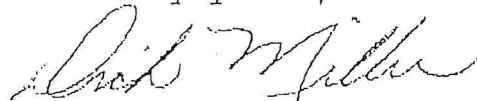
My suggestion is for the Association to consider using a portion of the monies earned from the grazing rights to pay for this service; and that would be a saving to all the present and future landowners.

It is my understanding that the grazing income last year was \$8,700 and should be approximately the same this year. The By laws state that these proceeds "will be paid to the Association for the use in maintaining the common areas, common easements and other purposes of the Association." It is my further understanding that if these monies are not spent for these purposes, they become taxable to the Association.

Based on these understandings, my request is that you ask the members of the Association to authorize sufficient money from the grazing income to be used to bring electrical power to the border of our common property line.

Your consideration of this request will be gratefully appreciated.

Sincerely yours,



Richard A. Miller

Ex.11

TREASURER'S REPORT  
5/15/90

Madison River Homeowner's Association

By Board of Directors' resolution effective 10/16/89, there will be no annual assessment of members until 1991. In addition, until such time as assessments do begin, Yellowstone Basin Properties retains any and all lease income.

For those reasons, there have been no reports for income or expenses for the Association.

It is the opinion of the Treasurer that since there is no income and no expenses, there is no need for the budgets and other financial statements to be prepared as noted in paragraph 8.10 of the Bylaws.

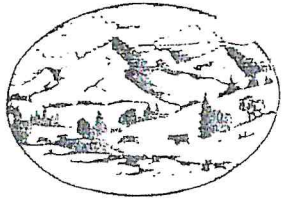
As a matter of general information, the lease income on Madison River property amounted to \$8,672.92 which was approximately \$10 per head for 211 animals for four months.

Respectfully submitted,



Teddy Sanem  
Treasurer  
5/15/90

Ex.11a



YELLOWSTONE BASIN  
 PROPERTIES  A PALLIN COMPANY

\* *Bellie*  
 682 7532

Treasurer's Report  
 Madison River Property Owner's Association

*[Signature]*

Income grazing lease: \$6,216.00  
 Expenses 1991 15.14  
 13.31

taxes on Community Park  
 deposit books for bank

12/31/91 \$6,187.55

Expenses 1992 1,030.23  
 417.66  
 3,195.00  
 -----  
 \$1,494.66  
 =====

Federal taxes  
 State taxes  
 Montana Power for 1991  
 we just received  
 Current balance

Bank statement 5/29/92 4,689.66  
 Montana Power o/s 3,195.00  
 Meeting deposit o/s 50.00  
 -----  
 1,494.66  
 =====

Current balance

MADISON RIVER RCH ASSOCIATION, INC.

TREASURER'S REPORT

JUNE 1, 1992 THRU MAY 31, 1993

BANK BALANCE MAY 31, 1992		\$1,494.66
INCOME:		
Grazing	11,162.14	
Interest - savings account	43.14	
	<hr/>	
TOTAL INCOME		11,205.28
EXPENSE:		
6 Cattleguards	4,790.00	
Legal	196.84	
Annual Corp. Report Fee	40.00	
Property Tax - Common Park	16.95	
Federal Income Tax	768.91	
State Income Tax	469.86	
Annual State Lease Fee	124.93	
State Lease Assignment Fee	50.00	
"NO HUNTING" Ad - The Madisonian	54.00	
Mailings and copies	150.62	
Bank charges	25.35	
	<hr/>	
TOTAL EXPENSE		6,687.46
		<hr/>
FUND BALANCE MAY 31, 1993		\$6,012.48
		=====
RECONCILIATION:		
Petty Cash on Hand		\$47.10
Legal retainer balance		303.16
Bank Balance May 31, 1993		5,662.22
		<hr/>
FUND BALANCE MAY 31, 1993		\$6,012.48
		=====

NOTE:

Outstanding insurance premium approximately \$2,000.

Respectfully submitted,

  
Jeanne M. Loughrey  
Sect./Treas.

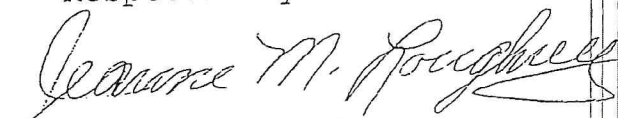
MADISON RIVER RCH ASSOCIATION, INC.

TREASURER'S REPORT

JUNE 1, 1993 THRU MAY 31, 1994

BANK BALANCE	MAY 31, 1993	\$5,698.52
PETTY CASH FUND BALANCE		47.10
LEGAL RETAINER BALANCE		303.16
		-----
TOTAL FUNDS ON HAND	MAY 31, 1993	6,048.78
INCOME:		
Association dues		\$6,195.83
Wildlife fund		810.00
Interest - Savings account		86.33
		-----
TOTAL INCOME		7,092.16
EXPENSE:		
Insurance		2,442.78
Corporate taxes		401.50
Annual State Lease Fee		126.79
Annual meeting expense		103.32
Common Area Property tax		16.39
Postage & copies		200.62
Office supplies & telephone		227.87
		-----
TOTAL EXPENSE		3,519.27
FUND BALANCE	MAY 31, 1994	\$9,621.67
		=====
RECONCILITATION:		
Petty Cash on Hand		\$45.86
Legal retainer balance		303.16
Bank Balance May 31, 1994		9,272.65
		-----
FUND BALANCE	MAY 31, 1994	\$9,621.67
		=====

Respectfully submitted,



Jeanne M. Loughrey  
Sect./Treas.

Ex.14

ADISON RIVER RCH ASSOCIATION, INC

TREASURER'S REPORT

JUNE 1, 1994 THRU MAY 31, 1995

BANK BALANCE MAY 31, 1994 (INC. \$810 WILDLIFE FUND)	\$9,272.65
PETTY CASH FUND BALANCE	45.86
LEGAL RETAINER BALANCE	<u>303.16</u>
TOTAL FUNDS ON HAND MAY 31, 1994	9,621.67

INCOME:	\$7,956.80	
Grazing Lease	955.00	
Association Dues (inc. late fees)	<u>107.21</u>	
Interest - Savings Account		9,019.01
TOTAL INCOME		

EXPENSE:	2,700.61	
Insurance	139.06	
Corporate Taxes	<u>142.91</u>	
Annual State Lease Fee	18.36	
Common Area Property Tax	3,017.50	
Road Maintenance	315.94	
Well Pumping Parts	1,760.76	
Computer & Printer	176.15	
2 Picnic Tables for Park	705.30	
Weed Spraying	258.14	
Misc. Supplies & Meeting Expense	<u>129.86</u>	
Postage, Copies & Telephone		<u>9,364.59</u>
TOTAL EXPENSE		<u>\$9,276.09</u>

FUND BALANCE MAY 31, 1995

RECONCILITATION:		\$36.35
Petty Cash on Hand		303.16
Legal Retainer Balance		<u>8,936.58</u>
Bank Balance May 31, 1995 (inc. \$810 Wildlife Fund)		<u>\$9,276.09</u>
FUND BALANCE MAY 31, 1995		

Respectfully submitted,

*Jeanne M. Loughrey*

Jeanne M. Loughrey  
Sect./Treas.

John talked about the Three Dollar Bridge. As the Horn Creek road has been impassible during this very wet spring, all heavy equipment has been coming over the Three Dollar Bridge that has a 5 ton load limit. Even the County Commissioners have been saying they cannot prevent use of the bridge. However, users are cautioned that they are responsible if they break the bridge. This is a double standard. A new bridge should be constructed within the next two years. In the meanwhile it is a tough dilemma.

John acknowledged and thanked members for the deeds accomplished during the past year. The Hoolan's supervised and helped in the realignment and staining of the gates. Bill also had a good solid fence put along the river in the SE corner of the common area. The Hardy's kept us informed, Jeanne mowed the common area, Jack maintained the road signs, repaired the fence along the East side of the common area and is in the process of constructing a stile to be placed in the lower SE corner of the common area for fishermen's access. Dan Hanson is doing a wonderful job taking care of the grazing and water system. Terry Quirk has been keeping in touch with the Fish and Wildlife people in the task of overseeing the habitat improvement area. Larry Elser has been doing a good job staying on top of the weed problems and keeping up with the spraying project all over the Ranch's roads and common area. Nancy Traeger has incorporated all the amendments into the CC&Rs and ByLaws. Revised copies will be mailed to all members.

The election of officers was next. The slate was presented to the membership as follows:

John Legler, President  
Terry Quirk, Vice-President  
Jeanne Loughrey, Sect/Treasurer  
Dan Hanson, Director  
Larry Elser, Director

There was a motion to accept the slate as presented. It was unanimously passed.

The meeting was adjourned for a short break.

The meeting resumed with Dan Hanson giving a report on grazing. We only received \$1,850 in grazing fees last year as we could not rely on the water system and the water in Mile Creek doesn't start to run until late. The upper pasture water system needs work to get it functioning. Mile Creek started running June 5<sup>th</sup>. Max Robison had 450 head and Volker Saier had 183 yearlings in the East pasture for about a week. This will amount to about \$1,500 in revenue. Max and Volker use our pasture as a pass-through on their way to Forest Service land. We have no real summer grazing. The Sitz Brothers would like to put about 300 head in during the July and August. They are very honest and trustworthy and nationally known for their stewardship of the land. They own the Neely place at Cliff Lake. They are willing to trade work on the water system for grazing monies. It is estimated it would take about \$9,000 to rebuild the water system. Dan has gotten the well working recently and it is pumping water. We would receive approximately \$6,000 in cash and trade. We plan to have the Sitz Brother's cattle on site by July 11th. A discussion ensued regarding the positioning of the salt licks. It was agreed to have the grazer rotate them frequently. The location of the water tanks was also discussed. Most all are located on the easements of lots 107, 120, 121, 132, and 31. It was suggested we notify the membership as to when and where the cattle would be placed. Dan will post a notice on the gates. The grazers really want to please - so be sure to present them with any problems.

