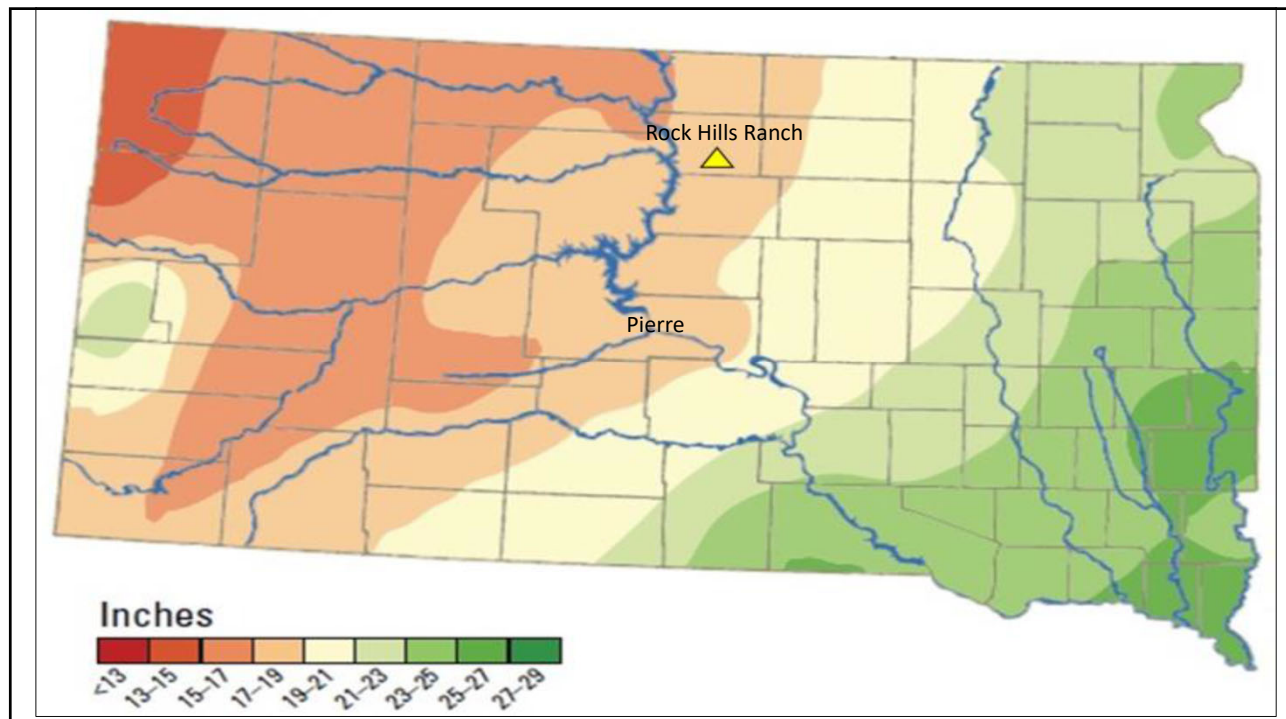


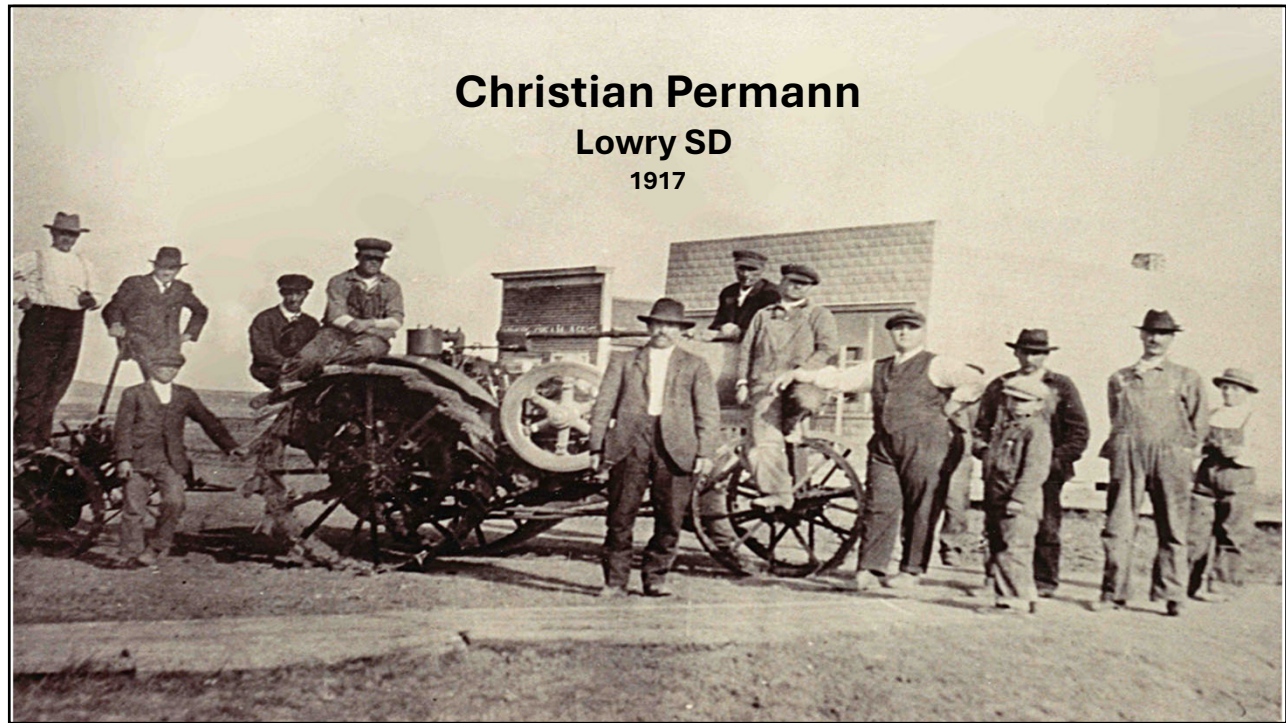
Rock Hills Ranch

Our mission is to reflect Christ in how we love people, manage the land and care for its inhabitants both domestic and wild

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- Will written in 1979
- Numerous changes over the next 25 years
- Father had stroke in December 2003
- Never updated until June 2004
- Unable to fulfill promises made in 1979
- Communication issues



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Next 10 yrs

Graduated from college
 Two children
 Purchased a ranch/cow herd
 Four drought yrs
 Paid 17.5% interest
 Bought high priced hay
 Hauled cattle to NE SD for summer
 Equipment/feed dealerships
 Garnet two jobs
 Bought 200 old short term ewes
 Second mortgage on the ranch
 Established an insurance business
 Commodity prices
 increase/decrease
 Paid our bills



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2018 Ranch Business Agreement

Land & Cattle

1/1/2018 Cattle Inventory

344 hd spring cows (61.5% Lyle, 38.5% Luke (441 hd bred total, 45% Lyle, 32.6% Luke, 22.4% Jerry)

22 open cows (45.7% Lyle, 28.6% Luke, 25.7% Jerry)

1 hd fall cows - (50% Lyle, 50% Luke)

