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*Attorneys for Debtors, John and Lujean Hartwell,  
and H&H Farms*

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE NORTHERN DISTRICT OF TEXAS  
AMARILLO DIVISION**

**In Re:** §  
§  
**JOHNNIE LYNN HARTWELL and** § **Case No. 17-20105-RLJ-11**  
**wife, LUJEAN HARTWELL,** §  
§  
**Debtors.** §

**And**

**In Re:** §  
§  
**H&H FARMS,** § **Case No. 17-20106-RLJ-11**  
§  
**Debtor.** §

**DEBTORS' EMERGENCY MOTION REQUESTING AUTHORITY TO RATIFY AND  
REAFFIRM CROP OPERATING LOAN, USE CASH COLLATERAL, GRANT  
PRIMING LIENS, AND MAKE ADEQUATE PROTECTION PAYMENTS PURSUANT  
TO THE PROVISIONS OF 11 U.S.C. §§ 363 AND 364(d)  
(Ag Resource Management and Happy State Bank)**

TO THE HONORABLE ROBERT L. JONES, U. S. Bankruptcy Judge:

NOW COME, John and Lujean Hartwell and H&H Farms, a Texas general partnership (the "Debtors"), the Debtors in the above-referenced bankruptcy case, and file this Debtors' Emergency Motion for Authority to Ratify and Reaffirm Crop Operating Loan, Use Cash

Collateral, Grant Priming Liens, and Make Adequate Protections Payments Pursuant to the Provisions of 11 U.S.C. §§ 363 and 364(d) (the “Motion”). In support, Debtor would show the Court as follows:

**JURISDICTION AND CURRENT STATUS OF THE BANKRUPTCY CASE**

1. The Court has jurisdiction over this Motion pursuant to 28 U.S.C. §§ 157 and §§ 1334. This is a core proceeding pursuant to 28 U.S.C. §§ 157(b)(2)(A), (D), (M) and (O).

2. The relief requested by the Debtor is proper under 11 U.S.C. §§ 363 and 364 of the U.S. Bankruptcy Code as well as the provisions of Bankruptcy Rule of Procedure 4001(b) and (c).

3. John and Lujean Hartwell and H&H Farms (“Debtors”) filed for relief under Chapter 11 of the Bankruptcy Code on March 31, 2017, (“Petition Date”) and have all the rights, powers and duties of a debtor in possession. Thus, they continue to conduct their farming business pursuant to 11 U.S.C. § 1107.

4. The Debtors in these cases run an integrated farming operation as part of a common enterprise in which John and Lujean have title to certain assets used by H&H Farms in the business, and where John and Lujean, both as partners and by virtue of the execution of personal guaranties, are liable for all of the debts of H&H Farms. The Debtors intend to file a motion to request the joint administration of their bankruptcy cases.

**BACKGROUND FACTS RELATING TO THE DEBTORS’ REQUESTS FOR POST-PETITION FINANCING AND USE OF CASH COLLATERAL**

5. The Debtor, H&H Farms (“H&H”), is a Texas general partnership, consisting of John Hartwell (30%), his wife, LuJean Hartwell (30%), and their daughter, Shawn Michelle Hartwell (20%) and, granddaughter, Alynson Grace Hartwell (20%). H&H conducts farming

operations in Dallam County, Texas, and Roosevelt County, New Mexico, and grows, harvests and markets feed grains and forage crops produced on land owned by the Debtors in the affiliated case of John and Lujean Hartwell as well as land leased from other land owners in the area. The primary customers for the farm products produced by H&H are the dairies and cattle feedlots located in the region where H&H produces its crops.

6. John Hartwell is the manager and personally oversees the farming operations of H&H. Lujean Hartwell has historically paid the bills and kept the books of H&H, but recently these duties have been transitioned to the Hartwells' granddaughter, Alynson Hartwell.

7. John and Lujean Hartwell own 1,605 acres of farmland in Dallam County, Texas. The most recent appraisal valued the farmland at \$3,046,000 in 2012. Zions First National Bank ("Zions") loaned the Hartwells the funds to purchase the land, and the current balance of the promissory note owing to Zions is approximately \$1,070,000. The Hartwells claim 200 acres of the land as well as the house located on the property having an estimated value of \$500,000 as their homestead. The payments are current on the note owing to Zions.

8. Both the Hartwells and H&H are highly leveraged. The majority of the farm machinery and equipment used in their farming operations is subject to purchase money security interests in favor of John Deere Financial and CNH Industrial Capital covering equipment purchased by John and Lujean, and equipment leases on vehicles and farm machinery owned by Indian Ink Leasing and other farm equipment leasing companies carried in the name of H&H.

9. The Debtors estimate the value of their farm machinery and equipment not subject to purchase money security interests or personal property leases at approximately \$391,000. This figure regarding the value of farm machinery is after they account for numerous items of

equipment sold at public auction by High Plains Auctioneers pre-petition. The equipment sale netted total proceeds of \$127,464, and High Plains Auctioneers recently delivered to John Hartwell a check made jointly payable to Mr. Hartwell and Happy State Bank.