WADISON RIVER RCH ASSOCIATION, INC.

TREASURER'S REPORT

JUNE 1, 1998 THRU MAY 31, 1999

BANK BALANCE MAY 31, 1998	\$13,390.17
PETTY CASH FUND BALANCE	16.33
LEGAL RETAINER BALANCE	<u>265.16</u>
	13,671.66
TOTAL FUNDS ON HAND MAY 31, 1998	

INCOME:

	\$5,731.69
Grazing Lease	14,546.38
Association Dues (inc. late fees)	<u>187.91</u>
Interest - Savings Account	
	20,465.98

TOTAL INCOME

EXPENSE:

	2,388.44
Insurance	111.00
Corporate Taxes	127.60
Annual State Lease Fee (inc. renewal app. fee)	20.88
Common Area Property Tax	7,000.00
Road Maintenance	1,763.00
Weed Spraying	1,985.00
Repair Arches	510.00
Build Fence along River in Park	2,940.00
Cattleguards (2 new & 3 repaired)	
Misc. - Mtg. exp., Postage, Copies, Lein Filings, Telephone, Supplies (inc. locks) & Propane Tank Rental	<u>887.16</u>
	17,733.08
TOTAL EXPENSE	
	<u>\$16,404.56</u>

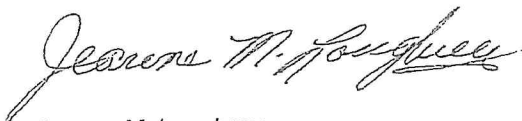
FUND BALANCE MAY 31, 1999

RECONCILITATION:

Petty Cash on Hand	\$11.21
Legal Retainer Balance	265.16
Bank Balance May 31, 1998	<u>16,128.19</u>
	<u>\$16,404.56</u>

FUND BALANCE MAY 31, 1999

Respectfully submitted,



Jeanne M. Loughrey  
Sect./Treas.

MADISON RIVER RCH ASSOCIATION, INC.  
MINUTES OF ANNUAL MEETING OF MEMBERS  
June 24, 2000

The annual meeting of the members of the MADISON RIVER RCH ASSOCIATION, INC. was held, pursuant to Notice of Annual Meeting dated the 6<sup>th</sup> day of May 2000, at the Stagecoach Inn, 204 Madison Avenue, West Yellowstone, Montana at 1:15PM on July 24, 2000.

John M. Legler, President, called the meeting to order, welcomed all of those present. He asked any non-members to identify themselves. There were none. According to the Amendment to the Bylaws a quorum constitutes those present in person or by proxy, therefore a quorum of members was present. Twenty Four (24) lots were represented in person and Thirty Five (35) were represented by proxy.

Present in person were John and Avis Legler, Jeanne Loughrey, Terry and Cynthia Quirk, Dan Hanson, Larrie and Elaine Elser, Diana Stevens, Joe and Linda Young, Bill and Sandra Hoolan, Ray and Linda Strickland, Michael and Kim Carpenter, Dave and Debby Gill, Jeanne and Jack Hardy, Ben Jumper, Mark and Sue Richards, Pat Toalson, Mark and Susanne Schnitger, David Adamson, Ron Mizia, and Paul Schirmer.

The reading of the minutes of last year's meeting was waived and approved as mailed. Jeanne Loughrey gave the Treasurer's Report. A copy is attached for the record and for those not in attendance. The balance in the bank as of May 31, 2000 was \$23,635.17. The annual dues will remain the \$100.00 per lot. There are no delinquent members. (Eleven members paid during the meeting, which was greatly appreciated.) It was moved and seconded to accept the Treasurer's Report as presented.

John thanked the Board and all others who did special tasks during the year for their support, with special thanks to Jeanne Loughrey. John reported Dan Stroud was in the process of the annual maintenance of the roads. The shoulder mowing is still left to be done. Susan asked about the maintenance of the roads we have easements on, specifically the one leading to the upper gate. She felt it was fairly bumpy getting up the hill. After some discussion it was the general consensus the road was OK for now. We will take a look at having it graded next year. John explained that Stroud evaluates each section of road within the Ranch and does what is necessary. This is done once a year. The cost last year was \$2,750. It will probably be about that this year as we had a dry spring and not much damage was done.

John again stressed the importance of closing and locking the gates. He also stated we may have a new bridge across the River by 2001. Work has to be completed in Ennis and Sappington first. We are to get the Sappington Bridge. The Commissioners are not committing to a time yet. In the mean time it is advised that no heavy trucks use the present bridge. Someone wondered that if the bridge is that fragile, could we put pressure on the county to step the replacement? No, as it is marked as to what the load limit is, and therefore, people should not be exceeding the load limit on the bridge. It was pointed out the cattle people ignore the sign. Go ahead and try to pressure the county if you think it will matter.

Dan Hanson gave the grazing report. He announced that Ray Strickland has agreed to take over the grazing. He basically handles most of it anyway. Last year we received \$7,700. in grazing fees, spent \$1,200., thus netting \$6,500. This year we should have greater income. This spring we already will have \$1,500 more from Volker Saier. The total grazing revenue for the upcoming season should be around \$9,000. We did have major maintenance however. The old Jensen pump "gave up the ghost". As it was going to cost a minimum of \$3,000. to repair, we opted to have Monte Davis put in a good-quality deep well submersible for \$5,500. This has made a better water system. Dan stated it was time to raise the grazing rates as it was worth more money to not have to fuss with the water system. We currently charge \$10 per unit. Dan recommends it be raised \$2.50 per unit to \$12.50. We would sell the two old power plants. Our grazers have expressed an interest in one of them. John asked if it could be used in one of the other wells. Dan said the other two wells had bad reputations. The one on Lot 9 has a bend in the well, but could be used if we could get power, but the pump could wear out easily. The other well has collapsed or filled with silt (hearsay only).

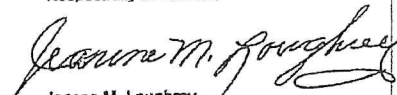
MADISON RIVER RCH ASSOCIATION, INC.

TREASURER'S REPORT

JUNE 1, 2000 THRU MAY 31, 2001

BANK BALANCE MAY 31, 2000		\$23,629.07
PETTY CASH FUND BALANCE		<u>6.10</u>
TOTAL FUNDS ON HAND MAY 31, 2000		23,635.17
INCOME:		
Grazing Lease	\$11,440.24	
Association Dues (inc. late fees)	14,125.37	
Interest - Savings Account	<u>242.58</u>	
TOTAL INCOME		25,808.19
EXPENSE:		
Insurance	2,442.59	
Corporate Taxes	1,463.00	
Annual State Lease Fee	143.26	
Common Area Property Tax	21.74	
Legal Fees	565.84	
Road Maintenance	2,710.00	
Gravel around Cattle Tanks	612.10	
Weed Spraying	3,769.44	
Submersible Pump for L106 well	5,550.00	
Common Area Fence	3,390.00	
New Gate at Middle Entrance	6,150.00	
Electrical Contract with Montana Power	1,280.00	
Misc. Electrical materials for installation	385.78	
Gate Power	27.20	
Well Pump Power	350.49	
Misc. - Mtg. exp., Postage, Copies, Telephone, & Supplies	<u>781.43</u>	
TOTAL EXPENSE		<u>29,602.87</u>
FUND BALANCE MAY 31, 2001		<u>\$19,840.49</u>
RECONCILIATION:		
Petty Cash on Hand		\$6.10
Bank Balance May 31, 2001		<u>19,834.39</u>
FUND BALANCE MAY 31, 2001		<u>\$19,840.49</u>

Respectfully submitted,

  
 Jeanne M. Loughrey  
 President/Sect./Treas.

MADISON RIVER RCH ASSOCIATION, INC.

TREASURER'S REPORT

JUNE 1, 2001 THRU MAY 31, 2002

BANK BALANCE MAY 31, 2001	\$19,834.39
PETTY CASH FUND BALANCE	<u>6.10</u>
TOTAL FUNDS ON HAND MAY 31, 2001	19,840.49

INCOME:		
Grazing Lease	\$10,578.40	
Association Dues (inc. late fees)	14,228.21	
Interest - Savings Account	<u>111.55</u>	
TOTAL INCOME		24,918.16

EXPENSE:		
Insurance	2,665.65	
Corporate Taxes	1,783.00	
Annual State Lease Fee	185.08	
Common Area Property Tax	25.47	
Contribution to the "3 Dollar Bridge " project	2,000.00	
Legal Fees	144.10	
Road Maintenance	4,470.00	
Weed Spraying	5,318.21	
Common Area Gate & Main Gate materials & labor for electrical installation	889.00	
Gate Power	103.44	
Well Pump Power	563.93	
Misc. - Mtg. exp., Postage, Copies, Telephone, & Supplies	<u>823.59</u>	
TOTAL EXPENSE		<u>18,971.47</u>

FUND BALANCE MAY 31, 2002	<u>\$25,787.18</u>
---------------------------	--------------------

RECONCILITATION:		
Petty Cash on Hand		\$2.58
Bank Balance May 31, 2002		<u>25,784.60</u>
FUND BALANCE MAY 31, 2002		<u>\$25,787.18</u>

Respectfully submitted,



Jeanne M. Loughrey  
President/Treasurer

MADISON RIVER RCH ASSOCIATION, INC.

