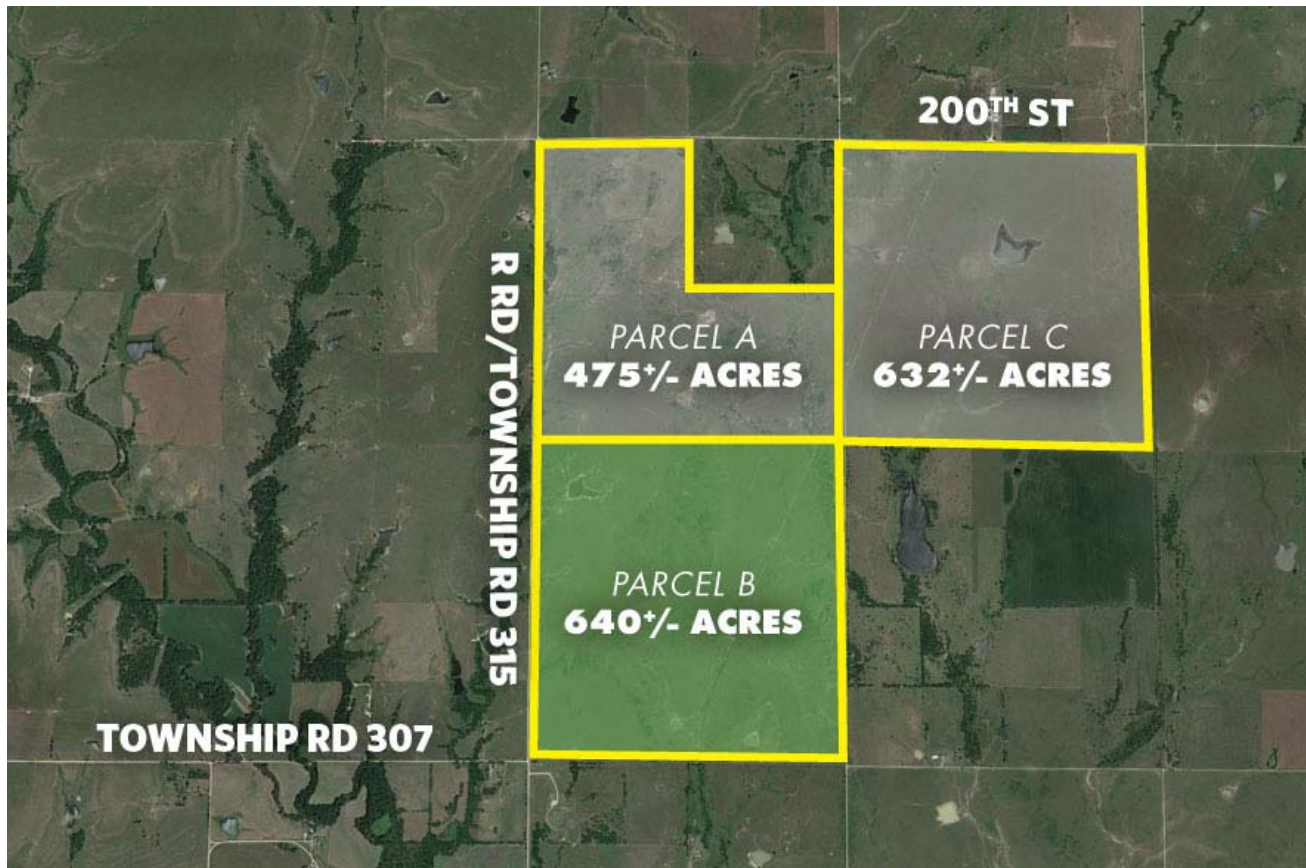


PROPERTY INFORMATION PACKET

THE DETAILS



Parcel B: 640 +/- Acres | Eureka, KS 67045

AUCTION: Friday, August 18th @ 12:00 PM

12041 E. 13th St. N., Wichita, KS, 67206
316.683.0612 • 800.544.4489
www.McCurdyAuction.com



McCurdy
AUCTION LLC
REAL ESTATE SPECIALISTS



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The real estate is offered at public auction in its present, "as is where is" condition and is accepted by the buyer without any expressed or implied warranties or representations from the seller or McCurdy Auction, LLC. It is incumbent upon buyer to exercise buyer's own due diligence, investigation, and evaluation of suitability of use for the real estate prior to bidding. It is buyer's responsibility to have any and all desired inspections completed prior to bidding including, but not limited to, the following: roof; structure; termite; environmental; survey; encroachments; groundwater; flood designation; presence of lead-based paint or lead based paint hazards; presence of radon; presence of asbestos; presence of mold; electrical; appliances; heating; air conditioning; mechanical; plumbing (including water well, septic, or lagoon compliance); sex offender registry information; flight patterns, or any other desired inspection. Any information provided or to be provided by seller or McCurdy was obtained from a variety of sources and seller and McCurdy have not made any independent investigation or verification of such information and make no representation as to the accuracy or completeness of such information. Auction announcements take precedence over anything previously stated or printed. Total purchase price will include a 10% buyer's premium (\$1,500.00 minimum) added to the final bid.

TERMS AND CONDITIONS

Thank you for participating in today's auction. The auction will be conducted by McCurdy Auction, LLC ("McCurdy") on behalf of the owner of the real estate (the "Seller"). The real estate offered for sale at auction (the "Real Estate") is fully described in the Contract for Purchase and Sale, a copy of which is available for inspection from McCurdy.

1. Any person who registers or bids at this Auction (the "Bidder") agrees to be bound by these Terms and Conditions, the auction announcements, and the Contract for Purchase and Sale.
2. The Real Estate is not offered contingent upon inspections. The Real Estate is offered at public auction in its present, "as is where is" condition and is accepted by Bidder without any expressed or implied warranties or representations from Seller or McCurdy, including, but not limited to, the following: the condition of the Real Estate; the Real Estate's suitability for any or all activities or uses; the Real Estate's compliance with any laws, rules, ordinances, regulations, or codes