189 heifer calves (7.6% Jerry, 45.4% Luke, 45.4% Luke)

85 steer calves (91% Luke, 9% Lyle)

27 bulls - Luke 100%

Costs:

Veterinary - Luke pays 100% of vet costs on cows, calves, and bulls.

Bulls - New bull purchases can be by either Luke or Lyle. If Lyle purchases a bull, Luke will rent it for \$500. All vet, grazing, and feed costs will be Luke's expense.

Yearling Replacement Heifers - 50/50 split between Luke and Lyle on 175 head

Pasture - Luke pays \$32/AUM from May 1 to October 31, and \$0.60/hd/day for grazing between November 1 and April 30. Winter is included. All interest for improvement and maintenance is paid for by the labor who does the work.

Hay land - All hay will be \$7/bale excluding ditch hay (no charge for that).

Farm land - Luke will pay rent of \$75/acre on the state land. Total acres = 180 ac

Sales:

Cow sales (opens & culls) are split to reflect ownership of the herd (62% Lyle, 38% Luke). All of Lyle's & Luke's cows will be managed as one herd. This does not include Oxner cows, which Jerry gets 100% of.

Calf sales - 80/20 split on Lyle's percentage of the cow herd. Luke gets 80% of calf proceeds, Lyle 20%, on calves born to Lyle's cows.