TREASURER'S REPORT

JUNE 1, 2002 THRU MAY 31, 2003

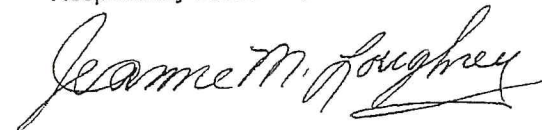
BANK BALANCE MAY 31, 2002	\$25,784.60
PETTY CASH FUND BALANCE	2.58
TOTAL FUNDS ON HAND MAY 31, 2002	<u>25,787.18</u>

INCOME:	\$14,034.61
Grazing Lease	14,150.00
Association Dues (inc. late fees)	32.58
Interest - Savings Account	
TOTAL INCOME	<u>28,217.19</u>

EXPENSE:	2,579.54
Insurance	1,660.00
Corporate Taxes	148.77
Annual State Lease Fee	31.11
Common Area Property Tax	353.70
Legal Fees	5,405.00
Road Maintenance	5,245.92
Weed Spraying	5,840.00
Fencing	688.48
Gate & Well Pump Power	949.00
Cleanup around well area on L106	957.00
Supplies for cow damage mitigation	67.50
Porta-potty in common area	1,147.72
Misc. - Mtg. exp., Postage, Copies, etc.	
TOTAL EXPENSE	<u>25,073.74</u>
FUND BALANCE MAY 31, 2003	<u>\$28,930.63</u>

RECONCILIATION:	\$2.58
Petty Cash on Hand	28,928.05
Bank Balance May 31, 2003	
FUND BALANCE MAY 31, 2003	<u>\$28,930.63</u>

Respectfully submitted,

  
Jeanne M. Loughrey  
President/Treasurer

RESOLVED, that the acts of the officers and directors in conducting the matters of the corporation, since the last meeting, be and they are hereby ratified, confirmed and approved.

Total votes of the Association are 139, this motion was carried by 113 represented votes FOR motion, and the remainder of 26 votes were not represented.

There was discussion held regarding who should be on the Board. The members present felt that the Board members should be individuals living on the property or fairly close in the area to the property in order to oversee any matters that need to be addressed by the Association.

The following Directors were elected pursuant to a unanimous vote:

Jeanne Loughrey (MR 73)  
P.O. Box 534  
West Yellowstone, MT 59758

Teddy Sanem  
Yellowstone Basin Properties  
P.O. Box 3027  
Bozeman, Montana 59772

Robert Wittman  
Yellowstone Basin Properties  
P.O. Box 3027  
Bozeman, Montana 59772

There was discussion regarding organizing committees for members who would like to be more actively involved in the Association matters, but would not be able to serve as a director or an officer.

The next order of business was the discussion of the grazing lease. The Bylaws state that the Board of Directors have the power to enter into or not enter into another grazing lease for the year 1992. The discussion during this meeting was to see what the consensus of the members were. The proxies received back all voted in favor of leasing out the pasture if the Association retains the proceeds. There was discussion regarding not leasing out the pasture again and how it would affect the general condition of the property. The Lessee wanted to renegotiate the lease by changing cow/calf pairs to steers and lowering the price per head in accordance with the standards of grazing. Robert Wittman will get ahold of Mr. Vujovich and see what exact terms he is requesting and prepare the appropriate documentation. Additionally there was discussion regarding the pros and cons of having the property leased out to grazing. Rein Gillstrom read Welch's letter regarding their concerns of grazing; Kevin Jordan read Miller letter regarding grazing; as well as a few members present voiced their opinion as to the grazing. It was decided to continue with the current Lessee for the term of the grazing lease and then the directors will decide

MADISON RIVER RCH ASSOCIATION, INC.  
JEANNE M. LOUGHREY  
1903 LAKE HERON LANE  
BOISE, ID 83706  
(208) 343-1086

May 9, 1994

Members of Madison River RCH Association  
Madison County, Montana

RE: ANNUAL MEETING OF MEMBERS

Dear Member:

Please find enclosed a Notice of Annual Meeting of the Members of Madison River RCH Association pursuant to the Corporation By-Laws and any Amendments thereto.


Also please find enclosed a proxy for the meeting. Should you be unable or do not desire to attend, and wish someone else to vote for you, please execute and return the enclosed proxy. Pursuant to Section 7.7 of the By-Laws this proxy must be received prior to the beginning of the meeting to be valid. Therefore, please send the proxy to the above address as soon as possible. If mailing the proxy after June 15, please mail to P.O. Box 534, West Yellowstone, MT. 59758.

The Association has entered into a grazing lease with Mr. Volker Saier. The cattle will be on the upper/middle portions of the ranch June 1 to July 14 and then again on the lower portion mid October to mid November. The fencing of cattle away from buildings and other structures on your property is the responsibility of you, the property owner.

**The combination to the gates will be changed to 1949 effective June 1, 1994.**

I have again enclosed a business card with the combination stamped on the back for your convenience.

Sincerely,

  
Jeanne M. Loughrey  
Secretary/Treasurer

Ex.23

so moved and seconded to provide him with this information. Jeanne Hardy will be our permanent resource advisor and she will also have this information. It is extremely important that everyone makes their Montana telephone # known. See Ray Strickland, a retired fire chief, (Lot 123) if you have any further questions. He will act as an advisor. It was noted Larry Elser has a tank with water on wheels with a diesel pump.

The members present waved the reading of last year's minutes. The minutes were approved as mailed.

Jeanne Loughrey gave the Treasurer's report. A copy is enclosed. The fund balance at May 31, 1995 was \$9,276. She also wants to remind all owners the **combination to the gate is changed every June 1 and October 1**. If you are not going to be home to receive this information in a timely fashion, please call any one of the Board members. Please do not resort to taking the gate off the hinges. This is not acceptable and damages the gate.

David Adamson gave the Grazing report. He has received very positive response from the owners as to the way we are handling the grazing. The cattle (cow/calf pairs) started in the South pasture then moved to the East pasture. These cows will be in the Centennials July to late October and back again in the late Fall. During most of the Summer we will be free of cattle on the Ranch. We will be rotating the pastures to cover the entire ranch. Next Spring they will start in the North pasture. Volker Saier is good to work with and wants a long term relationship. The South pasture well is non-functional and cannot be repaired. The Board authorized the purchase of a power plant to replace the old car on Lot 106. It is operational now. The Board will negotiate next year's lease with a long term relationship with Mr. Saier in mind and being sure the grazing is rotated between the three (North/South/East) pastures. Owners are again reminded they are responsible for putting fencing around their structures. Solar fences are very efficient and inexpensive.

The discussion then turned to the grazing well on Lot 106. This lot is owned by David Adamson and Parker Leach. They purchased the lot with an easement permitting the Association to use the well water for grazing and filling small jugs for personal purposes. The owner's stated they could no longer be responsible or liable for other's using the well - the water cannot be considered potable and the danger of the pump equipment were the reasons given. Parker Leach said the easement states adjacent land owners can get jugs & other containers of water from the well but the water must be tested. A fence and lock will be put around the equipment. Any who would use the water would need to sign a waiver with the owners. David proposed getting a 400 gal. tank and enclosing it behind a fenced, locked area. The cost to be shared by those who want to use it. People desiring to fill jugs would have to make arrangements with the owners. A sign will be posted "Not Potable". Then discussion ensued regarding different ways to obtain water. The best is to harvest rain water. Gene Welch, John Legler and Paul Schirmer have put in such systems. Contact Gene Welch if you would like further information. Another suggestion was to have water trucked in to fill cisterns. There are 3 or 4 interested. Parker will try to find a water tanker. If you are planning to dig a well, David knows a really good dowser ('water witcher').

President Jeanne Loughrey reviewed the treasurer's report for the period of June 1, 2000 thru May 31, 2001. The current fund balance is \$19,840.39. She stated that the current level of dues should be sufficient to adequately cover expenses and provide adequate cash reserves over the coming fiscal year. The dues, therefore, will remain at \$100 per lot owner per year. A copy of the treasures report is provided to the membership with the minutes of this meeting.

- WEED CONTROL COMMITTEE:

Mike Carpenter has replaced Larrie Elser on the Board of Directors this year and is the new chairman of the weed control committee. Since Mike Carpenter was unable to attend, Larrie Elser gave the committee report.

A private contractor has completed weed spraying for this year. Additional spot spraying will be done in the fall at no additional cost.

Larrie's resignation from the board has been accepted and President Jeanne Loughrey expressed thanks and appreciation, on behalf of the entire membership, for Larrie's hard work as a board member over the last few years.

