



FAY
RANCHES_{Inc.}

LUCKY 7 RANCH

McDermitt, Nevada &
Jordan Valley, Oregon

\$28,600,000

11,920± ACRES

250,000± PERMITTED ACRES

261,920± Total Acres



FARMS ■ TIMBER ■ RANCHES ■ SPORTING PURSUITS ■ VINEYARDS

INTRODUCTION

The Lucky 7 Ranch is headquartered in the northern reaches of the Great Basin near the border town of McDermitt, Nevada and has acreage in both Nevada and Jordan Valley, Oregon. It is a fully functioning ranch that boasts all the efficiencies expected of a high desert outfit. The ranch spans nearly a quarter million acres and has elevations ranging from 4,400 feet at the headquarters' meadows to 8,000 feet at the high points of the summer country.

Lucky 7 is a cattle ranch in the truest sense. With the capacity to run 3,360 AUs± efficiently, Lucky 7 transforms its native grass into a high-quality protein through its reputation calf crop year after year. With decades of careful management, it has been an industry leader and will continue that trend by economically running cows and calves and capitalizing on the economies of scale offered by its geographical location and size.

Still as dependent upon the strong minds and work ethic of cowboys, their horses, and dogs, this ranch is worked as it has been for decades. The Owyhee desert, Trout Creek Mountains, and Santa Rosa Range paint the high desert landscape. The cowboys who continue to work the land are reminded of those who came before them, creating a sense of pride and belonging, resulting in a culture that contributes to the long run of success.

Lucky 7 has a healthy working relationship with the Bureau of Land Management and its neighbors, working together to uphold, sustain, and improve the health and value of the land and its production.

Being headquartered in Nevada, this operation can take advantage of Nevada's favorable tax structure. Other sustainable operational benefits include inexpensive feed, low (per animal unit) operating costs, abundant water, well-appointed range improvements, and ranch amenities. The Lucky 7's outside country has over 30 fenced and well-watered pastures, lush meadows, and pivot irrigated hay fields. The rare opportunity to own one of the few large-scale ranches left in our country is yours for the taking.

THE STORY

McDermitt, Nevada (once known as “Dugout”) was named in honor of Lieutenant Colonel Charles McDermitt, commander of the Military District of Nevada who was killed in an skirmish with Native Americans in 1865. It was founded as a support to Fort McDermitt and located 5 miles away. The intention of the township was to protect the stagecoach route that ran from Virginia City through Winnemucca up north to the Silver City Territory in Idaho. This particular and historical stage road was the military’s most valuable transportation route between Idaho, Oregon and Nevada. In territory that is known for its vast vacancies, semiarid deserts and jaw-dropping mountain ranges, this huge Intermountain West appears like that of a ghost.

Lucky 7 Ranch has property that was once a part of the historic land company of Miller and Lux. Historically recognized as one of the country’s leaders in the cattle ranching industry, Miller and Lux owned 1.4 million acres. The property spanned from Mexico to Oregon, with ownership of 22,000 square miles of land in California, Nevada and Oregon.

In 1961, the Bureau of Land Management fenced and divided range land among users so that ranchers did not have to run in common anymore. This land division is what gave way for the Lucky 7 Ranch. The ranch was owned by Bob Campbell, who built the airstrip located at the ranch’s headquarters, using his plane to fly to Antelope Camp on the northern end of the property to check on cattle and deliver supplies. From the ranch’s origination in 1961, until the time Bob sold the ranch in the 1970s, he ran nothing but Charolais Cattle. After the sale, new owner and Alaskan businessman, Locke Jacobs brought his expertise in business to the ranch. Seeing the value in the Lucky 7 hosting the only interstate highway in Nevada without a major casino presence, Locke bought the property despite his lack of experience with ranching. Within a handful of years, the toll of the lifestyle made Locke want to sell.

Tom and Mike Harry purchased the Lucky 7 in 1983, along with their father, Dick. Generational ranchers from California, the Harry family had a goal to expand their ranches to locations where cheaper water and feeding options abounded. Lucky 7 in McDermitt, Nevada proved to be that place. In 2004, the Harry family expanded on their ranch land by purchasing the adjacent Ten Mile Ranch and Vance Ranch. The addition of those ranches made the Harry family owners and operators of one of the largest cattle ranches in the Great Basin. Lucky 7’s reputation for quality livestock that perform is well known by many cattle buyers throughout the western United States.