Equipment & Fuel

All repairs and maintenance costs are included in the rent, except expendable items such as filters, oil, grease, sections, guards, etc. It is Luke's responsibility to maintain adequate inventories of such items.

Rates are as follows:

Baler - \$3/bale

Hydroswing - \$6/acre

NH T6.175 tractor - \$15/hour (started at 866 hrs 1/1/18)

Kubota M6.101 tractor - \$12/hour (started at 325 hrs 1/1/18)

Skid Loader - since it is mostly used for fencing and yard work, no rent is due.

Business Agreement

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ROCK HILLS RANCH

Lyle and Gamet Perman

Luke and Naomi Perman

30872 143rd STREET

Lowry, S.D.

57472-6804

(605) 649-7629

www.rockhillsranch.com

Balance Sheet Worksheet

Date of Last Statement:

Date of New Statement:

Current Assets

Last

New

Cash and Equivalents

Marketable Bonds and Securities

Accounts and Notes Receivable

Commodity Trading Accounts

Market Livestock Inventory

Crops and Feed Inventory

Prepaid Expenses

Investment in Growing Crops

Other Current Assets

Total Current Assets

Noncurrent Assets

Last

New

Machinery and Equipment

Vehicles

Breeding Livestock

Buildings and Improvements

Real Estate

Other Noncurrent Assets

Total Noncurrent Assets

Total Assets

Current Liabilities

Last

New

Accounts Payable

FCSAmerica Operating Loans

Other Operating Loans

Commodity Drafts/Checks

Commodity Cash/Loan

Credit Card Debt

Accrued Interest

Current Portion Term Debt

Income and CA Taxes Payable

Total Current Liabilities

Noncurrent Liabilities

Last

New

FCSAmerica Term Loans

Other Term Loans

FCSAmerica Real Estate Loans

Other Real Estate Loans

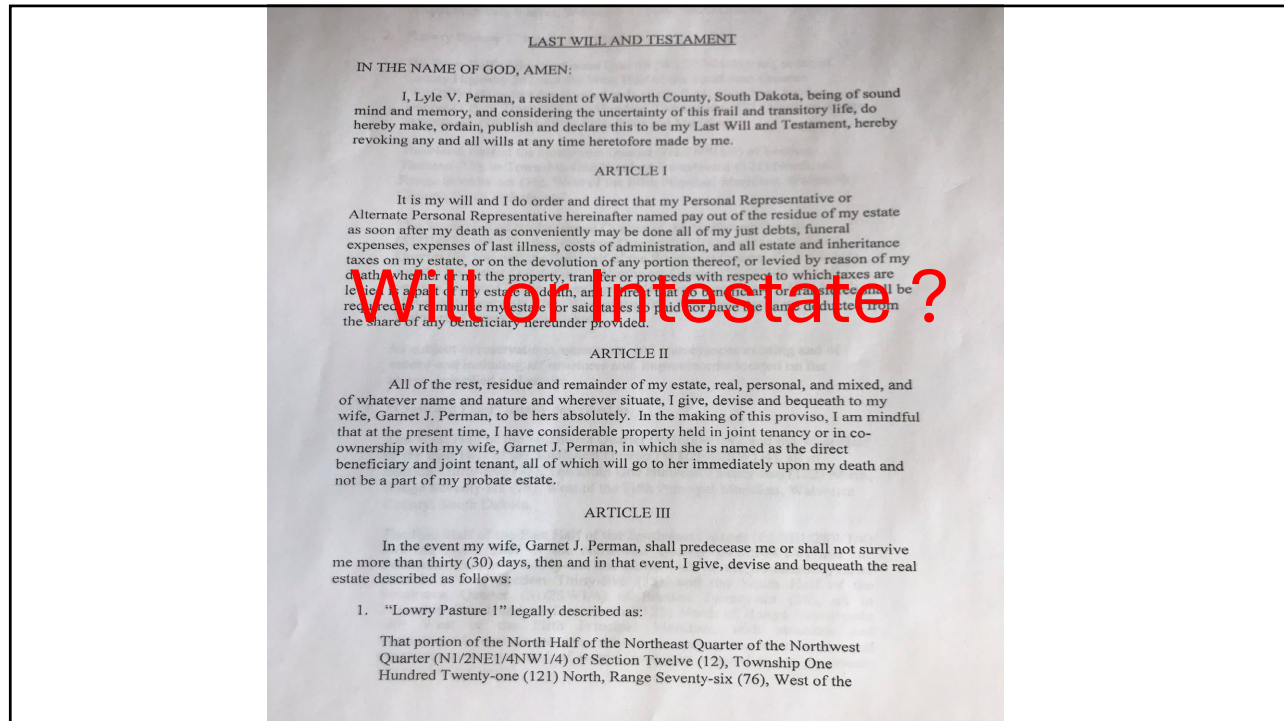
Total Noncurrent Liabilities

Total Liabilities

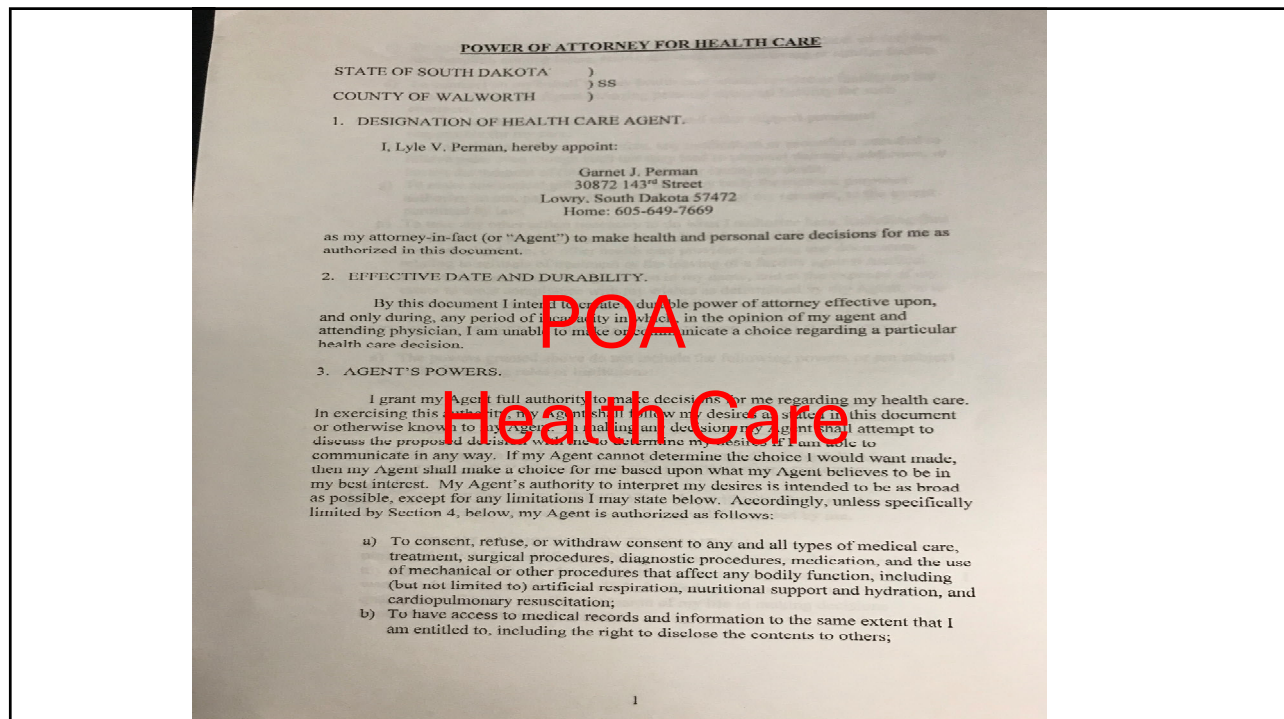
Total Equity

Balance Sheet

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DURABLE POWER OF ATTORNEY

STATE OF SOUTH DAKOTA)
) SS.
COUNTY OF WALWORTH)