- CONSERVATION EASEMENT:

John Legler, former president of the association, delivered a presentation proposing the establishment of a "conservation easement" on the Madison River Ranch Common area. The purpose of the proposal is "to preserve the 55 acres (.44 miles of river front) in its present condition, in perpetuity, so that it can be viewed forever in its natural condition, free from the impact of human works." John emphasized that ownership of the property would not change under the easement. The easement would simply prevent future development on the property, even if the association were to sell the property at some time in the future. The restrictions of the easement would be permanent and go with the deed to the property in this event. The easement would allow improvement of habitat, but would not allow any type of development. The existing buildings on the parcel, however, could be maintained and/or moved to different locations on the property.

The committee for this project includes property owners John Legler, Bill Hoolan, and Pat Toalson. John has determined that Montana Land Reliance seems to be the best organization for a partner in establishing the easement. The total administrative costs to the association for the establishment of the easement would be a one-time modest cost of approximately \$2100.

An informal vote was solicited from the members present to determine the level of support for this proposal, and an overwhelming majority favored establishment of the easement. A motion was then made from the floor to send out ballots to all property owners regarding the establishment of the conservation easement. The motion was seconded and a vote was taken. The members present unanimously approved the motion to send ballots to all members on the issue of establishing a conservation easement for the common area. A full explanation of the proposed easement (prepared by John Legler) will be enclosed with the ballots.

- GRAZING COMMITTEE:

Chairman Ray Strickland reported that he has met with rancher Bob Sitz who is currently leasing the MRR range for grazing. Bob Sitz would like a 5-year contract for grazing, and has indicated to Ray he would be willing assume certain expenses related to the grazing and assist with the problems previously discussed if a long-term contract could be made.

Ex.25

### AGRICULTURAL & GRAZING LEASE OF STATE LANDS

This lease is entered into by the State of Montana, Board of Land Commissioners and Department of Natural Resources & Conservation (Department) as lessor, and the person herein named, as the lessee.

Date this lease takes effect: March 01, 2006

Name of Lessee: MADISON RIVER RCH ASSOC INC

Address or Box No.: C/O SANDRA JAEGER 963 US HWY 287 N #24

City/State/Zip: CAMERON MT 59720

Land Located in Madison County.

DESCRIPTION	Sec.	Twp.	Rge.	Acres
LOTS 1,2,3	36	11S	1E	103.41

Total number of leased acres, 103.41 more or less belonging to Common Schools Grant.

Grazing Acres: 93.41 Agricultural Acres: 0 Unsuitable Acres: 10  
Other Acres 0 Hayland Acres 0 CRP Acres 0

Terms of Grazing Use and Rental Rate: Minimum

Terms of Agricultural Use and Rental Rate: Minimum

Purpose for which the land is leased: GRAZING

Term of lease: 10 years Date of expiration: February 29, 2016

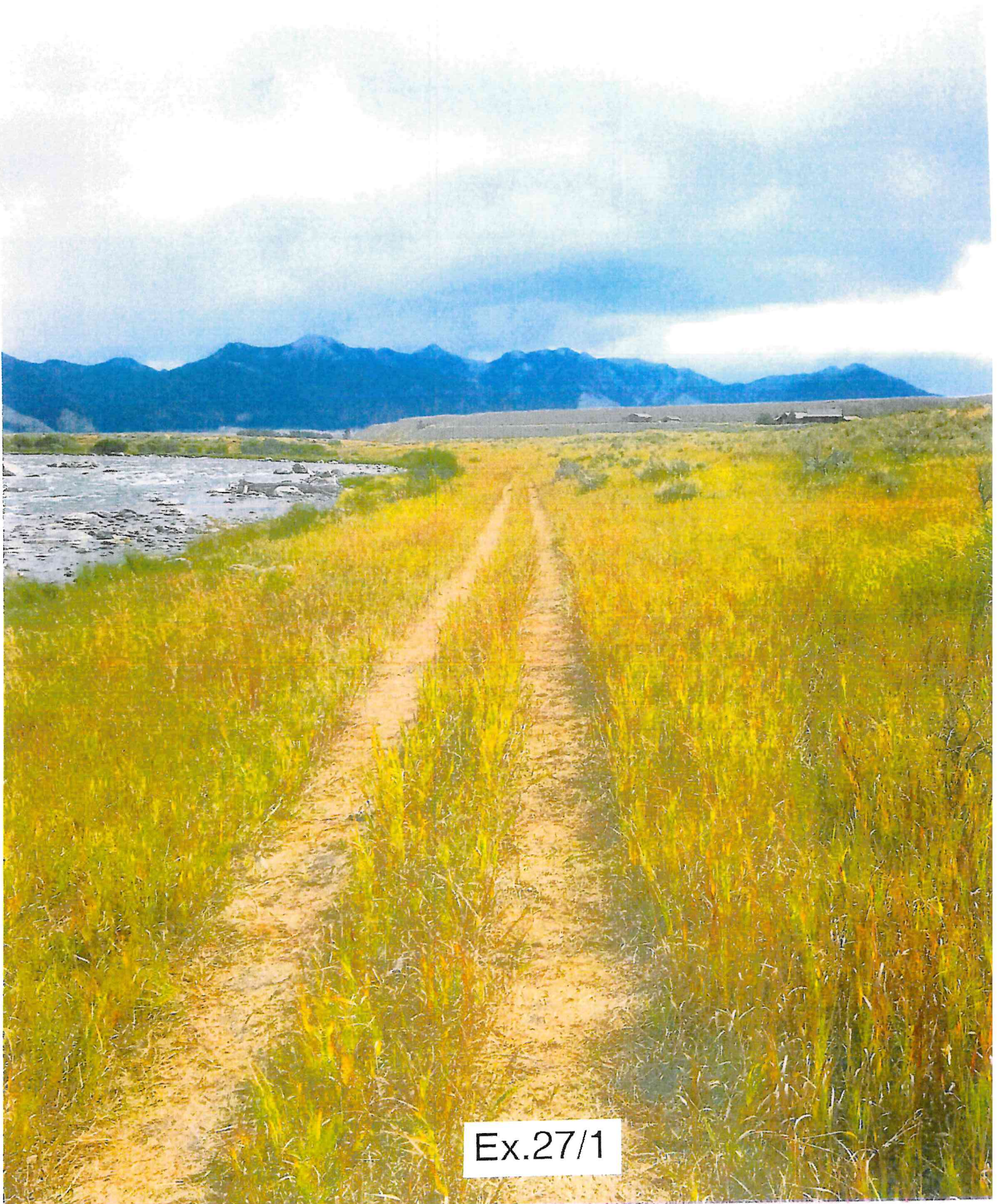
THIS LEASE HAS A CARRYING CAPACITY OF 24 ANIMAL UNIT MONTHS. THE LESSEE SHALL NOT EXCEED SUCH CARRYING CAPACITY. THE ANNUAL GRAZING RENTAL IS BASED ON THIS CARRYING CAPACITY.

The State of Montana, in consideration of the payment of rentals as specified in this lease and the mutual agreements contained in this lease hereby leases the above-described lands to the lessee(s) named above.

The lessee(s) in consideration of the lease of the above-described lands and the mutual agreements contained in this lease hereby agrees to pay the rentals as specified in the lease and to perform all the conditions as specified in this lease, the applicable rules and the applicable statutes.

The parties to this lease mutually agree to the following terms and conditions:

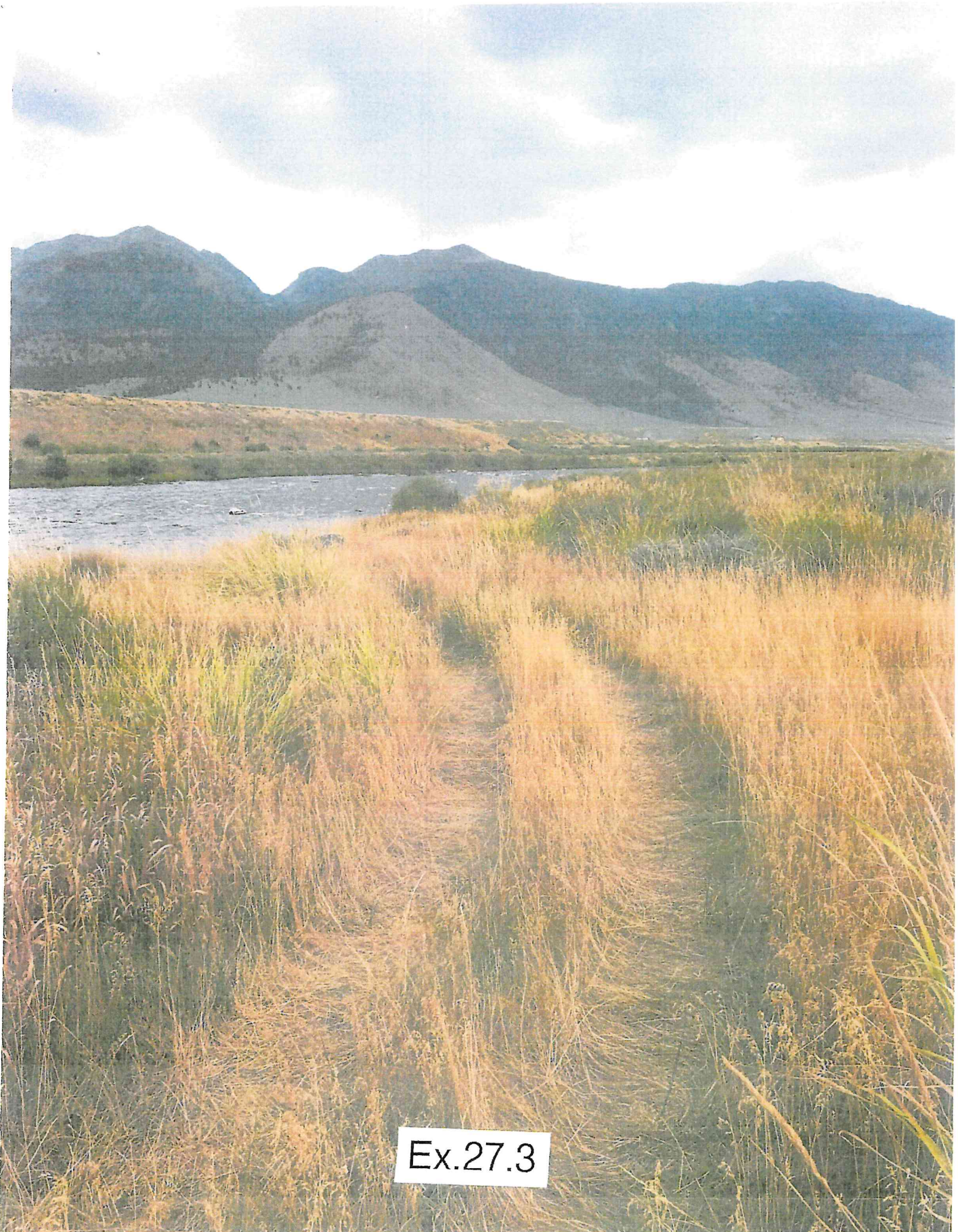
- ALL GRAZING RENTALS ARE DUE BY MARCH 1 EACH YEAR AND FAILURE TO PAY BY APRIL 1 AUTOMATICALLY CANCELS THE ENTIRE LEASE. A NOTICE OF RENTAL DUE OR ANY OTHER CORRESPONDENCE OR NOTICE FROM THE LESSOR WILL BE SENT TO THE ABOVE ADDRESS ONLY, UNLESS A CHANGE OF ADDRESS IS REQUESTED IN WRITING, SIGNED BY THE LESSEE AND RECORDED BY THE LESSOR.
- ALL AGRICULTURAL RENTALS ARE DUE ON NOVEMBER 15 OF THE YEAR IN WHICH CROPS OR HAY ARE HARVESTED. IF THE RENTAL IS NOT PAID BY DECEMBER 31 OF THE SAME YEAR, THE ENTIRE LEASE IS CANCELED.
- CONVERSION OF CLASSIFIED GRAZING LANDS TO CROPLAND WITHOUT PRIOR APPROVAL AS REQUIRED BY LAW SUBJECTS THIS ENTIRE LEASE TO CANCELLATION.
- SUBLEASING (allowing any other person and/or their livestock to utilize the State land) WITHOUT FILING A FORM AND RECEIVING APPROVAL FROM THE DEPARTMENT MAY SUBJECT THE LEASE TO CANCELLATION. SUBLEASING ON TERMS LESS ADVANTAGEOUS TO THE SUBLESSEE THAN THE TERMS GIVEN BY THE STATE SHALL RESULT IN CANCELLATION.  
(a) SUBLEASING FOR MORE THAN TWO YEARS WILL RESULT IN LOSS OF THE PREFERENCE RIGHT.  
(b) SUBLEASING FOR MORE THAN THREE YEARS WILL RESULT IN THE LEASE BEING CANCELED. (The department's rules and applicable statutes concerning subleasing and pasturing agreements should be consulted.)
- REPORTS--Lessee is required to submit reports as requested by the Director, including seeding and production reports. Failure to submit such reports may result in cancellation of the lease.
- CULTIVATION--In the case of lands leased for agricultural purposes, the lessee hereby agrees to seed and cultivate such land in a husbandman-like manner and to strip farm if the land is subject to soil blowing. The lessee further agrees to keep the land clear of weeds and care for it in accordance with approved farm methods as determined by the state. The state shall have the right to impose reasonable restrictions on all state leases as are necessary to adequately protect the land, water, air or improvements in the area. Grain crops are to be delivered free of charge to the nearest elevator to the credit of the state of Montana on or before the fifteenth of November of each year. Other crops, including hay, are to be disposed of at the going market price unless otherwise directed. If a lessee decides to graze the stubble of harvested crops or hayland or grazes unharvested crops for haylands, he must contact the Department regarding payment for such grazing in classified agricultural lands. The Department shall determine the number of animal unit months of grazing available on the land and shall bill the lessee or licensee for the grazing use, based on the minimum grazing rental established under Section 77-6-507, MCA or the competitive bid amount, whichever is greater. Failure or refusal to pay said rental or to notify the



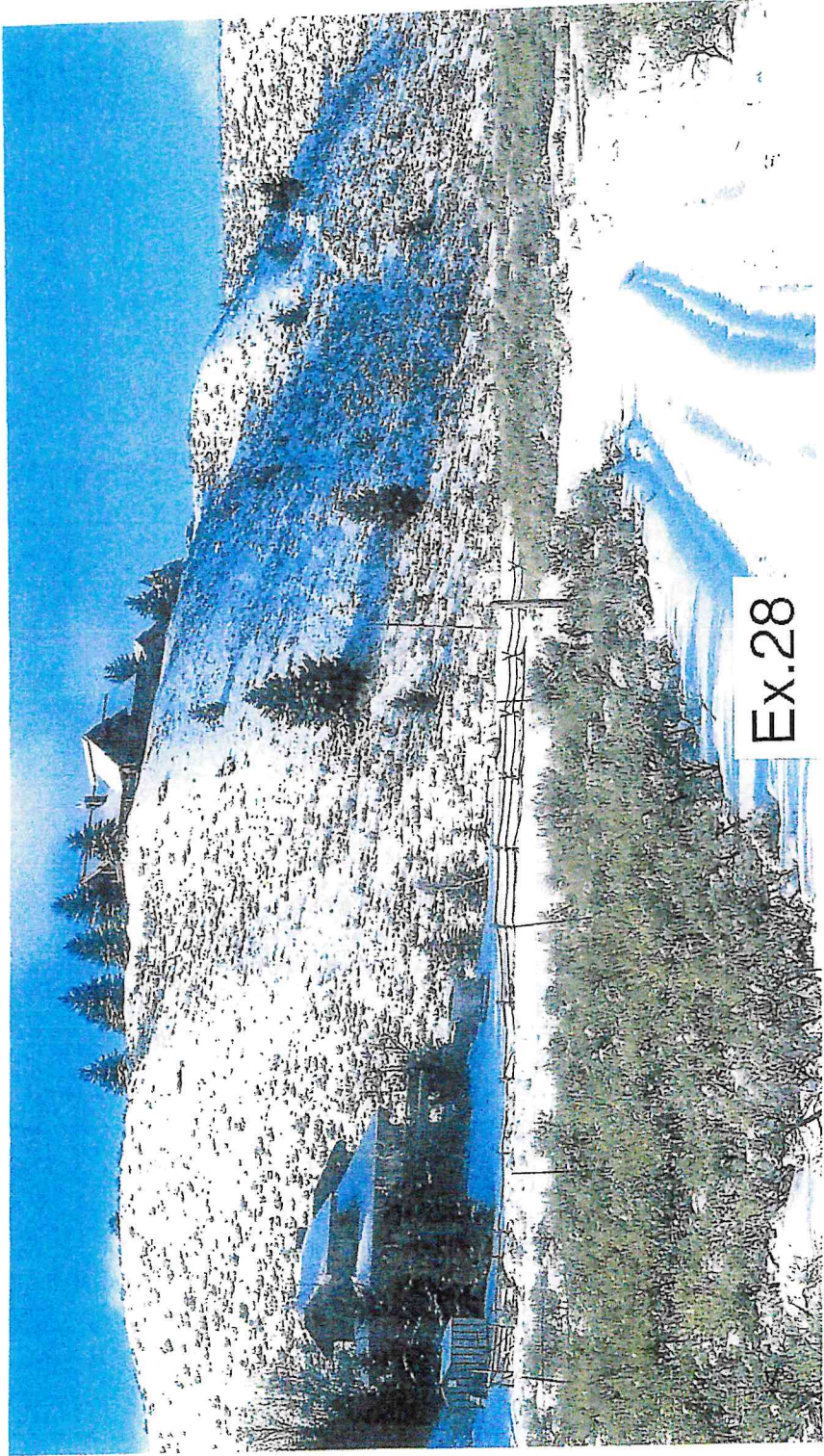
Ex.27/1



Ex.27/2



Ex.27.3



Ex.28

**STATE OF MONTANA**  
**Department of Natural Resources and Conservation**  
**2018 STATE GRAZING LEASE INVOICE**

**Please remit payment ON OR BEFORE Wednesday, February 28, 2018 Invoice # AGGZ1801376**

Under the provisions of section 77-6-506 AND 77-1-208, MCA, this rental is due and payable by February 28, 2018. A penalty of \$25 per lease is assessed on payments received AFTER February 28, 2018. If payment in full is not received by April 01, 2018, the entire Lease/License is canceled. For any inquiries, please call 406.444.4951 Monday - Friday 8am-5pm MST

Statement For: 11177

MADISON RIVER RANCH ASSOC INC  
 C/O JOHN CLARK *Sue McMahon*  
~~7456 S. BROOK FOREST RD~~ *44 Pronghorn Trail*  
 EVERGREEN, CO 80439 *Cameron, MT 59720*



AGGZ1801376

**Total Amount Due: \$242.66**

Please detach and return this stub with your payment made payable to-DNRC, P.O. Box 201601, Helena, MT 59620. Please note any address changes.