CATTLE RANCH

The Lucky 7 runs nearly 3,360 animal units ± which are essentially divided into two herds, The Vance | Ten Mile and the Lucky 7. Lucky 7 cattle run on the Campbell Allotment and the Vance | Ten Mile cattle utilize the 15 mile and Sherburn allotments. Cattle are turned out the gate early spring to begin the rotation through the allotment until late fall when walked back to the ranches deeded land to graze the private pastures and crop aftermath. Feeding typically starts the last week of December . Heifers begin calving February 5th.

- Cows begin calving mid to late February
- Average Fall-weaned calf percentage is 90%
- Average weaning weights
 - Steer Calves at 525 pounds
 - Heifer Calves at 510 pounds
- Turn out starts March 1
- Cattle start coming home in mid October
- Cattle winter on feed harvested at the ranch - 1.5± ton/AU

The Ranch's Bureau of Land Management permits consists of three allotments in the graph below:

ALLOTMENT	SUM OF ACREAGE	PERMITTED AUMS	COUNT OF PASTURES
15 MILE & SHERBURN	90,000±	9,362	20
CAMBELL	160,000±	14,160	12
GRAND TOTAL	250,000±	23,522	32

To date, the ranch is utilizing 23,522 AUM's of native grasses and crested wheat seedings. The ranch also has 11,920± deeded acres (3,000± of which are irrigated).





Lucky 7 Ranch | McDermitt, Nevada, & Jordan Valley, Oregon

IRRIGATION & LIVESTOCK

Decreed water rights, permitted water rights and public grazing allotments associated and allowed with the Lucky 7 ranch are summarized below. Be aware that certain uses of water are exempt from permitting in the state of Oregon which mean no permitted water rights are necessary.

IRRIGATION WATER

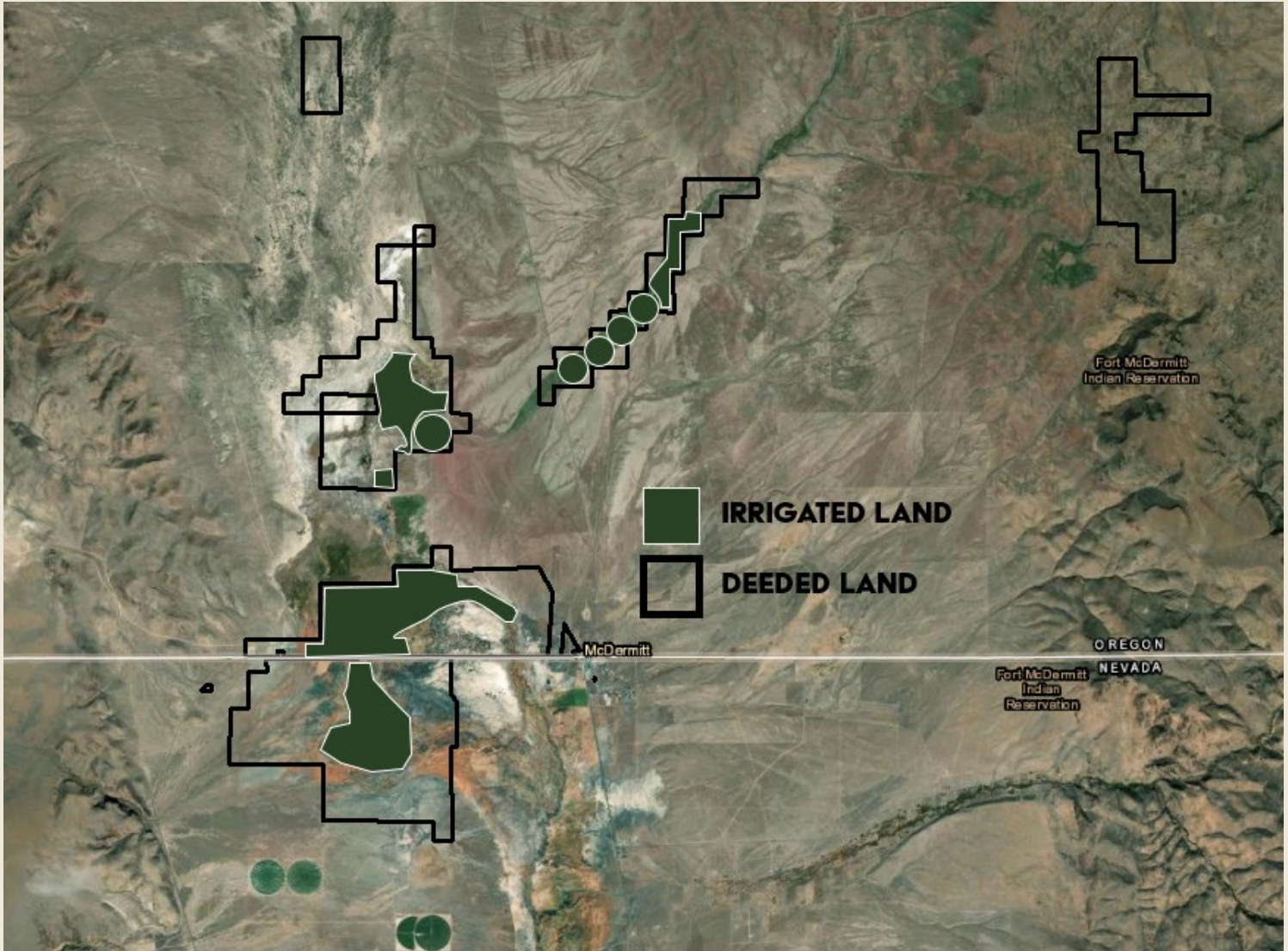
Three irrigation wells serving 380± acres. The balance of the 2,600± acres are irrigated primarily by McDermitt Creek, Ten Mile Creek and hot springs.