of any applicable government authority; the Real Estate's compliance with environmental protection, pollution, or land use laws, rules, regulations, orders, or requirements; the disposal, existence in, on, or under the Real Estate of any hazardous materials or substances; or any other matter concerning the Real Estate. It is incumbent upon Bidder to exercise Bidder's own due diligence, investigation, and evaluation of suitability of use for the Real Estate prior to bidding. It is Bidder's responsibility to have any and all desired inspections completed prior to bidding including, but not limited to, the following: roof; structure; termite; environmental; survey; encroachments; groundwater; flood designation; presence of lead-based paint or lead based paint hazards; presence of radon; presence of asbestos; presence of mold; electrical; appliances; heating; air conditioning; mechanical; plumbing (including water well, septic, or lagoon compliance); sex offender registry information; flight patterns; or any other desired inspection. Bidder acknowledges that Bidder has been provided an opportunity to inspect the Real Estate prior to the auction and that Bidder has either performed all desired inspections or accepts the risk of not having done so. Any information provided by Seller or McCurdy has been obtained from a variety of sources. Seller and McCurdy have not made any independent investigation or verification of the information and make no representation as to its accuracy or completeness. In bidding on the Real Estate, Bidder is relying solely on Bidder's own investigation of the Real Estate and not on any information provided or to be provided by Seller or McCurdy.
3. Notwithstanding anything herein to the contrary, to the extent any warranties or representations may be found to exist, the warranties or representations are between Seller and Bidder. McCurdy may not be held responsible for the correctness of any such representations or warranties or for the accuracy of the description of the Real Estate.
4. There will be a 10% buyer's premium (\$1,500.00 minimum) added to the final bid. The buyer's premium, together with the final bid amount, will constitute the total purchase price of the Real Estate.
5. The Real Estate is not offered contingent upon financing.
6. In the event that Bidder is the successful bidder, Bidder must immediately execute the Contract for Purchase and Sale and tender a nonrefundable earnest money deposit in the form of cash, check, or immediately available, certified funds and in the amount set forth by McCurdy. The balance of the purchase price will be due in immediately available, certified funds at closing on the specified closing date. The Real Estate must close within 30 days of the date of the auction, or as otherwise agreed to by Seller and Bidder.