10. In 2012 the Debtors began securing their crop financing from Happy State Bank, Amarillo, Texas (“HSB”), and over the course of the lending relationship with HSB executed six promissory notes in the name of H&H having a total estimated current balance of \$4,607,923, and one promissory note in the name of John Hartwell with an estimated current balance of \$213,893. The notes owing HSB by John and Lujean Hartwell and H&H have an aggregate estimated balance owing as of the Petition Date of approximately \$4,821,816. The notes have all matured or been accelerated and demands have been made by counsel for HSB for repayment of the full amounts outstanding. On or about March 15, 2017, the real property against which HSB holds a second lien deed of trust was posted for foreclosure sale to be held on April 4, 2017. In order to prevent HSB’s foreclosure of the farmland, John and Lujean Hartwell and H&H filed petitions for relief under Chapter 11 of the Bankruptcy Code on March 31, 2017.

11. All notes held by HSB are cross-collateralized and are secured by a second lien deed of trust against the 1,405 acres of real property owned by John and Lujean Hartwell (not including any homestead acres); a first lien deed of trust against an eleven acre tract of real property along with the improvements consisting of an office building and shop owned by H&H (“Ponderosa Property”), and a first lien against the Debtors’ farm machinery and equipment, inventory, accounts receivable, and farm products and associated FSA payments produced during crop year 2016. All of the liens and security interests of HSB against such assets appear to be properly recorded and perfected.

13. The Debtors estimate the current collateral value of the assets against which HSB has perfected liens to be as follows:

- Equity in 1,405 acres of real estate (2<sup>nd</sup> lien): \$1,476,000
- Ponderosa Property: \$ 665,000
- Equipment proceeds: \$ 127,464
- Farm machinery & equipment: \$ 391,000
- Estimated accounts/wheat straw/FSA payments: \$ 606,274

TOTAL COLLATERAL VALUE: \$3,265,738.

14. Based upon the collateral analysis of the Debtors, HSB has a secured claim against assets of the two bankruptcy estates of approximately \$3,265,738, and an unsecured deficiency claim of approximately \$1,556,078. The Debtors propose to turn over to HSB the check for the equipment proceeds in the amount of \$127,474 to HSB and have it applied to the outstanding secured claim. Presently, the Debtors do not have in hand and will not receive the FSA farm program payments for 2016 totaling an estimated \$256,274 until October or November 2017. Thus, the estimated value of HSC's collateral as of the date of the filing of the Motion, and after the application of the equipment proceeds, is approximately \$2,882,000.

15. In the fall of 2016, the Debtors negotiated an agreement with Ag Resource Management ("ARM") to obtain secured credit to finance crop inputs for its 2017 wheat crop, and a second agreement to provide financing for the summer crops of corn and a seed block of grain sorghum.

16. H&H signed a promissory note dated October 28, 2016, in favor of ARM in the principal sum of \$346,456 bearing interest at the annual rate of 7.50% along with a loan origination fee and loan service fee of \$3,397 each, and being fully due and payable on August 15, 2017 ("Wheat Note"). In order to secure the repayment of the loan, H&H granted ARM a

first lien security interest in all the Debtors' growing crops, crop insurance and FSA farm program payments. The balance owing on the Wheat Note as of March 22, 2017, was approximately \$297,727, with a remaining credit availability of approximately \$48,729.

17. The Wheat Note is secured by 3,379.1 acres of irrigated wheat, 901 acres of dryland wheat, 3,905 acres of wheat which is the subject of pasture leases, and 437.5 acres of triticale, plus all crop insurance proceeds on all insurable crops, and 2017 FSA farm program payments associated with the crops. The total estimated value according to the best projections of the Debtors with respect to crop yields, commodity prices and pasture rent for these crops is \$1,376,316. The crops should be ready for harvest in late June or early July, and the Debtors believe they will be able to market the crops and realize the proceeds from their sale prior to the due date on the Wheat Note of August 15, 2017. The Wheat Note is secured by 3,379.1 acres of irrigated wheat, 901 acres of dryland wheat, 3,905 acres of wheat which is the subject of pasture leases, and 437.5 acres of triticale, plus all crop insurance proceeds on all insurable crops, and 2017 FSA farm program payments associated with the crops. The total estimated value according to the best projections of the Debtors with respect to crop yields, commodity prices and pasture rent for these crops is \$1,376,316. The crops should be ready for harvest in late June or early July, and the Debtors believe they will be able to market the crops and realize the proceeds from their sale prior to the due date on the Wheat Note of August 15, 2017.

18. H&H signed a promissory note dated January 20, 2017, in favor of ARM in the principal sum of \$1,008,561 bearing interest at the annual rate of 8.00% along with a loan origination fee and loan service fee of \$9,888 each, and being fully due and payable on March 15, 2018 ("Corn and Milo Note"). In order to secure the repayment of the loan, H&H granted

ARM a first lien security interest in all the Debtors' 2017 corn and hybrid seed sorghum crops, crop insurance and FSA farm program payments along with a second lien security interest in the Debtors' inventory and equipment. The balance owing on the Corn and Milo Note as of March 22, 2017, was approximately \$420,314, with a remaining credit availability of approximately \$588,247.

19. The Corn and Milo Note will be secured by 1,915 acres of irrigated corn, and 250 acres of hybrid sorghum to be grown as a seed block, plus all crop insurance proceeds on all insurable crops, and 2017 FSA farm program payments associated with the crops. The total estimated value according to the best projections of the Debtors with respect to crop yields, commodity prices and pasture rent for these corn and sorghum seed crops is \$1,508,800. The crops should be ready for harvest in late summer and early fall of 2017, and the Debtors believe they will be able to market the crops and realize the proceeds from their sale prior to the due date on the Corn and Milo Note of March 15, 2018.