Grazing Invoice # AGGZ1801376

Payable Before: February 28, 2018

Lease #	Legal Description	Commodity	Acres	AUMS	Rate	Amount
1092	T11.S R1.E S36 LOTS 1,2,3	Grazing	93.41	22	\$11.03	\$242.66
Agreement # 1092 Sub-Total.						\$242.66
<b>Total Amount Due:</b>						<b>\$242.66</b>

*Attn: Betty -  
 Owners -*

*pd*  
*7/15/19*  
*AT*  
*2/12/2018*

**RECEIVED**  
**JUL 15 2019**  
**D.N.R.C**

# Montana Cadastral

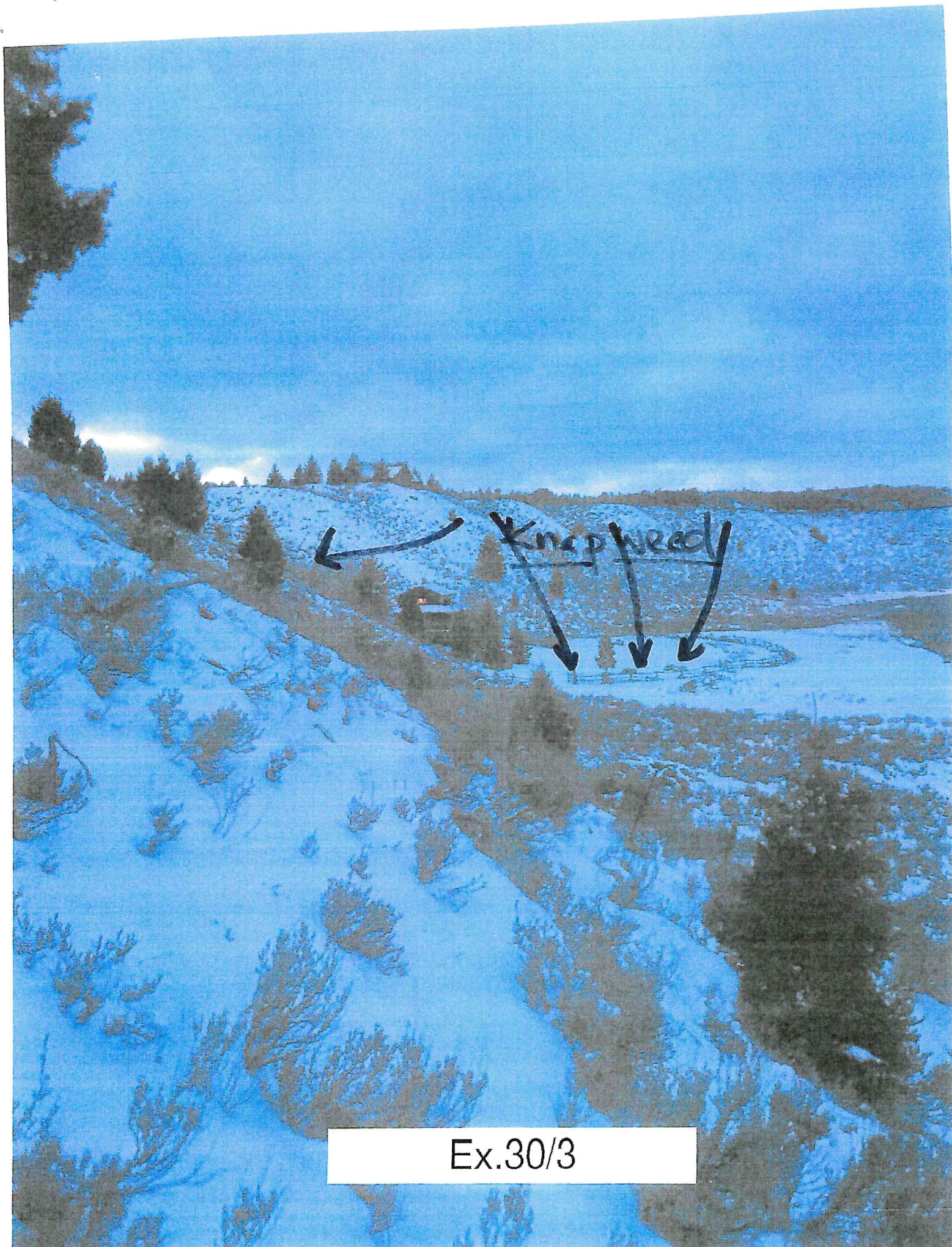
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MADISON TRL CAMERON, MT 59720



Knapweed infestation



Ex.30/2

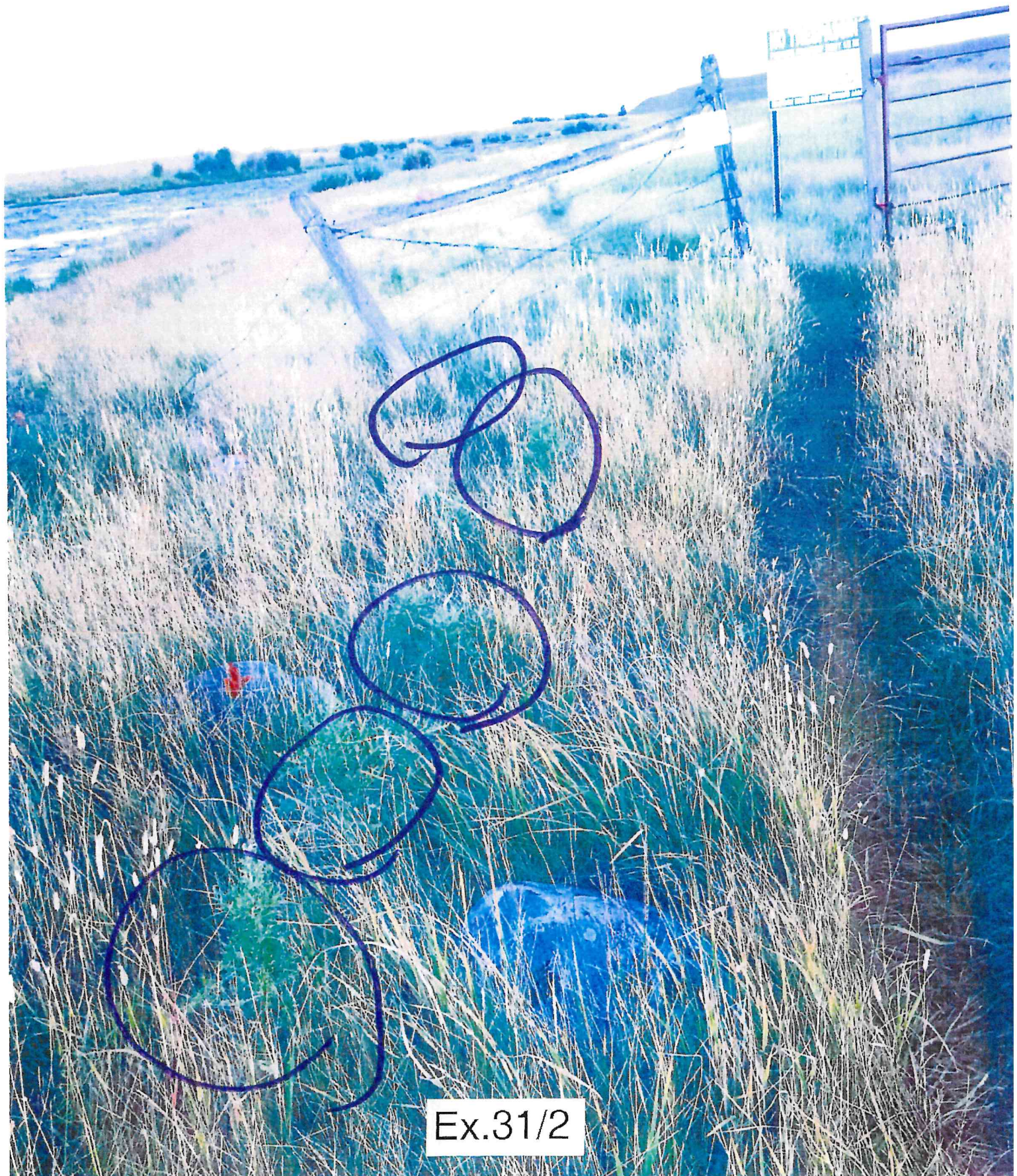


Ex.30/3

Purple thistle  
Knapweed etc.