STOCK WATER

- 12 stock water | domestic wells
- Eight developed springs and many other undeveloped springs
- Five main creeks with multiple tributaries
- 27± reservoirs/ponds
- 38± troughs
- 42± miles of stock water pipeline
- Three 15,000+ gallon water storage tanks



IRRIGATED FIELDS



BUILDINGS & IMPROVEMENTS

Lucky 7, the ranch, has been split into three operating locations: Lucky 7 Headquarters, Vance, and Ten Mile. Each location is well appointed to meet the needs of the ranch hands and livestock, so that all are well taken care of.

Lucky 7

- Five employee houses (including town house)
- Working corrals
- Livestock scale
- Horse barn
- Dry storage
- Shop
- Fuel storage

Vance

- One employee house
- Working corrals
- Horse Barn
- Livestock scale
- Shop
- Fuel storage

Ten-Mile

- Three employee houses
- Shop
- Working corrals
- Fuel storage





MINERAL RIGHTS

All mineral rights appurtenant to the property and owned by the seller will convey to the buyer at closing. Mineral rights are not guaranteed. It is suggested that the buyer conduct a mineral search with a title company.

INTERESTING NOTE:

Twenty-seven miles as the crow flies is the Thacker Pass lithium project which is expected to bring a thousand new jobs during construction settling in at 300 permanent jobs. A summary of the Patent information is available on request. The information contained herein is furnished for reference purposes only and may or may not be complete or accurate.