7. Auction announcements take precedence over anything previously stated or printed, including these Terms and Conditions.
8. A bid placed by Bidder will be deemed conclusive proof that Bidder has read, understands, and agrees to be bound by these Terms and Conditions.
9. These Terms and Conditions, especially as they relate to the qualifications of potential bidders, are designed for the protection and benefit of Seller and do not create any additional rights or causes of action for Bidder. On a case-by-case basis, and at the sole discretion of Seller or McCurdy, exceptions to certain Terms and Conditions may be made.
10. In the event Bidder is the successful bidder at the auction, Bidder's bid constitutes an irrevocable offer to purchase the Real Estate and Bidder will be bound by said offer. In the event that Bidder is the successful bidder but fails or refuses to execute the Contract for Purchase and Sale, Bidder acknowledges that, at the sole discretion of Seller, these signed Terms and Conditions together with the Contract for Purchase and Sale executed by the Seller are to be construed together for the purposes of satisfying the statute of frauds and will collectively constitute an enforceable agreement between Bidder and Seller for the sale and purchase of the Real Estate.
11. It is the responsibility of Bidder to make sure that McCurdy is aware of Bidder's attempt to place a bid. McCurdy disclaims any liability for damages resulting from bids not spotted, executed, or acknowledged. McCurdy is not responsible for errors in bidding and Bidder releases and waives any claims against McCurdy for bidding errors. Once a bid has been acknowledged by the auctioneer, the bid cannot be retracted.
12. Bidder authorizes McCurdy to film, photograph, or otherwise record the voice or image of Bidder and any guest or minor accompanying Bidder at this auction and to use the films, photographs, recordings, or other information about the auction, including the sales price of the Real Estate, for promotional or other commercial purposes.
13. Broker/agent participation is invited. Broker/agents must pre-register with McCurdy no later than 5 p.m. on the business day prior to the auction by completing the Broker Registration Form, available on McCurdy's website.
14. McCurdy is acting solely as agent for Seller and not as an agent for Bidder. McCurdy is not a party to any Contract for Purchase and Sale between Seller and Bidder. In no event will McCurdy be liable to Bidder for any damages, including incidental or consequential damages, arising out of or related to this auction, the Contract for Purchase and Sale, or Seller's failure to execute or abide by the Contract for Purchase and Sale.
15. Neither Seller nor McCurdy, including its employees and agents, will be liable for any damage or injury to any property or person at or upon the premises. Any person entering on the premises assumes any and all risks whatsoever for their safety and for any minors or guests accompanying them. Seller and McCurdy expressly disclaim any "invitee" relationship and are not responsible for any defects or dangerous conditions on the premises, whether obvious or hidden. Seller and McCurdy are not responsible for any lost, stolen, or damaged property.
16. To the extent permitted under applicable law, McCurdy has the right to establish all bidding increments.
17. McCurdy may, in its sole discretion, reject, disqualify, or refuse any bid believed to be fraudulent, illegitimate, not in good faith, made by someone who is not competent, or made in violation of these Terms and Conditions or applicable law.

