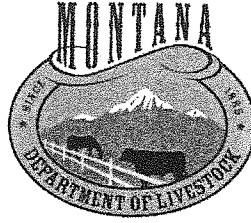


DEPARTMENT OF LIVESTOCK  
PO BOX 202001  
HELENA, MONTANA 59620-2001



DEPARTMENT OF LIVESTOCK (406) 444-7323  
ANIMAL HEALTH DIVISION (406) 444-2043  
BRANDS ENFORCEMENT DIVISION (406) 444-2045  
FAX (406) 444-1929

January 17, 2017

Claude Bouvry  
Bouvry Exports Calgary Ltd.  
#312, 222-58<sup>th</sup> Avenue SW  
Calgary, Alberta, Canada T2H 2S3

RE: Bouvry Memorandum of Understanding & Quarantine Feedlot License

Dear Mr. Bouvry:

Thank you for signing the Memorandum of Understanding (MOU) and submitting the fee for the Equine Quarantine Feedlot license for 2017. A copy of the MOU document is enclosed for your records. We appreciate you working with the Department of Livestock to complete this document and compliance of the Bar S Feedlot at Shelby as documented by our periodic inspections.

Sincerely,

A handwritten signature in black ink, appearing to read "Marty Zaluski". The signature is written in a cursive style and is positioned above the typed name.

Marty Zaluski, DVM  
State Veterinarian

Enclosures

c: Crystal Bunnell, Manager  
Ernie McCaffree, Western District Investigator

## MEMORANDUM OF UNDERSTANDING

### I. IDENTIFICATION OF PARTIES

The parties to this memorandum of understanding (hereafter, "MOU") are the Montana Department of Livestock (hereafter, "DOL") and Louise and Claude Bouvry of Fort MacLeod, Alberta, Canada (hereafter "BOUVRY".) BOUVRY is also known as Bouvry Exports Calgary LTD, which employs a manager as its agent in Montana, who is responsible for the primary oversight of BOUVRY's Montana feedlot located North of MT Hwy 2 at the intersection of, and east of, Benjamin Road in Shelby, Montana (hereafter BOUVRY's Montana feedlot). Further, the DOL recognizes BOUVRY may employ or assign other agents to share or assume oversight responsibilities of BOUVRY's Montana feedlot.

### II. PURPOSE AND INTENT

The purpose and intent of this MOU is to define and clarify the regulatory relationship between DOL and BOUVRY.

### III. RECITALS

1. Pursuant to § 81-2-102, Montana Codes Annotated (MCA), DOL is responsible to foster, promote and protect the state's livestock industry, and is particularly charged with supervising the sanitary conditions of livestock in Montana and with preventing the introduction or spreading of infectious, contagious, communicable, or dangerous diseases among Montana's livestock.
2. Section 32.3.1401, Administrative Rules of Montana (ARM), particularly describes measures DOL must take to control *Equine Infectious Anemia* (EIA), a contagious and potentially fatal viral disease to which the *Equidae* family (horses, mules, or asses, hereafter equids) is most susceptible. As a way to control and/or prevent occurrences of EIA in Montana, DOL requires that equids be tested for the disease prior to being imported into Montana and that they be quarantined when test results reveal an animal is infected with EIA. After positive test results are confirmed, animals infected with EIA are most frequently sent to slaughter.
3. Section 32.2.401, Administrative Rules of Montana (ARM), sets the fee for this licensed equine-approved feedlot.
4. BOUVRY operates a feedlot in Shelby, Montana and is in the business of buying slaughter equids throughout the United States that are shipped to BOUVRY's Montana feedlots. BOUVRY holds these equids in Montana until they can be shipped to slaughter facilities in Canada. Shipments typically involve approximately 300 animals per week.
5. BOUVRY's Montana feedlot meets the requirements for a "quarantine area" set forth in § 32.3.1405(4), A.R.M., and is hereby designated a "quarantined area".
6. BOUVRY desires that DOL license their feedlot as an equine-approved feedlot and not require EIA testing on equids shipped to BOUVRY's Montana feedlot, which are all being held exclusively for slaughter.

### IV. MUTUAL UNDERSTANDING

BOUVRY understands DOL's lawful mandate and its duty to foster, promote, and protect the livestock industry in the State of Montana, including protecting Montana's equids from the spread of EIA. DOL understands that requiring BOUVRY to test equids that are destined to BOUVRY's Montana feedlot, for the sole purpose of eventual slaughter, prior to importing them into Montana imposes an operational burden on BOUVRY.