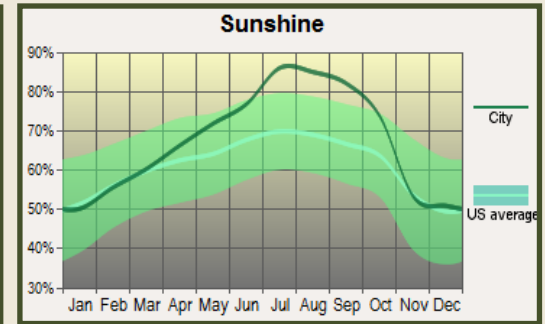
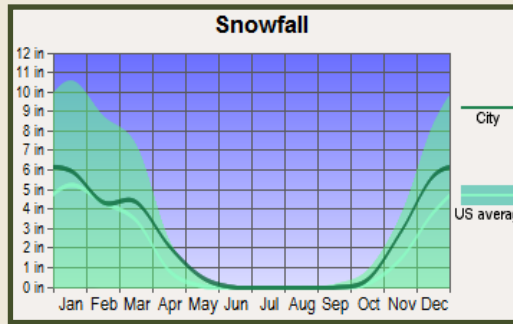
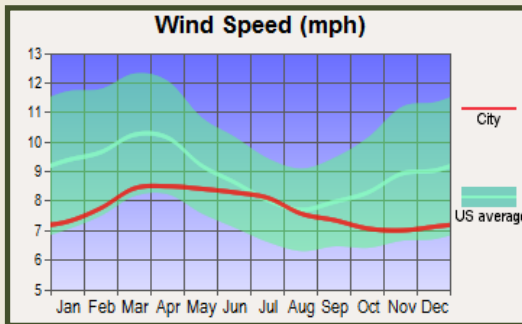
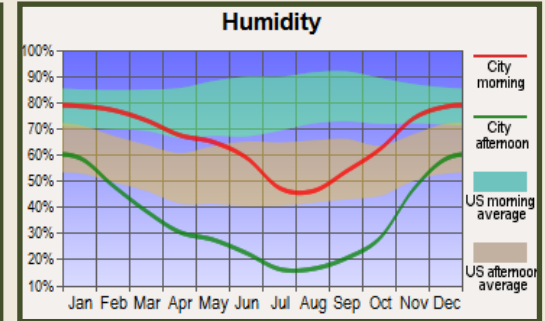
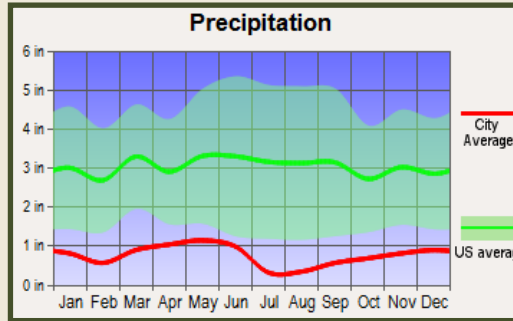
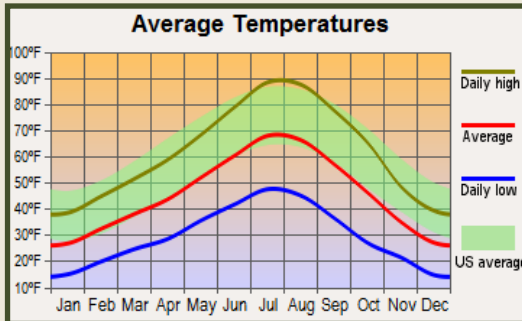




CLIMATE

The range of elevation spans nearly 4,000 feet. The base is 4,400 feet and surpasses 8,000 feet at its peak. McDermitt consistently sees over 15 hours of daylight in June and an average of 9.2 hours a day in December. The average annual precipitation is 8.19 inches at the low elevation and significantly increases as elevation increases.

Climate charts courtesy of city-data.com/city/mcdermitt-nevada.html



RECREATION

In addition to the value of investing in the land, water rights, mineral rights and cattle ranching industry, Lucky 7 is an outdoor adventurers paradise. Recreational amenities for family and friends are ample. Pairing outdoor lifetime activities on one of the nations most productive and historical cattle ranches is something most outdoorsmen only dream of.

HUNTING

- Mule Deer
 - Elk
 - Antelope
 - Bighorn Sheep
- In cooperation with the Oregon Department of Wildlife, the ranch typically receives four mule deer tags.







SALE CONDITIONS

OFFERING PRICE INCLUDES THE FOLLOWING ASSETS:

- All deeded land and improvements
- All water rights
- All mineral rights currently owned by seller subject to prior reservations
- Transfer of Bureau of Land Management term permits (subject to agency approval)
- All irrigation systems
- All furnishing and appliances not owned by employees



CONDITIONS OF SALE

- All prospective buyers must demonstrate financial capability to purchase the ranch prior to scheduling an inspection.
- No offers containing financing or appraisal contingencies will be considered.
- An owners policy of title insurance will be provided by Western Title Company located in Winnemucca, Nevada and Malheur County Title Company Inc. located in Ontario, Oregon.
- Seller requests that all proposals be delivered in the form of a letter of intent.