18. Bidder represents and warrants that they are bidding on their own behalf and not on behalf of or at the direction of Seller.
19. The Real Estate is offered for sale to all persons without regard to race, color, religion, sex, handicap, familial status, or national origin.
20. These Terms and Conditions are binding on Bidder and on Bidder's partners, representatives, employees, successors, executors, administrators, and assigns.
21. In the event that any provision contained in these Terms and Conditions is determined to be invalid, illegal, or unenforceable by a court of competent jurisdiction, the validity, legality, and enforceability of the remaining provisions of the Terms and Conditions will not be in any way impaired.
22. These Terms and Conditions are to be governed by and construed in accordance with the laws of Kansas, but without regard to Kansas's rules governing conflict of laws. Exclusive venue for all disputes lies in either the Sedgwick County, Kansas District Court or the United States District Court in Wichita, Kansas. Bidder submits to and accepts the jurisdiction of such courts.

ALL FIELDS CUSTOMIZABLE AUCTION



MLS # 538655
Class Land
Property Type Farm
County Greenwood
Area GRN - Greenwood County
Address 00000 R. Rd - Parcel B
Address 2
City Eureka
State KS
Zip 67045
Status Active
Contingency Reason
Asking Price \$0
For Sale/Auction/For Rent Auction
Associated Document Count 1



GENERAL

List Agent - Agent Name and Phone	BRADEN MCCURDY - OFF: 316-683-0612	List Date	6/22/2017
List Office - Office Name and Phone	McCurdy Auction, LLC - OFF: 316-683-0612	Realtor.com Y/N	Yes
Co-List Agent - Agent Name and Phone		Display Address	Yes
Co-List Office - Office Name and Phone		VOW: Allow AVM	Yes
Showing Phone	316-945-7400	VOW: Allow 3rd Party Comm	Yes
Zoning Usage	Agriculture	Sub-Agent Comm	0
Parcel ID	20418-00000001.00-0	Buyer-Broker Comm	3
Number of Acres	640.50	Transact Broker Comm	3
Price Per Acre		Variable Comm	Non-Variable
Lot Size/SqFt	27900180	Virtual Tour Y/N	
School District	Eureka School District (USD 389)	Days On Market	29
Elementary School	Marshall	Cumulative DOM	29
Middle School	Marshall	Cumulative DOMLS	
High School	Eureka Jr/Sr	Input Date	7/20/2017 6:21 PM
Subdivision	NONE LISTED ON TAX RECORD	Update Date	7/21/2017
Legal	BACHELOR TOWNSHIP, S18, T25, R11E, ALL SEC LESS R/W SECTION 18 TOWNSHIP 25 RANGE 11E	Off Market Date	
		Status Date	7/20/2017
		HotSheet Date	7/20/2017
		Price Date	7/20/2017

DIRECTIONS

Directions (Eureka) US-54 & Main St - North to 7th St/N State St, East to Co Rd 7/Lake Rd, North to Township Rd 307, East to R Rd, property at NE corner of Township Rd 307 & R Rd.

FEATURES

SHAPE / LOCATION	UTILITIES AVAILABLE	FLOOD INSURANCE	LOCKBOX
Rectangular	Other/See Remarks	Unknown	None
TOPOGRAPHIC	IMPROVEMENTS	SALE OPTIONS	AGENT TYPE
Pond/Lake	None	Other/See Remarks	Sellers Agent
Rolling	OUTBUILDINGS	PROPOSED FINANCING	OWNERSHIP
Treeline	None	Other/See Remarks	Trust
PRESENT USAGE	MISCELLANEOUS FEATURES	POSSESSION	TYPE OF LISTING
Pasture	Mineral Rights Included	At Closing	Excl Right w/o Reserve
ROAD FRONTAGE	DOCUMENTS ON FILE	SHOWING INSTRUCTIONS	
Dirt	Documents Online	Call Showing #	
County			

FINANCIAL

Assumable Y/N	No
General Taxes	\$1,207.26
General Tax Year	2016
Yearly Specials	\$0.00
Total Specials	\$0.00
HOA Y/N	No
Yearly HOA Dues	\$0.00
HOA Initiation Fee	0.00
Earnest \$ Deposited With	McCurdy Auction LLC Trust