20. No other creditor other than ARM has provided operating funds for the planting or cultivation of the current wheat and triticale crops, nor toward the preparation of the Debtors' farmland for the production of the corn and hybrid sorghum crops. However, HSB has a pre-petition lien against crops, crop insurance and government payments.

**DEBTORS' REQUEST AUTHORITY TO RATIFY AND REAFFIRM THE PRE-PETITION FINANCING ARRANGEMENTS WITH AG RESOURCE MANAGEMENT, AND GRANT POST-PETITION PRIMING LIENS TO SECURE THE REPAYMENT OF THE CROP OPERATING LOANS**

21. The Debtors seek authority, pursuant to the provisions of 11 U.S.C. § 364(d) to ratify and reaffirm the Wheat Note and the Corn and Milo Note, along with the financing arrangements incorporated in the notes and collateral documents between H&H and ARM. The

Debtors further seek authority to access the estimated \$622,000.00 of credit remaining on the two ARM promissory notes, and grant ARM post-petition senior liens against the Debtors' existing wheat and triticale crops as well as the Debtors' 2017 crops, crop insurance, and government payments. The Debtors would show the Court that they are unable to obtain such credit from ARM or any other operating lender without granting a priming lien to ARM, to the extent necessary, such that HSB's existing pre-petition liens do not attach to any of the collateral which secures the repayment of the ARM notes.

22. The Debtors' request interim relief on an emergency basis because there is presently an immediate need for the use of funds in the operation of the Debtors' business. One of the major aspects of their farming operation is land preparation for the coming crop year. The Debtors have cash needs for the purchase of fuel, parts, equipment repair, and other supplies necessary to perform land preparation activities on the farmland they rent and own to be prepared to plant the 2017 corn and hybrid sorghum. They also need to have funds available to pay their laborers. The Debtors employ an average of 15 people with a monthly payroll of between \$20,000 and \$36,500 depending upon the season. Additionally, in order to complete the wheat crop presently growing, the Debtors' need funds to purchase and apply fertilizers and other agriculture chemicals, and to pay utilities to pump the water wells which irrigate their wheat crop. Time is of the essence and unless these activities are undertaken immediately the estates will suffer immediate and irreparable harm. The expenses that must be paid within the next thirty (30) days total an estimated \$201,000.00.

**DEBTORS' REQUEST FOR INTERIM USE OF CASH COLLATERAL AND TO  
MAKE ADEQUATE PROTECTION PAYMENTS**

22. The Debtors' have approximately 90,000 bushels of feed corn in on farm storage



which is subject to a security interest in favor of the Commodity Credit Corporation (“CCC”) to secure the repayment of an outstanding CCC loan in the approximate sum of \$214,000. The feed corn was produced by H&H in 2016 and then was placed in the CCC loan program. HSB, which held a security interest in the feed corn and the proceeds of the corn, released its lien against the corn in exchange for the receipt of the CCC loan proceeds.

23. The Debtors’ have arranged a contract with Dalhart Feeders to deliver the feed corn to it for consumption of its cattle at the feedlot for the favorable price of \$3.90 per bushel. The Debtors’ estimate the gross proceeds from such sales to total the sum of \$351,000, and after the payment of the outstanding CCC loan to net the Debtors approximately \$130,000. However, in accord with the regulations of the CCC loan program the corn cannot be removed from the on farm storage and delivered to Dalhart feeders until the funds representing the amount of the CCC loan for each delivery are paid. The Debtors’ lack the necessary funds to pay the CCC prior to the delivery of the feed corn. Unless the immediate use of cash collateral is granted the Debtors risk losing the benefits of the contract with Dalhart Feeders and the estates will suffer immediate and irreparable harm.

24. The Debtors, therefore, seek emergency interim authority to use cash collateral subject to liens in favor of HSB in the form of an estimated \$62,500 worth of proceeds the Debtors project they will receive from sales of 2016 wheat straw and seed sales commission during the month of April. These funds will be used in accord with a budget reflecting sources and uses of funds. This cash collateral will be used over a period of thirty (30) days, or until the Court can conduct a final hearing on Debtors’ request for permanent use of cash collateral. The Debtor requires the use of these proceeds from crop insurance benefits and such funds would be

expended in accordance with the cash flow projections attached to this Motion as Exhibit "A." As reflected in such cash flow projections, the Debtor estimates total cash needs over the 30-day period of approximately \$286,000 consisting of operating expenses of \$201,000 and \$85,000 to be applied in increments of approximately \$10,000 each toward the repayment of the CCC loan.

25. The Debtors hereby request an expedited preliminary hearing on this Motion. The Debtor requests authority to use cash consistent with the attached cash flow projections shown on Exhibit "A." The Debtors suggest that to the extent adequate protection payments are deemed by the Court to be necessary and appropriate they be authorized to make monthly interest payments to HSB on their estimated secured claim in the estimated sum of \$2,882,000 at the annual rate of 5.50%.