DEPRECIATION OPPORTUNITIES

Ranches in general, provide a multitude of depreciation opportunities. Listed below are common assets which are typically depreciated from ranch holdings.

- Grazing federal grazing permits. In accordance with IRS code Section 197 (d) (D) any license, permit, or other right granted by a governmental unit or an agency or instrumentality thereof.
- Irrigation equipment (pivots, pumps, panels, & pipeline)
 - 11,000± linear feet of main line (Average 10")
 - Three irrigation pumps
 - Three electrical panels
 - Five center pivots
- Fences - 750± miles
- Corrals - 9,000± linear feet
- Nine Employee housing units with furnishings
- Stock water improvements / pipeline
 - 42± miles of pipeline
 - 38± water troughs
 - Three water storage tanks (15,000+ gallon each)
 - 12 stock water | domestic wells
- 15 Shops/barns/ancillary structures
- Chutes and scales
 - Two hydraulic squeeze chutes
 - Two livestock scales



PASTURE | RANGELAND | FORAGE INSURANCE

The PRF policy is an area-based insurance plan that covers perennial pasture, rangeland, or forage used to feed livestock. It provides producers a risk management tool to cover the precipitation needed to produce forage for their operation.

The following table represents historical performance of one PRF scenario from 2000-2019. The model reflects insuring 250,000 acres across five grids. This scenario would have resulted in an indemnity that exceeded premium in 18 of the 20 years, with the average indemnity over the period calculated at \$1,308,610.

2000-2019 Ranch Performance - 90% Coverage Level						
Grid ID	Annual Premium (cost)	Average Indemnity (annual payout)	Average Net Indemnity (annual net payout)	Insured Acres	20 Year Return %	Net Payout Frequency
26449	\$ 138,899	\$ 296,745	\$ 157,846	50000	214%	12
26450	\$ 98,227	\$ 224,263	\$ 126,036	50000	228%	17
26451	\$ 121,894	\$ 259,809	\$ 137,916	50000	213%	15
26751	\$ 116,539	\$ 258,464	\$ 141,925	50000	222%	18
27051	\$ 122,612	\$ 269,328	\$ 146,716	50000	220%	14
Combined:	\$ 598,170	\$ 1,308,610	\$ 710,439	50000	219%	18
*** In 2020 this scenario would have resulted in an indemnity of \$1,460,073						

Please note that the above table represents one of countless scenarios available. The number of acres insured by grid and interval should be adjusted to meet the needs of the producer. This analysis does not guarantee future performance, but reflects the historical trend based on premium rates, county base values, and policy rules and requirements for the 2021 crop year.









CONTACT

This is an exclusive co-listing with Fay Ranches, Inc and Coldwell Banker Excel. Please contact **Scott Hawes** at (541) 419-0770 | shawes@fayranches.com or **Clay Nannini** at 208-539-7162 | clay@42northlandco.com to schedule a showing. An agent from Fay Ranches or Coldwell Banker Excel must be present at all showings unless otherwise noted or other arrangements are made. To view other properties, fly fishing properties, and sporting ranches that we have listed, please visit our web page at www.fayranches.com.

PRICE

\$28,600,000

TERMS

Cash
Conventional Financing
1031 Exchange

BLM GRAZING FEES

Fees paid to the BLM are \$31,755 annually for 23,522 active Animal Unit Months (AUM's), which breaks down to \$1.35 per AUM.

NOTICE

Offer is subject to errors, omissions, prior sale, change or withdrawal without notice, and approval of purchase by owner. Information regarding land classification, carrying capacities, maps, etc., is intended only as a general guideline and has been provided by the owners and other sources deemed reliable, but the accuracy cannot be guaranteed. Prospective purchasers are encouraged to research the information to their own satisfaction.