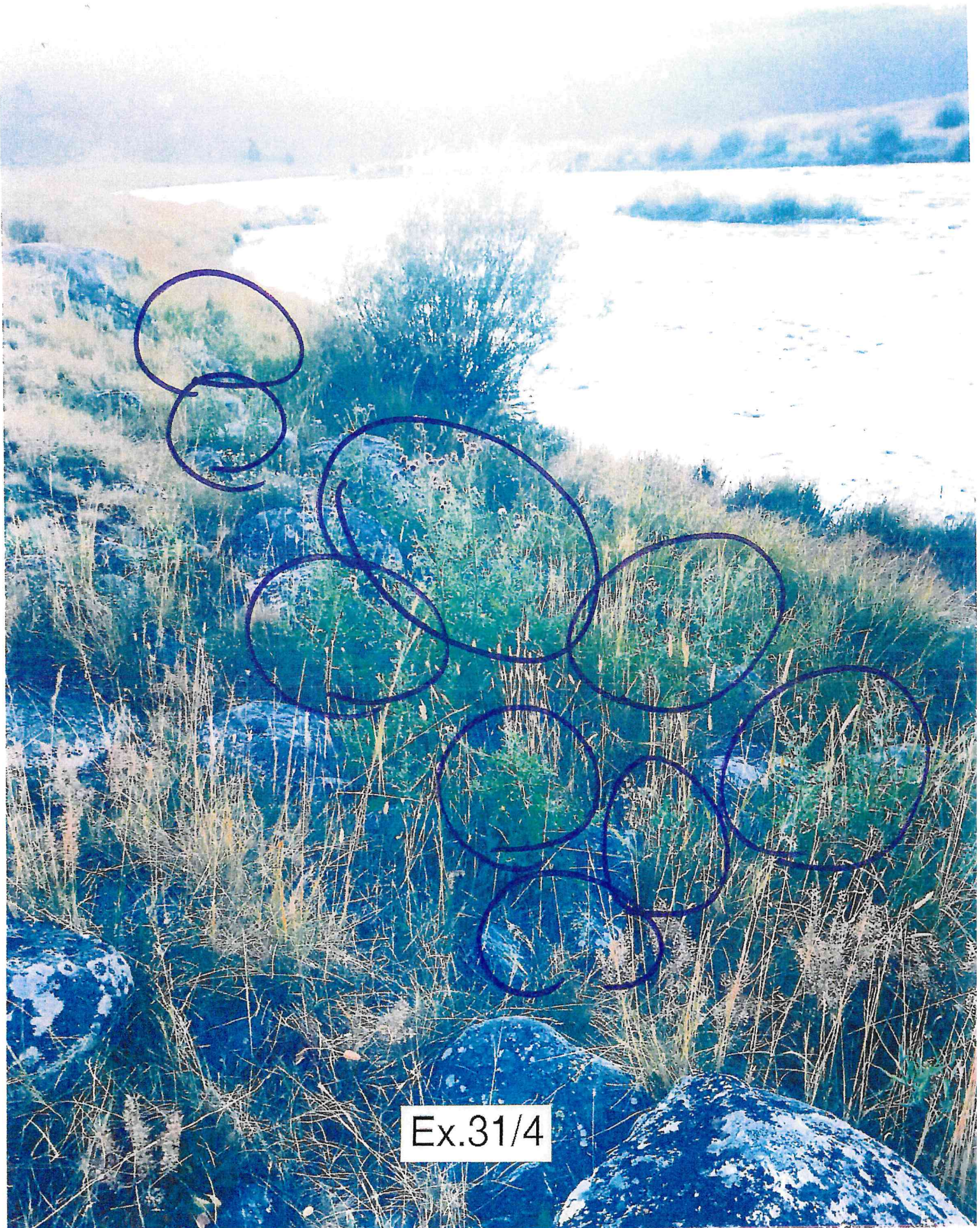
Ex.31/1



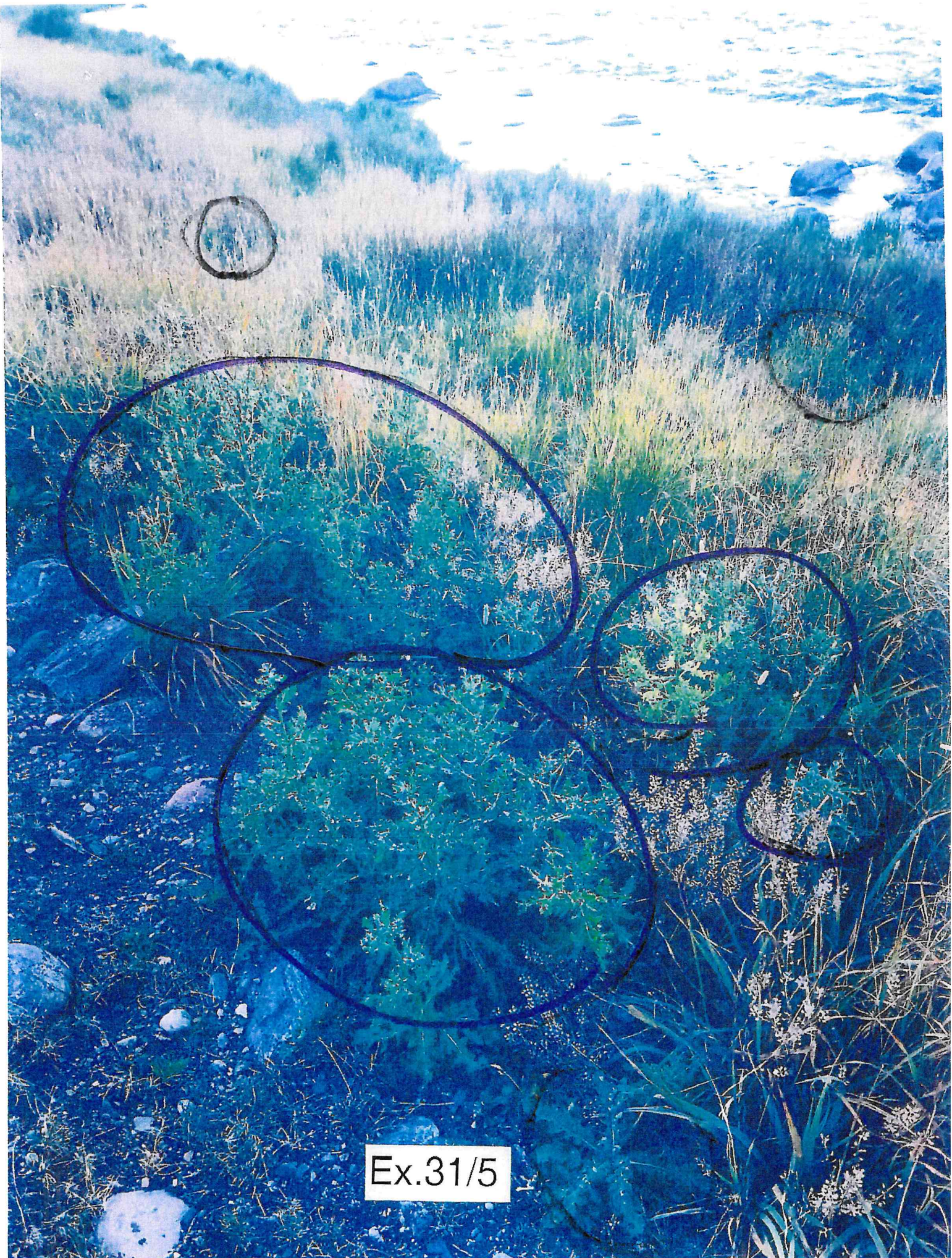
Ex.31/2



Ex.31/3



Ex.31/4



Ex.31/5



Ex.31/6

STATE LAND  
RECREATIONAL USE  
**NO MOTORIZED  
VEHICLES BEYOND THIS  
POINT**

USE OF MOTORIZED VEHICLES IS RESTRICTED  
TO ONLY THOSE ROADS DESIGNATED AS OPEN

VIOLATION PENALTIES UP TO \$1000 PER DAY  
PLEASE REPORT VIOLATIONS TO GAME WARDEN OR LOCAL  
LAW ENFORCEMENT

FOR FURTHER INFORMATION CONTACT  
MONTANA DEPT. OF NATURAL RESOURCES AND  
CONSERVATION

Central LAND OFFICE, Bozeman, MT  
PHONE 595-5243

DEPARTMENT OF STATE LANDS



MARC RACICOT, GOVERNOR

P.O. BOX 201601

STATE OF MONTANA

(406) 444-2074

1625 ELEVENTH AVENUE  
HELENA, MONTANA 59620-1601

NOTICE OF RULE CHANGES AFFECTING STATE LAND

Dear Lessee:

In 1993, the Land Board adopted amendments to certain rules affecting recreational use and posting of state land. For your information, a copy of the rules, as amended, is provided on the reverse side of this sheet.

Please make special note of the amendment to ARM 26.3.157(3) regarding posting of state land to prevent trespass by unauthorized persons. Prior to amendment of this rule, the Department authorized the use of signs or orange paint for posting state lands against unauthorized use. Allowing these methods of posting state land resulted in confusion and questions as to whether such posting prohibited general recreational use of the state lands.

To alleviate the confusion and to establish a universal and recognizable method of posting state land, the Land Board amended this rule so that effective October 29, 1993 the only acceptable method for posting state land against unauthorized use is with blue paint. Posting of these lands with blue paint signifies that activities other than general recreational use or other licensed use requires the permission of the lessee or authorization from the Department. Any other means of posting the state land against unauthorized use is not only non-applicable, it is also illegal. Illegal posting of state land could result in assessment of a fine not to exceed \$500.00 or imprisonment in the county jail for a term not to exceed 6 months, or both. It may also subject the lessee to cancellation of the lease. It is important to note that such posting is not required; however, if the lessee chooses to post these lands against unauthorized use, the only method for such posting is with blue paint.