26. Concurrently with the filing of this Motion, the Debtors are filing in their respective cases a Motion for Emergency Hearing to Shorten and Limit Notice on this Motion. The Debtor's further request the Court set a hearing to consider the Debtor's continued use of cash collateral and to grant adequate protection to secured creditors in a manner consistent with the requirements of the Bankruptcy Code.

WHEREFORE, PREMISES CONSIDERED, the Debtors request the Court enter an interim order granting the Debtors' authority, pursuant to the provisions of 363 and 364(d) of the Bankruptcy Code, to ratify and reaffirm the financial agreements the Debtors entered into with ARM connected with the Wheat Note and the Corn and Milo Note, grant the Debtors authority to borrow up to an additional amount of \$201,000 from the credit remaining available on such notes, grant ARM a first and prior lien against the Debtors' 2017 wheat, triticale, corn and hybrid sorghum crops, along with the crop insurance, and FSA government payments associated with

such crops, and pray the Court to the extent necessary subordinate any existing liens of creditors asserting liens against the 2017 crops provided that such liens are shown to be validly perfected liens and such creditors are otherwise adequately protected, grant the Debtors authority for interim use cash collateral subject to liens in favor of HSB in the estimated sum of \$63,000, grant the Debtor as necessary and appropriate the authority to turn over to HSB the check from High Plains Auctioneers representing equipment proceeds, along with further authority to make adequate protection payments to HSB, and finally prays the Court set a hearing at the end of the 30-day interim period of financing and use of cash collateral to consider the continued financing of the Debtors by ARM and the Debtors' request for continued use of cash collateral, and grant such other and further relief as the Court may deem necessary and proper.

Respectfully Submitted,

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/s/ David R. Langston  
David R. Langston, SBN: 11923800  
***Attorneys for Debtors, John and LuJean Hartwell  
and H&H Farms***

**CERTIFICATE OF CONFERENCE**

This is to certify that I conferred with Roger Cox, attorney for Happy State Bank, Amarillo, Texas, about the Motion to Ratify and Reaffirm Crop Operating Loan, on April 6, 2017, and he indicated that he was not able to take a position with respect to the Motion until he conferred with his client, and stated he reserved all rights to object to the Motion at this time. I also conferred with Andrew McMurry, Senior Loan Officer for Ag Resource Management, on April 6, 2017, and he indicated that Ag Resource Management had no objection to the requested relief.

/s/ David R. Langston  
David R. Langston

**CERTIFICATE OF SERVICE**

I certify that a true and correct copy of the foregoing Motion was served on the following parties in interest via ECF and/or regular U.S. Mail on this 6th day of April, 2017:

- |   |   |
|---|---|
| 1. Ms. Lisa Lambert<br>Assistant U.S. Trustee<br>U.S. Trustee's Office<br>1100 Commerce St., Room 9C60<br>Dallas, Texas 75242 | 2. Mr. Roger Cox<br>Underwood Law Firm, P.C.<br>P.O. Box 9158<br>Amarillo, Texas 79108              |
|   | 3. Andy McMurry<br>Ag Resource Management<br>7116 I-40 W., Bldg. C, Ste. B<br>Amarillo, Texas 79106 |

/s/ David R. Langston  
David R. Langston

EXHIBIT "A"

A		B		C		D		N	
Name: H&H Farmer/Hartwell (consolidated)		Month	Month	Month	Month	Month	Month	TOTAL	TOTAL
MONTHLY BUDGET		Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sept-17		
1	ARM Credit Line	622,000						622,000	
2	BEGINNING CASH BALANCE	5,000	548,650	665,500	5,000			1,224,100	
3	Corn on Farm Storage	87,750	175,500	87,750				351,000	
4	2016 Wheat								
5	2016 Triticale								
6	2016 Sorghum Sudan Seed		101,000					101,000	
7	Pasture rent		60,000					60,000	
8	Wheat Straw	20,000	20,000					40,000	
9	2017 Crop Corn								
10	2017 Crop Milo - Seed Block								
11	2016 Wheat Straw								
12	Potato Lease	32,500						32,500	
13	Custom Work - AR	25,000	25,000					50,000	
14	Custom Work		200,000					200,000	
15	Ag Program Payments								
16	Seed Sales Commission	43,000						43,000	
17	Truck Lease from H&H Transport								
18									
19									
20									
21	TOTAL FARM INCOME	208,250	581,500	487,750				1,277,500	
22	SALE OF CAPITAL ASSETS - HSB	127,464						127,464	
23	SALE OF CAPITAL ASSETS - CNH						28,000	28,000	
24									
25									
26	TOTAL INCOME	335,714	581,500	487,750				1,412,964	
27	EXPENDITURES:								
28	Utilities (Irrigation, NG, Elec.)	75,000	75,000					150,000	
29	Labor & PR Tax	20,000	35,000					55,000	
30	Seed								
31	Herbicide		18,000					18,000	
32	Fertilizer	50,000	112,500					162,500	
33	Fuel	23,000	54,000					77,000	
34	Harvest Expense (Custom Hauling)								
35	Crop Insurance						21,600	21,600	
36	Truck/Auto Insurance	1,000	1,750					2,750	
37	Workers Comp Insurance								
38	Liability Insurance								
39	Repairs	16,000	26,000					42,000	
40	Supplies	8,500	8,500					17,000	
41	Custom Hire (Spraying)								
42	Leased Land-Cash Rent								
43	Draw	7,500	7,500					15,000	
44	Ford Motor Credit						5,417	5,417	
45									
46									
47	U.S. Trustee Fees (Quarterly)								
48	Professional Fees								
49	Payroll Taxes								
50	Income Taxes								
51	Property Taxes								
52									
53									
54	TOTAL OPERATING EXP.	201,000	336,250	234,767				772,017	
55	CCC crop loan	85,600	128,400					214,000	
56	Note Payments - HSB RE Note								
57	Note Payments - HSB Equipment	127,464						127,464	
58	Note Payments - HSB Cash Collat.								
59	ARM Credit Line - repayment								
60	Zion RE Loan								
61	Indian Inc. Leasing						113,165	113,165	
62	CNH Industrial						28,000	28,000	
63	John Deere Financial								
64	Farm Credit Leasing						14,000	14,000	
65	TCF Leasing						9,000	9,000	
66	Northland Capital - leasing						21,000	21,000	
67	Unsecured Creditors								
68	Adequate Protection Payments HSB								
69	TOTAL EXPENSE	414,064	464,650	433,141			13,209	1,325,064	
70	NET INCOME	(78,350)	116,850	62,609			101,109	1,087,900	
71	CASH and Credit Availability	548,650	665,500	728,109				1,942,259	
72									
73									
74								5,000	
75								622,000	
76								1,412,964	
77								(1,311,855)	
78								728,109	