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OREGON REAL ESTATE AGENCY
INITIAL AGENCY DISCLOSURE PAMPHLET
OAR 863-015-0215 (5)

- 1 *This pamphlet describes the legal obligations of real estate agents in Oregon. Real estate agents and Principal Brokers are*
2 *required to provide this information to you when they first meet you.*
- 3 *This pamphlet is informational only. Neither the pamphlet nor its delivery to you may be interpreted as evidence of intent to*
4 *create an agency relationship between you and an agent or a Principal Broker.*

5 **Real Estate Agency Relationships**

- 6 An "agency" relationship is a voluntary legal relationship in which a licensed real estate agent or Principal Broker, agrees to act on
7 behalf of a buyer or a seller (the "client") in a real estate transaction.
- 8 Oregon law provides for three types of agency relationships between real estate agents and their clients:
- 9 **Seller's Agent** - Represents the seller only;
10 **Buyer's Agent** - Represents the buyer only;
11 **Disclosed Limited Agent** - Represents both the buyer and seller, or multiple buyers who want to purchase the same
12 property. This can be done only with the written permission of all clients.
- 13 *The actual agency relationships between the seller, buyer and their agents in a real estate transaction must be acknowledged at*
14 *the time an offer to purchase is made. Please read this pamphlet carefully before entering into an agency relationship with a real*
15 *estate agent.*

16 **Definition of "Confidential Information"**

- 17 Generally, agents must maintain confidential information about their clients. "Confidential information" is information communicated
18 to the agent or the agent's Principal Broker by the buyer or seller of one to four residential units regarding the real property
19 transaction, including but not limited to price, terms, financial qualifications or motivation to buy or sell. "Confidential information"
20 does not mean information that:
- 21 a. The buyer instructs the agent or the agent's Principal Broker to disclose about the buyer to the seller, or the seller
22 instructs the agent or the agent's Principal Broker to disclose about the seller to the buyer; and
23 b. The agent or the agent's Principal Broker knows or should know failure to disclose would constitute fraudulent
24 representation.

25 **Duties and Responsibilities of Seller's Agent**

- 26 Under a written listing agreement to sell property, an agent represents only the seller unless the seller agrees in writing to allow the
27 agent to also represent the buyer. An agent who represents only the seller owes the following affirmative duties to the seller, the
28 other parties and the other parties' agents involved in a real estate transaction:
- 29 1. To deal honestly and in good faith;
30 2. To present all written offers, notices and other communications to and from the parties in a timely manner without regard
31 to whether the property is subject to a contract for sale or the buyer is already a party to a contract to purchase; and
32 3. To disclose material facts known by the agent and not apparent or readily ascertainable to a party;

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- 33 A Seller's Agent owes the seller the following affirmative duties;
- 34 1. To exercise reasonable care and diligence;
 - 35 2. To account in a timely manner for money and property received from or on behalf of the seller;
 - 36 3. To be loyal to the seller by not taking action that is adverse or detrimental to the seller's interest in a transaction;
 - 37 4. To disclose in a timely manner to the seller any conflict of interest, existing or contemplated;
 - 38 5. To advise the seller to seek expert advice on matters related to the transactions that are beyond the agent's expertise;
 - 39 6. To maintain confidential information from or about the seller except under subpoena or court order, even after termination
 - 40 of the agency relationship; and
 - 41 7. Unless agreed otherwise in writing, to make a continuous, good faith effort to find a buyer for the property, except that a
 - 42 Seller's Agent is not required to seek additional offers to purchase the property while the property is subject to a contract
 - 43 for sale.
- 44 None of the above affirmative duties of an agent may be waived, except #7. The affirmative duty listed in #7 can only be waived by
- 45 written agreement between seller and agent.
- 46 Under Oregon law, a Seller's Agent may show properties owned by another seller to a prospective buyer and may list competing
- 47 properties for sale without breaching any affirmative duty to the seller.
- 48 Unless agreed to in writing, an agent has no duty to investigate matters that are outside the scope of the agent's expertise, including
- 49 but not limited to investigation of the condition of property, the legal status of the title or the seller's past conformance with law.