PUBLIC REMARKS

Public Remarks REAL ESTATE AUCTION TO BE HELD ON FRIDAY AUGUST 18TH @ NOON PARCEL B: 640+/- acres of pasture grounds ideally situated for cattle grazing, horse pasture or future homestead. Property features pipe metal and wire fencing, rolling hills, pond and large clusters of shade trees. Located just 4.6 miles from Eureka City Lake. Mineral rights transfer. Pasture contract for Parcels A, B and C through October 31, 2017. Gross Income: \$40,480.00/year (\$23 per acre). Auction to be conducted off-site at the El Dorado Civic Center located at 201 E. Central Ave, El Dorado, KS 67042. Online bidding available. | "FEMA has not completed a study to determined flood hazard for the selected location; therefore; a flood map has not been published at this time." | *Annual gross income for all three parcels (A,B and C - totaling 1,760+/- acres). | Poor grass adn presence of Sericea Lespedeza per seller. | Abandoned Railway. *Buyer should verify school assignments as they are subject to change. The real estate is offered at public auction in its present, "as is where is" condition and is accepted by the buyer without any expressed or implied warranties or representations from the seller or seller's agents. It is incumbent upon buyer to exercise buyer's own due diligence, investigation, and evaluation of suitability of use for the real estate prior to bidding. It is buyer's responsibility to have any and all desired inspections completed prior to bidding including, but not limited to, the following: roof; structure; termite; environmental; survey; encroachments; groundwater; flood designation; presence of lead-based paint or lead based paint hazards; presence of radon; presence of asbestos; presence of mold; electrical; appliances; heating; air conditioning; mechanical; plumbing (including water well, septic, or lagoon compliance); sex offender registry information; flight patterns, or any other desired inspection. Any information provided or to be provided by seller or seller's agents was obtained from a variety of sources and neither seller nor seller's agents have made any independent investigation or verification of such information and make no representation as to the accuracy or completeness of such information. Auction announcements take precedence over anything previously stated or printed. Total purchase price will include a 10% buyer's premium (\$1,500.00 minimum) added to the final bid. Earnest money is due from the high bidder at the auction in the form of cash, check, or immediately available, certified funds in the amount \$25,000.

AUCTION

Type of Auction Sale	Reserve	1 - Open for Preview	Yes
Method of Auction	Live w/Online Bidding	1 - Open/Preview Date	8/18/2017
Auction Location	201 E. Central, El Dorado	1 - Open Start Time	11:00 AM
Auction Offering	Real Estate Only	1 - Open End Time	
Auction Date	8/18/2017	2 - Open for Preview	
Auction Start Time	Noon	2 - Open/Preview Date	
Broker Registration Req	Yes	2 - Open Start Time	
Broker Reg Deadline	8/17 @ 5pm	2 - Open End Time	
Buyer Premium Y/N	Yes	3 - Open for Preview	
Premium Amount	10.00	3 - Open/Preview Date	
Earnest Money Y/N	Yes	3 - Open Start Time	
Earnest Amount %/\$	25,000.00	3 - Open End Time	

TERMS OF SALE

Terms of Sale

PERSONAL PROPERTY

Personal Property

ADDITIONAL PICTURES





DISCLAIMER

This information is not verified for authenticity or accuracy and is not guaranteed. You should independently verify the information before making a decision to purchase. © Copyright 2016 South Central Kansas MLS, Inc. All rights reserved.

SELLER'S PROPERTY DISCLOSURE STATEMENT
For Land Only
(To be completed by Seller)

Seller: _____

Property Address: 00000 R Rd - Eureka, KS 67045 Date of Purchase: _____

Property currently zoned as: _____
 It has been our experience that the transaction runs smoother if all pertinent information to the property is disclosed prior to the actual contract date. Please be as complete and accurate as possible. Attach additional sheets if space is insufficient for all applicable comments. Seller acknowledges and understands that the Broker(s) and potential buyer of the property will rely upon the accuracy of facts and opinions set forth in this statement.