Real Estate (2nd lien)	1476000	1476000
Ponderosa	665000	665000
	2141000	
Equipment	391000	391000
	2532000	
Wheat Straw	120000	
Sudan Seed	101000	
Channel Commission	129000	350000
	2882000	
		2882000







Crops, Pasture	%	Acres	Yield	Production	Sell	@	Sales	Net after	Held
2016 Sorghum Sudan Seed							\$101,000		0
Wheat	100%	3379.1	50.0	168,955	168,955	\$4.00	\$675,820	\$675,820	0
Dryland - Wheat	100%	901	15.0	13,515	13,515	\$4.58	\$61,899	\$61,899	0
Triticale	100%	437.5	50.0	21,875	21,875	\$7.25	\$158,594	\$158,594	0
Pasture Lease	100%	3905	1.0	3,905	3,905	\$122.92	\$480,003	\$480,003	0
Potato Lease	100%	250	1.0	250	250	\$430.00	\$107,500	\$107,500	0
Corn - On Farm Storage	100%	1	90000.0	90,000	90,000	\$3.90	\$351,000	\$351,000	0
Wheat Straw - On Farm Stg	100%	1	6000.0	6,000	6,000	\$20.00	\$120,000	\$120,000	0
2017 Crop Irrigated Corn	100%	1915	180.0	344,700	344,700	\$4.00	\$1,378,800	\$1,378,800	0
2017 Crop Sorghum Sudan	100%	250	40.0	10,000	10,000	\$13.00	\$130,000	\$130,000	0
2016 Wheat Straw	100%	1	5000.0	5,000	5,000	\$20.00	\$100,000	\$100,000	0
<b>TOTALS ACRES</b>		<b>11040.6</b>					<b>\$3,664,615</b>	<b>\$3,563,615</b>	<b>0</b>

Crops, Pasture	% Crop	Acres	Chemicals		Fertilizer		Custom Hire		Harvest Expense		Water Charges		Insurance		Seed	
			\$/Acre	Total	\$/Acre	Total	Total	\$/Acre	Total	\$/Acre	Total	\$/Acre	Total	\$/Acre	Total	
2016 Sorghum Sudan Seed	0%	0		\$0		\$0		\$0		\$0		\$0		\$0		\$0
Wheat	100%	3379.1		\$0		\$0		\$0		\$0		\$0		\$0		\$0
Dryland - Wheat	100%	901		\$0		\$0		\$0		\$0		\$0		\$0		\$0
Triticale	100%	437.5		\$0		\$0		\$0		\$0		\$0		\$0		\$0
Pasture Lease	100%	3905		\$0		\$0		\$0		\$0		\$0		\$0		\$0
Potato Lease	100%	250		\$0		\$0		\$0		\$0		\$0		\$0		\$0
Corn - On Farm Storage	100%	1		\$0		\$0		\$0		\$0		\$0		\$0		\$0
Wheat Straw - On Farm Stg	100%	1		\$0		\$0		\$0		\$0		\$0		\$0		\$0
2017 Crop Irrigated Corn	100%	1915		\$0		\$0		\$0		\$0		\$0		\$0		\$0
2017 Crop Sorghum Sudan	100%	250		\$0		\$0		\$0		\$0		\$0		\$0		\$0
2016 Wheat Straw	100%	1		\$0		\$0		\$0		\$0		\$0		\$0		\$0
<b>Total</b>	<b>0%</b>	<b>11040.6</b>		<b>\$0</b>		<b>\$0</b>		<b>\$0</b>		<b>\$0</b>		<b>\$0</b>		<b>\$0</b>		<b>\$0</b>