14. Any feedlot area which BOUVRY intends to use as a quarantine area, especially where the use of multiple quarantine areas are contemplated, must be pre-approved for such use by DOL, and any such pre-approved quarantine area will then become subject to periodic inspection by DOL to ensure that the criterion for use as a quarantine area are being continually and fully satisfied;
15. Untested equids being imported into Montana may not be offloaded in Montana while in transit to BOUVRY's Montana feedlot unless offloading can be accomplished at another DOL approved quarantine feedlot or area, or unless negative testing for EIA is accomplished first on every equid to be offloaded;
16. All loading, unloading, and holding pens, alleyways, and the entire yard area must be adequately drained and kept in a clean and sanitary manner. When a pen, alleyway, or any section of the feedlot becomes filthy or is considered deleterious to animal health, it must be ordered closed and placarded by a representative of the Montana Department of Livestock as follows:
  - a. "CLOSED. THIS PEN UNFIT FOR YARDING LIVESTOCK. BY ORDER OF THE MONTANA DEPARTMENT OF LIVESTOCK, ANIMAL HEALTH DIVISION." The use of such pen, alleyway or section of yard must be discontinued until it has been put in satisfactory sanitary and physical condition. The placard will be removed only by a representative of the Montana Department of Livestock following inspection of the area of closure.
17. Breeding places for flies and other insects must be kept under control and insect control procedures must be practiced in accordance with standards established by state and federal agencies.
18. BOUVRY remains in full compliance with every Montana statute, rule or regulation that pertains to its livestock and livestock-related operations in Montana, and relating to workers' compensation coverage as more specifically delineated in Section XIII of this MOU.
19. BOUVRY's Montana feedlot will provide feed bunk space in each pen sufficient to allow all equids in the pen to feed at the bunk at one time. BOUVRY's Montana feedlot will clean and maintain feed bunks on as needed to prevent accumulation of debris and manure. BOUVRY's Montana feedlot will maintain and repair fencing and will pick up twine, string, broken fencing and feed bunk materials, and any other debris to prevent injury to equids.
20. BOUVRY's Montana feedlot will maintain all stallions three years of age and older separate from mares, foals, and geldings. BOUVRY's Montana feedlot will remove all mares with newborn foals and maintain separate from the general population within one working day. BOUVRY's Montana feedlot will maintain the laminitic and other severely lame equids separate from the general population and euthanize any equids unable to get up for feed and water on a daily basis.
21. BOUVRY's Montana feedlot will sort all equids for size, weight and age and maintain weaned colts in a pen separate from other equids.
22. BOUVRY's Montana feedlot has enhanced animal traceability by registering their premises with NAIS.
23. BOUVRY will obtain the required equine-approved feedlot license.

## VI. TERM and TERMINATION

The conduct allowed by virtue of this MOU may commence upon execution of this MOU, and this MOU shall terminate December 31, 2017, at which time it will be subject to full review and renegotiation in contemplation of the formation of another MOU.

Notwithstanding provisions of the above paragraph, DOL specifically reserves the right to withdraw from and cancel this MOU as provided in Section V of this MOU. DOL also recognizes that BOUVRY may withdraw from and cancel this MOU if doing so comports with its business concerns and operations. In either case, withdrawal from and cancellation of this MOU will occur only following 72 hours written notice to the other party, which notice must be hand-delivered to the other party or sent by registered mail to the other party. In the case of mailing, the 72-hour period will commence upon receipt of the mailed notice. Hand delivery may also be accomplished by facsimile, so long as the notified party receives an original copy of the facsimile message within 72 hours of the date and time of the original facsimile message.

## VII. POINTS OF CONTACT

# ANIMALS' ANGELS, INC.

and agrees to provide Worker's Compensation coverage as required by the laws of Montana. Prior to or concurrent with execution of this MOU, BOUVRY will provide DOL with written proof that legally sufficient Worker's Compensation coverage is in place regarding BOUVRY's Montana employees.

## XIII. DISPUTES

Any disputes arising from execution, implementation, operation, cancellation, or termination of this MOU shall be governed by the laws of the state of Montana. For any litigation of such disputes that may become necessary, the venue shall be in the First Judicial District, Lewis and Clark County, state of Montana. No dispute arising from this MOU shall be subject to mediation or arbitration.

## XIV. INTERPRETATION

Titles and headings to articles, sections, or paragraphs in this MOU are inserted only for the convenience of the reader and are not intended to affect the interpretation or construction of this MOU.

## XV. ELECTION AND WAIVER

Election by DOL on one occasion to not withdraw from/cancel this MOU does not constitute a waiver of its full and complete right to do so on any other occasion.


## XVI. ACKNOWLEDGMENT and APPROVAL

By signing this MOU, the person or persons doing so acknowledges that he/she has read this MOU, that he/she understands its terms, conditions and other provisions, and that he/she voluntarily affixes his/her signature below.

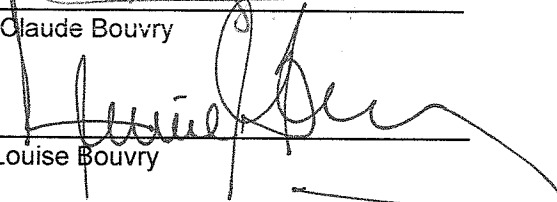
DATED this 6 day of JANUARY 2017.

BOUVRY EXPORTS CALGARY, LTD.

DEPARTMENT OF LIVESTOCK

BY:   
Claude Bouvry

BY:   
Mike Honeycutt, Executive Officer

BY:   
Louise Bouvry

BY:   
Manager/Agent

BOUVRY EXPORTS CALGARY LTD.

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