50 Duties and Responsibilities of Buyer's Agent

- 51 An agent, other than the Seller's Agent, may agree to act as the Buyer's Agent only. The Buyer's Agent is not representing the
- 52 seller, even if the Buyer's Agent is receiving compensation for services rendered, either in full or in part, from the seller or through
- 53 the Seller's Agent.
- 54 An agent who represents only the buyer owes the following affirmative duties to the buyer, the other parties and the other parties'
- 55 agents involved in a real estate transaction.
- 56 1. To deal honestly and in good faith;
 - 57 2. To present all written offers, notices and other communications to and from the parties in a timely manner without regard
 - 58 to whether the property is subject to a contract for sale or the buyer is already a party to a contract to purchase; and
 - 59 3. To disclose material facts known by the agent and not apparent or readily ascertainable to a party.
- 60 A Buyer's Agent owes the buyer the following affirmative duties:
- 61 1. To exercise reasonable care and diligence;
 - 62 2. To account in a timely manner for money and property received from or on behalf of the buyer;
 - 63 3. To be loyal to the buyer by not taking action that is adverse or detrimental to the buyer's interest in a transaction;
 - 64 4. To disclose in a timely manner to the buyer any conflict of interest, existing or contemplated;
 - 65 5. To advise the buyer to seek expert advice on matters related to the transaction that are beyond the agent's expertise;
 - 66 6. To maintain confidential information from or about the buyer except under subpoena or court order, even after termination
 - 67 of the agency relationship; and
 - 68 7. Unless agreed otherwise in writing, to make a continuous, good faith effort to find property for the buyer, except that a
 - 69 buyer's agent is not required to seek additional properties for the buyer while the buyer is subject to a contract for
 - 70 purchase.
- 71 None of these affirmative duties of an agent may be waived, except #7. The affirmative duty listed in #7 can only be waived by
- 72 written agreement between buyer and agent.
- 73 Under Oregon law, a Buyer's Agent may show properties in which the buyer is interested to other prospective buyers without
- 74 breaching an affirmative duty to the buyer.

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75 Unless agreed to in writing, an agent has no duty to investigate matters that are outside the scope of the agent's expertise, including
76 but not limited to investigation of the condition of property, the legal status of the title or the seller's past conformance with law.

77 **Duties and Responsibilities of an Agent**
78 **Who Represents More than One Client in a Transaction**

79 One agent may represent both the seller and the buyer in the same transaction, or multiple buyers who want to purchase the same
80 property, only under a written "Disclosed Limited Agency Agreement" signed by the seller and buyer(s).

81 Disclosed Limited Agents have the following duties to their clients:

- 82 1. To the seller, the duties listed above for a seller's agent; and
83 2. To the buyer, the duties listed above for a buyer's agent;
84 3. To both buyer and seller, except with express written permission of the respective person, the duty not to disclose to the
85 other person:
86 a. That the seller will accept a price lower or terms less favorable than the listing price or terms;
87 b. That the buyer will pay a price greater or terms more favorable than the offering price or terms; or
88 c. Confidential information as defined above.

89 Unless agreed to in writing, an agent has no duty to investigate matters that are outside the scope of the agent's expertise.

90 When different agents associated with the same Principal Broker (a real estate agent who supervises other agents) establish
91 agency relationships with different parties to the same transaction, only the Principal Broker will act as a Disclosed Limited Agent
92 for both buyer and seller. The other agents continue to represent only the party with whom the agents have already established an
93 agency relationship unless all parties agree otherwise in writing. The Principal Broker and the real estate agents representing either
94 seller or buyer shall owe the following duties to the seller and buyer:

- 95 1. To disclose a conflict of interest in writing to all parties;
96 2. To take no action that is adverse or detrimental to either party's interest in the transaction; and
97 3. To obey the lawful instruction of both parties.

98 No matter whom they represent, an agent must disclose information the agent knows or should know that failure to disclose would
99 constitute fraudulent misrepresentation.

100 *You are encouraged to discuss the above information with the agent delivering this pamphlet to you. If you intend for that*
101 *agent, or any other Oregon real estate agent, to represent you as a Seller's Agent, Buyer's Agent, or Disclosed Limited*
102 *Agent, you should have a specific discussion with the agent about the nature and scope of the agency relationship.*
103 *Whether you are a buyer or seller, you cannot make an agent your agent without the agent's knowledge and consent, and*
104 *an agent cannot make you their client without your knowledge and consent.*

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