In view of the above, you are hereby notified that any signs (no trespass, no hunting, etc.) currently posted on the state land are to be removed immediately. The Department recommends that existing postings utilizing orange paint be re-painted with blue paint as soon as possible if you wish to continue to post the land or be removed. However, all signs and orange paint on state land must be removed or re-painted on or before September 1, 1994. Any state land which is posted with orange paint or any means other than blue paint after September 1, 1994 will be considered in violation and may subject the violator to assessment of a civil penalty.

Thank you for your cooperation in this matter and if you have any questions, please contact the Department.

Sincerely,

*Bud Clinch*  
Bud Clinch, Commissioner  
Department of State Lands

/ns

ANEC

Ex.33



Ex.34/1

SE CORNER TRACT 63 // NE CORNER TR. 62  
NE CORNER TRACT 63  
CORNER TRACT 63 + TRACT 64  
CORNER TRACT 63 + 64 + STATE LAND

Ex.34/2

# Montana Code Annotated 2023

## TITLE 70. PROPERTY

## CHAPTER 16. RIGHTS AND OBLIGATIONS INCIDENTAL TO OWNERSHIP IN REAL PROPERTY

### Part 1. General Provisions

# Entry To Property By Professional Land Surveyor Or Other Qualified Person -- Trespass Exception -- Notice -- Liability

**70-16-111. Entry to property by professional land surveyor or other qualified person -- trespass exception -- notice -- liability.** (1) Subject to the conditions and restrictions of this section, the provisions of **45-6-203** do not apply to a person who is licensed or registered under Title 37, chapter 67, part 3, as a professional land surveyor, as defined in **37-67-101**, or to a person acting under the direct supervision of a professional land surveyor as an employee, agent, or representative.

(2) A person qualified under subsection (1) may enter public or private land to investigate and use boundary evidence and perform boundary surveys if the notice requirements of subsection (3) are met.

(3) (a) At least 15 days before the desired date of entry to land, a professional land surveyor shall give notice to the owner of the land, by certified mail, return receipt requested. The notice must contain the following information:

- (i) the identity of the person for whom the survey is being performed;
- (ii) the purpose for which the survey is being performed;
- (iii) the name of the employer of the professional land surveyor;
- (iv) the identity of the professional land surveyor;
- (v) the dates, times, and location of entry to the land, including the estimated number of entries;
- (vi) a timetable for completion of the survey, including an estimated completion date; and
- (vii) a statement requesting the landowner to provide the surveyor with the name of each person who occupies the land as a tenant or lessee.

(b) A landowner may waive the notice requirement of this subsection (3), either orally or in writing.

(c) This section does not impose liability upon a landowner who fails or refuses to provide the requester entry.

(4) (a) If a landowner does not acknowledge receipt of the notice within 15 days, a person qualified under subsection (1) may enter the land pursuant to the specifications given in the notice.

(b) If a landowner acknowledges receipt of the notice within 15 days, the landowner may modify the access provisions of the notice, as long as the modifications do not unreasonably restrict completion of the survey.

(5) Persons qualified under subsection (1) who enter land pursuant to this section shall carry on their person identification sufficient to identify themselves and their employer or principal and shall present the identification upon request.

(6) Vehicular access to perform surveys is limited to established roads and trails, unless approval for other vehicular access is granted by the landowner.

(7) Approval of the landowner is required for the clearing of trees, brush, or other vegetation.

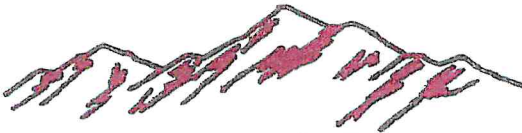
(8) A landowner may request a person qualified under subsection (1) who enters land pursuant to this section to wash any vehicle prior to entry in order to remove mud and debris that might carry noxious weeds or noxious weed seeds. The person may request that the landowner be present at the time of any entry to inspect the vehicle under the terms of this subsection.

(9) Entry upon land for survey purposes by a person qualified under subsection (1) creates a rebuttable presumption that the landowner or lessee properly protected the person against personal injury or property damage while the person was on the land.

(10) As an act of good will and in order to keep the landowner informed, a professional land surveyor shall supply the landowner with information on located, established, or reestablished corners that lie on the land or that may affect the boundaries of the land. Upon request, the professional land surveyor shall provide the landowner with a copy of any relevant survey filed or recorded.

**History: En. Sec. 2, Ch. 604, L. 1993.**

Created by LAW



**Skyline Surveying Inc.**  
P.O. Box 321, McAllister, MT 59740

# Invoice

Date	Invoice #
10/2/2019	1344

Bill To
Madison River Ranches HOA ATTN: John Graifenberg

Project	Terms	Due Date
Survey lot lines common with State 1...	Net 15	10/17/2019
Description	Qty	Amount
Field preparation and stakeout	0.5	45.00
Field work to locate monuments along the east line of Tracts 62 and 63 and along the north line of Tract 63 and 64 where they touch State land	4.5	765.00
VEHICLE MILEAGE	115	69.00
<b>Total</b>		\$879.00
<b>Balance Due</b>		\$879.00

Phone #	Fax #	E-mail
406-581-0144		mstecker@skylinesurveying.com

P.O. Box 321  
McAllister, MT 59740

Ex.36

Members of the Montana Board of Land Commissioners, my name is Andrea Hastings, and thank you for hearing me today.

My family has owned the property adjacent to the state trust land bordering the Madison River since 1989 — nearly 40 years. Our property is surrounded on three sides by these trust lands, so the decisions made here directly affect my property, the land, and the Madison River corridor.

Most importantly, these are Montana school trust lands legally mandated through Montana's statehood legislation in 1889 to generate revenue for public education. The legal duty of the DNRC and this Board is to maximize long-term returns for Montana K–12 schools — not to benefit out-of-state interests.

My bid of \$12,000 per year provides the highest financial return to the school trust while also improving stewardship of the land. I graze horses, not cattle for slaughter, and my proposal uses responsible grazing to reduce sagebrush overgrowth, lower wildfire risk, control weeds, and protect the riparian corridor along the Madison River.

It also addresses roads illegally created in the riparian zone for the benefit of a select few Madison River Ranch homeowners and board members.

Meanwhile, the Madison River Ranch Homeowners Association, which currently holds the lease, presented no grazing plan, no weed management plan, and no meaningful stewardship proposal during the hearing. During the hearing, the HOA also implied that they could fence in my property, restrict my direct access to the Madison River, thereby damaging my property value.

HOA costs are divided among approximately 129 out-of-state homeowners and Three Dollar Ranch, an LLC domiciled in Texas, hidden behind the grazing interests. These potential graziers are not local families struggling to survive — they are corporations and affluent landowners with significant financial resources. These private interests should not take priority over the constitutional purpose of Montana school trust lands — generating the maximum long-term return for Montana public schools.

I am also deeply concerned about transparency and fairness in this hearing. DNRC requirements were added only at the end of the original hearing without notice in correspondence, application materials, or governmental direction before the deadline. Public record requests were delayed or dismissed for over a month, phone calls were not returned, and important records remain missing or unavailable.

My previously submitted 47-page complaint documenting what I believe to be decades of misconduct regarding these Montana school trust lands by the current leaseholder was ignored and not properly included in the public record. I am formally asking this Board to place that complaint into the public record for public review.

At the end of the day, this decision should come down to one question: what best serves Montana schoolchildren?

My proposal generates the most revenue for Montana schools, improves land management, reduces wildfire danger, and honors the purpose of these trust lands while preserving my direct access to the Madison River.

I respectfully ask you to put Montana students

Thank you

## CROSS FOUR RANCH

*P.O. Box 70  
Miles City, MT 59301  
(406) 232-1111*

*Fred & Gwen Wacker (406) 232-3953*

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May 17, 2026

Governor Greg Gianforte, Chair  
Montana Land Board

RE: Land Board Policy Changes Involving Land Exchanges

Dear Governor Gianforte & Members of the Land Board,

Our family has been ranching in eastern Montana for over 100 years. As you know, we have been active in the Montana Stockgrowers Association and other organizations which are trying to promote and maintain our state's rich production agriculture history. We, like others in eastern Montana, try to be good stewards of both our deeded lands, plus those we lease from the state and federal governments. I am asking you to support the efforts of Auditor Brown and vote to enact the proposed policy changes he is bringing forward.

There are three items I would like to highlight which I believe are wins for the multiple interests associated with management of state lands:

- (1) It provides for more public input and earlier in the process. This is to help landowners understand the potential for success in terms of opposition from public interest organizations which tend to oppose all land exchanges. This early public process can help save landowners thousands of dollars and sleepless nights worrying about the process outcomes, while helping ensure their proposals are in fact a "good deal" for the Trust.
- (2) It invites public interest groups of all shapes and sizes to "co-sponsor" exchanges, presumably encouraging public support for the projects up front. This helps change the paradigm around land exchanges so that both public and private landowners can work together before an exchange has been placed in the formal review/scoping process.
- (3) It changes the appraisal process so that it modernizes the appraisal process out of the 1990's and into the 2020's, ensuring appraisals reflect true market conditions. By taking land as it truly is, with current discounts if any, we are bringing Montana's land valuation into the 21st Century while ensuring legacy production agriculture has a viable path for land exchanges.

This latter point helps traditional farmers and ranchers do exchanges by not artificially inflating the value of the state land. The policy changes proposed by Auditor Brown bring parity and equality for all landowners and will encourage production agriculture families to pursue more land exchanges in the future.