**CROP PRODUCTION EXPENSES FOR YEAR**

<b>Total Debt:</b>		<b>Payments:</b>		
<b>Note 1</b>	3,330,900	<b>Note 1</b>	256,067	896,696
<b>Note 3</b>	169,000		30,274	(8,825) CNH
<b>Note 4</b>	1,070,000		106,599	(220,000) FMC
				(498,871) John Deere Fin
<b>Total Debt</b>	4,569,900	<b>Total Payments</b>	392,940	
<b>Total debt per cash flow</b>	-	<b>Payment in cash flow</b>	-	169,000
				(169,000)
<b>Difference</b>	4,569,900		392,940	-

<b>Note 1</b>	HSB RE	<b>Trustees Fees</b>	<b>Total Payment</b>	4,820,000
<b>PV</b>	3,330,900			(3,330,900)
<b>N</b>	20			(169,000)
<b>I</b>	0.045			(377,464)
<b>PMT</b>	\$256,066.75		\$256,066.75	(485,600)
				457,036

Year	Beginning Balance	Payment	Interest	Principal	Ending Balance
1	3,330,900	256,067	149,891	106,176	3,224,724
2	3,224,724	256,067	145,113	110,954	3,113,770
3	3,113,770	256,067	140,120	115,947	2,997,822
4	2,997,822	256,067	134,902	121,165	2,876,658
5	2,876,658	256,067	129,450	126,617	2,750,041
6	2,750,041	256,067	123,752	132,315	2,617,726
7	2,617,726	256,067	117,798	138,269	2,479,457
8	2,479,457	256,067	111,576	144,491	2,334,965
9	2,334,965	256,067	105,073	150,993	2,183,972
10	2,183,972	256,067	98,279	157,788	2,026,184
11	2,026,184	256,067	91,178	164,888	1,861,296
12	1,861,296	256,067	83,758	172,308	1,688,987
13	1,688,987	256,067	76,004	180,062	1,508,925
14	1,508,925	256,067	67,902	188,165	1,320,760
15	1,320,760	256,067	59,434	196,633	1,124,127
16	1,124,127	256,067	50,586	205,481	918,646
17	918,646	256,067	41,339	214,728	703,918
18	703,918	256,067	31,676	224,390	479,528
19	479,528	256,067	21,579	234,488	245,040
20	245,040	256,067	11,027	245,040	0
		1,280,334	699,474	580,859	

<b>Note 2</b>	Pay Back Trucks	<b>Trustees Fees</b>	<b>Total Payment</b>
<b>PV</b>	960,000		
<b>N</b>	10		
<b>I</b>	0.06		
<b>PMT</b>	\$130,433.24		\$130,433.24

Year	Beginning Balance	Payment	Interest	Principal	Ending Balance
1	960,000	130,433	57,600	72,833	887,167
2	887,167	130,433	53,230	77,203	809,964
3	809,964	130,433	48,598	81,835	728,128
4	728,128	130,433	43,688	86,746	641,383
5	641,383	130,433	38,483	91,950	549,432
6	549,432	130,433	32,966	97,467	451,965
7	451,965	130,433	27,118	103,315	348,650
8	348,650	130,433	20,919	109,514	239,135
9	239,135	130,433	14,348	116,085	123,050
10	123,050	130,433	7,383	123,050	(0)

Note 3	HSB EQ	Trustees Fees	Total Payment
PV	169,000		
N	7		
I	0.06		
<b>PMT</b>	<b>\$30,273.82</b>		<b>\$30,273.82</b>

Year	Beginning Balance	Payment	Interest	Principal	Ending Balance
1	169,000	30,274	10,140	20,134	148,866
2	148,866	30,274	8,932	21,342	127,524
3	127,524	30,274	7,651	22,622	104,902
4	104,902	30,274	6,294	23,980	80,922
5	80,922	30,274	4,855	25,418	55,504
6	55,504	30,274	3,330	26,944	28,560
7	28,560	30,274	1,714	28,560	(0)

Note 4	Zion	Trustees Fees	Total Payment
PV	1,070,000		
N	15		
I	0.055	5.0%	
<b>PMT</b>	<b>\$106,599.39</b>		<b>\$106,599.39</b>

Year	Beginning Balance	Payment	Interest	Principal	Ending Balance
1	1,070,000	106,599	58,850	47,749	1,022,251
2	1,022,251	106,599	56,224	50,376	971,875
3	971,875	106,599	53,453	53,146	918,729
4	918,729	106,599	50,530	56,069	862,659
5	862,659	106,599	47,446	59,153	803,506
6	803,506	106,599	44,193	62,407	741,100
7	741,100	106,599	40,760	65,839	675,261
8	675,261	106,599	37,139	69,460	605,801
9	605,801	106,599	33,319	73,280	532,520
10	532,520	106,599	29,289	77,311	455,210
11	455,210	106,599	25,037	81,563	373,647
12	373,647	106,599	20,551	86,049	287,598
13	287,598	106,599	15,818	90,781	196,817
14	196,817	106,599	10,825	95,774	101,042
15	101,042	106,599	5,557	101,042	-

Note 5	Unsecured	Trustees Fees	Total Payment
PV	311,607		
N	10		
I	0	5.0%	
<b>PMT</b>	<b>\$31,160.72</b>		<b>\$31,160.72</b>

	941,000.00	49.58%
	500,000.00	26.34%
	457,036.00	24.08%
<b>Total</b>	<b>1,898,036.00</b>	