KNOW ALL MEN BY THESE PRESENTS, that I, Lyle V. Perman, of 30872 143rd Street, Lowry, South Dakota 57472, do hereby appoint my wife, Garnet J. Perman, of 30872 143rd Street, Lowry, South Dakota 57472, or in the event of her prior decease or inability to act, my son, Luke Perman, of 14351 312th Avenue, Hoven, South Dakota 57450, my true and lawful attorney, for me and in my name, place and stead, to manage, and conduct my affairs, and for such purposes in my name and on my behalf to do and execute all or any of the following acts, deeds and things:

1. To ask, demand, sue for, recover and receive all sums of money, debts, dues, goods, wares, merchandise, chattels, effects and things of whatsoever nature or description which now or hereafter shall be or become due, owing, payable or belonging to me in or by any right, title, ways or means howsoever, and upon receipt thereof to make, sign, execute and deliver such receipts, releases or other discharges for the same respectively as she shall think fit or be advised.
2. To settle any account or reckoning whatsoever wherein I now am or at any time hereafter shall be in any wise interested or concerned with any person whomsoever, and to pay or receive the balance thereof as the case may require.
3. To receive every sum of money which now is or hereafter shall be due or belonging to me upon the security or by virtue of any mortgage and on receipt of the full amount secured thereby to execute a good and sufficient release or other discharge of such mortgage by deed or otherwise.
4. To compound with or make allowances to any person for or in respect to any debt or demand whatsoever which now is or shall at any time hereafter become due and payable to me, and to take and receive any composition or dividend thereof or thereupon, and to give releases or other discharges for the whole of such debts or demands or to settle, compromise, or submit to arbitration every such debt or demand and every other right, matter and thing due to or concerning me as my attorney shall think best, and for

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MedAmerica
INSURANCE COMPANY
An Excess Company Home Office: Pittsburgh, PA

Administrative Offices:
165 Court Street
Rochester, NY 14647
1-800-544-0327

Simplicity

LONG TERM CARE INSURANCE - OUTLINE OF COVERAGE
Policy Number SPL-330
for Individual Sales

Caution: The issuance of this Long Term Care Policy is based upon your responses to the questions on your application. A copy of your application is enclosed. If your answers are incorrect or untrue, the Company may have the right to deny Benefits or rescind your Policy. The best time to clear up any questions is now, before a claim arises! If, for any reason, any of your answers are incorrect, contact the Company at the address above.

Notice to Buyer: This Policy may not cover all of the costs associated with LONG TERM CARE incurred by the buyer during the period of coverage. Buyer is advised to review the full Policy limitations.

1. **PURPOSE:** This Policy is an individual Policy of insurance.
2. **PURPOSE OF OUTLINE OF COVERAGE:** This Outline of Coverage provides a very brief description of the important features of the Policy. You should compare this Outline of Coverage to outlines of coverage for other policies available to you. This is not an insurance contract, but only a summary of coverage. Only the individual Policy contains governing contractual provisions. This means that the Policy sets forth in detail the rights and obligations of both you and the insurance company. Therefore, if you purchase this coverage, or any other coverage, it is important that you **READ YOUR POLICY CAREFULLY!**
3. **FEDERAL TAX CONSEQUENCES:** This Policy is intended to be a Qualified Long Term Care insurance contract under section 7702B(b) of the Internal Revenue Code.
4. **TERMS UNDER WHICH THE POLICY OR CERTIFICATE MAY BE CONTINUED IN FORCE OR DISCONTINUED:**
 - (a) **RENEWABILITY: THIS POLICY IS GUARANTEED RENEWABLE.** This means that you have the right, subject to the terms of your Policy, to continue your Policy as long as you pay your premiums on time. MedAmerica Insurance Company cannot change any of the terms of your Policy on its own, except that, in the future, IT MAY CHANGE THE PREMIUM YOU PAY. Where applicable, premium increases must be approved by the State Department of Insurance.
 - (b) **WAIVER OF PREMIUM:** Your premium payments will be waived on a monthly basis starting the day after the date your Elimination Period is satisfied. The Waiver of Premium will end on the date you are no longer Benefit Eligible.
5. **TERMS UNDER WHICH PREMIUMS MAY BE CHANGED:** We reserve the right to increase your premium as of the premium due date; however, any changes in the premium rates must apply to all similar policies issued in your state on this Policy form. This means we cannot single you out for an increase because of any change in your age or health. However, your rates may go up based on the experience of all policyholders with a Policy similar to yours.

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