Year	Beginning Balance	Payment	Interest	Principal	Ending Balance
1	311,607	31,161	-	31,161	280,446
2	280,446	31,161	-	31,161	249,286
3	249,286	31,161	-	31,161	218,125
4	218,125	31,161	-	31,161	186,964
5	186,964	31,161	-	31,161	155,804
6	155,804	31,161	-	31,161	124,643
7	124,643	31,161	-	31,161	93,482
8	93,482	31,161	-	31,161	62,321
9	62,321	31,161	-	31,161	31,161
10	31,161	31,161	-	31,161	(0)

<b>Note 5</b>	HSB Cash Collat Trustees Fees	<b>Total Payment</b>
<b>PV</b>	485,600	
<b>N</b>	5	
<b>I</b>	5.50%	
<b>PMT</b>	\$113,716	\$113,716.08

Year	Beginning Balance	Payment	Interest	Principal	Ending Balance
	607,000	121,400		121,400	485,600
1	485,600	113,716	26,708	87,008	398,592
2	398,592	113,716	21,923	91,794	306,798
3	306,798	113,716	16,874	96,842	209,956
4	209,956	113,716	11,548	102,168	107,788
5	107,788	113,716	5,928	107,788	-

<b>Note 5</b>	HSB adequate Pro	<b>Total Payment</b>
<b>PV</b>	2,882,000	
<b>N</b>		
<b>I</b>	5.50%	
<b>PMT</b>	#NUM!	#NUM!

Year	Beginning Balance	Payment	Interest	Principal	Ending Balance
	2,882,000		13,209		2,882,000
2	2,882,000		13,209		2,882,000
3	2,882,000		13,209		2,882,000
4	2,882,000		13,209		2,882,000
5	2,882,000		13,209		2,882,000
6	2,882,000		13,209		2,882,000
7	2,882,000		13,209		2,882,000

A		B	C	D	E	F	G	H	I	J	K	L	M	N
Name: H&H Farms/Hartwell (consolidated)		Month	Month	Month	Month	Month	Month	Month	Month	Month	Month	Month	Month	TOTAL
1	MONTHLY BUDGET	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	
2	ARM Credit Line	1,278,042	1,063,009	963,181	1,046,844	1,404,158	1,032,428	924,573	1,273,126	1,066,639	632,652	324,890	308,889	1,278,042
3	CASH and Credit Availability													
4	Corn on Farm Storage													
5	2017 Wheat													
6	2017 Trifolite													
7	Pasture rent	60,000	60,000	60,000	60,000	153,125								766,374
8	2018 Crop Irrigated Corn													153,125
9	2018 Crop Sorghum Sudan													480,000
10	2017 Wheat Straw													1,468,800
11	Potato Lease	26,875	200,000	300,000	250,000	250,000	100,000	100,000	26,875					1,900,000
12	Custom Work	70,000												100,000
13	Ag Program Payments													257,000
14	Seed Sales Commission													43,000
15	Truck Lease from H&H Transport													130,433
16	TOTAL FARM INCOME	156,875	260,000	360,000	1,076,374	489,125	100,000	589,600	326,875	512,233	329,800	329,800	407,800	4,938,482
17														
18														
19														
20														
21														
22														
23	TOTAL INCOME	156,875	260,000	360,000	1,076,374	489,125	100,000	589,600	326,875	512,233	329,800	329,800	407,800	4,938,482
24	EXPENDITURES:													
25	Utilities (Irrigation, NG, Elec.)	25,000	75,000	75,000	75,000	75,000	50,000	50,000	50,000	50,000	25,000	25,000	25,000	600,000
26	Labor & PR Tax	20,000	35,000	35,000	35,000	35,000	35,000	20,000	20,000	20,000	20,000	20,000	20,000	315,000
27	Seed													191,000
28	Herbicide	15,950	15,950	15,950	15,950	15,950								47,850
29	Fertilizer	110,000	92,850	92,850	92,850	92,850								361,300
30	Fuel	23,000	54,000	54,000	54,000	54,000	54,000	54,000	23,000	23,000	23,000	23,000	23,000	482,000
31	Harvest Expense (Custom Hauling)													120,000
32	Crop Insurance													169,450
33	Truck/Auto Insurance	1,000	1,750	1,750	1,750	1,750	1,750	1,000	1,000	1,000	1,000	1,000	1,000	60,000
34	Workers Comp Insurance													15,750
35	Liability Insurance													5,000
36	Repairs	16,000	26,000	26,000	26,000	26,000	26,000	26,000	16,000	16,000	16,000	16,000	16,000	252,000
37	Supplies	8,500	8,500	8,500	8,500	8,500	8,500	8,500	8,500	8,500	8,500	8,500	8,500	102,000
38	Custom Hire (Spraying)													20,000
39	Leased Land-Cash Rent	80,000	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	238,000
40	Draw	7,500	5,417	5,417	5,417	5,417	5,417	5,417	5,417	5,417	5,417	5,417	5,417	90,000
41	Ford Motor Credit	5,417	5,417	5,417	5,417	5,417	5,417	5,417	5,417	5,417	5,417	5,417	5,417	65,004
42														
43														
44														
45	Professional Fees													
46	Payroll Taxes													
47	Income Taxes													
48	Property Taxes													
49														
50														
51	TOTAL OPERATING EXP.	312,367	321,767	234,767	391,767	381,617	188,187	194,187	497,087	181,417	220,417	106,417	106,417	3,115,354
52														
53	Note Payments - HSB RE Note													256,087
54	Note Payments - HSB Equipment													30,274
55	ARM Credit Line - repayment													1,537,000
56	Zion RE Loan													213,199
57	Indian Inc. Leasing	45,541	13,061	36,570	106,599	82,740	18,688	32,880	11,295	79,804	166,599	33,884	18,327	477,726
58	John Deere Financial													132,000
59	Farm Credit Leasing	14,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000	99,000
60	TCF Leasing													49,800
61	Northland Capital - Leasing													154,000
62	Unsecured Creditors													31,161
63														
64	TOTAL EXPENSE	371,908	359,828	276,337	719,059	860,857	207,853	241,047	533,382	946,221	637,651	345,801	595,745	6,095,580
65	NET INCOME	(215,033)	(99,828)	83,663	357,315	(97,732)	(107,853)	346,553	(206,487)	(433,983)	(307,751)	(16,001)	(188,945)	(1,155,058)
66	CASH and Credit Availability	1,055,009	963,181	1,046,844	1,404,158	1,922,428	924,573	1,273,126	1,066,639	632,652	324,890	308,889	119,944	119,944

Crops, Pasture	%	Acres	Yield	Production	Sell	@	Sales	Net after	Held	%	Acres	Yield	Production	Sell	@	Sales	Held	
Wheat	100%	3379.1	50.0	168,955	168,955	\$4.20	\$709,611	\$709,611	0	0	0	0	0	0	0	\$0	0	
Dryland - Wheat	100%	901	15.0	13,515	13,515	\$4.20	\$56,763	\$56,763	0	0	0	0	0	0	0	\$0	0	
Triticale	100%	437.5	50.0	21,875	21,875	\$7.00	\$153,125	\$153,125	0	0	0	0	0	0	0	\$0	0	
Pasture Lease	100%	3905	1.0	3,905	3,905	\$122.92	\$480,003	\$480,003	0	0	0	0	0	0	0	\$0	0	
Potato Lease	100%	125	1.0	125	125	\$430.00	\$53,750	\$53,750	0	0	0	0	0	0	0	\$0	0	
2018 Crop Irrigated Corn	100%	2040	180.0	367,200	367,200	\$4.00	\$1,468,800	\$1,468,800	0	0	0	0	0	0	0	\$0	0	
2018 Crop Sorghum Sudan	100%	250	40.0	10,000	10,000	\$13.00	\$130,000	\$130,000	0	0	0	0	0	0	0	\$0	0	
2017 Wheat Straw	100%	1	5000.0	5,000	5,000	\$20.00	\$100,000	\$100,000	0	0	0	0	0	0	0	\$0	0	
<b>TOTALS ACRES</b>		<b>11038.6</b>									<b>TOTALS SALES</b>						<b>\$3,152,052</b>	<b>\$3,152,052</b>

Crops, Pasture	% Crop	Acres	Chemicals		Fertilizer		Custom Hire		Harvest Expense		Water Charges		Insurance		Seed		
			\$/Acre	Total	\$/Acre	Total	Total	\$/Acre	Total	\$/Acre	Total	\$/Acre	Total	\$/Acre	Total		
0	0%	0	0	\$0	0	0	\$0	0	0	0	0	0	0	0	0	0	0
0	0%	0	0	\$0	0	0	\$0	0	0	0	0	0	0	0	0	0	0
Wheat	100%	3379.1	0	\$0	0	\$0	0	0	0	0	0	0	0	0	0	0	0
Dryland - Wheat	100%	901	0	\$0	0	\$0	0	0	0	0	0	0	0	0	0	0	0
Triticale	100%	437.5	0	\$0	0	\$0	0	0	0	0	0	0	0	0	0	0	0
0	100%	0	0	\$0	0	\$0	0	0	0	0	0	0	0	0	0	0	0
0	0%	0	0	\$0	0	\$0	0	0	0	0	0	0	0	0	0	0	0
Pasture Lease	100%	3905	0	\$0	0	\$0	0	0	0	0	0	0	0	0	0	0	0
Potato Lease	100%	125	0	\$0	0	\$0	0	0	0	0	0	0	0	0	0	0	0
0	0%	0	0	\$0	0	\$0	0	0	0	0	0	0	0	0	0	0	0
0	0%	0	0	\$0	0	\$0	0	0	0	0	0	0	0	0	0	0	0
0	0%	0	0	\$0	0	\$0	0	0	0	0	0	0	0	0	0	0	0
2018 Crop Irrigated Corn	100%	2040	0	\$0	0	\$0	0	0	0	0	0	0	0	0	0	0	0
2018 Crop Sorghum Sudan	100%	250	0	\$0	0	\$0	0	0	0	0	0	0	0	0	0	0	0
2017 Wheat Straw	100%	1	0	\$0	0	\$0	0	0	0	0	0	0	0	0	0	0	0
0	0%	0	0	\$0	0	\$0	0	0	0	0	0	0	0	0	0	0	0
<b>Total</b>		<b>11038.6</b>		<b>\$0</b>	<b>\$0</b>		<b>\$0</b>		<b>\$0</b>		<b>\$0</b>		<b>\$0</b>		<b>\$0</b>		<b>\$0</b>

CROP PRODUCTION EXPENSES FOR YEAR