PART I - Indicate the condition of the following items by marking the appropriate box. Check only one box for each item.

	None/ Not Incl.	Included		
		Working	Not Working	Don't Know
WATER SYSTEMS				
Well/Pump _____	☒	☐	☐	☐
Drinking _____ Irrigation _____	☒	☐	☐	☐
Location _____				
Depth _____				
Type _____				
If on well water, has water ever shown test results of contamination? ☐ Y ☐ N				
Is the property connected to ☐ city ☐ rural water systems?				
Rural Water Transfer? ☐ Yes ☐ No Transfer Fee \$ _____				
Other _____	☐	☐	☐	☐
Other _____	☐	☐	☐	☐
Other _____	☐	☐	☐	☐
Comments: _____				

DRAINAGE/SEWAGE SYSTEMS				
Sewer Lines _____	☐	☐	☐	☒
Septic/Laterals _____	☐	☐	☐	☒
Lagoon _____	☐	☐	☐	☒
Tank Size _____ Location _____	☐	☐	☐	☒
# Feet of Laterals _____				
Other _____	☐	☐	☐	☒
Other _____	☐	☐	☐	☒
Comments: _____				

Yes	No	Don't Know	Part II - Answer questions to the best of your (Seller's) knowledge.
☐	☒	☒	GAS/ELECTRIC
☐	☐	☒	Is there a propane tank on the property? If yes, is it ☐ owned ☐ leased?
☐	☐	☒	Is gas connected to property?
☐	☐	☒	If not, distance to nearest source? _____
☐	☐	☒	Is electricity connected to property?
☐	☐	☒	If not, distance to nearest source? _____
☐	☐	☒	To your knowledge, is there any additional costs to hook up utilities?
			If yes, please explain: _____
			Comments: _____

Note: Electric transmission lines cross a portion of Section 7

Seller's Initials KPR
 Rev 5/01

Buyer's Initials _____
 Form #2532

Yes No Don't Know **Part II (cont'd) - Answer questions to the best of your (Seller's) knowledge.**

DRAINAGE/SEWAGE SYSTEMS

- ☐ ☐ ☒ Is property connected to a public sewer system?
If yes, no explanation required.
- ☐ ☒ ☐ Is there a septic tank/cesspool system serving this property?
If yes, when was it last serviced? Date _____
- ☐ ☐ ☒ To your knowledge, is there any problems relating to the septic tank/cesspool/sewer system?
- ☐ ☐ ☒ To your knowledge, is the property located in a federally designated flood plain or wetlands area?
- ☐ ☐ ☒ Is the property located in a subdivision with a master drainage plan?
- ☐ ☐ ☒ Is so, is this property in compliance?
- ☐ ☐ ☒ Has the property ever had a drainage problem during your ownership?
- ☐ ☒ Do you currently pay flood insurance?
- Other drainage/sewage systems and their conditions: _____
- Comments: _____

BOUNDARIES/LAND

- ☐ ☒ ☐ Have you had a survey of your property?
- ☐ ☐ ☒ Are the boundaries of your property marked in any way?
- ☐ ☐ ☒ Is there any fencing on the boundary (ies) of the property?
- ☐ ☐ ☐ If yes, does the fencing belong to the property?
- ☐ ☐ ☒ To your knowledge, are there any boundary disputes, encroachments, or unrecorded easements?
- ☐ ☐ ☒ Are there any features of the property shared in common with adjoining landowners, such as walls, fences, roads, driveways?
- ☐ ☐ ☐ Is this property owner responsible for maintenance of any such shared feature?
- ☐ ☐ ☒ Do you know of any expansive soil, fill dirt, sliding, settling, earth movement, upheaval, or earth stability problems that have occurred on the property or in the immediate neighborhood?
- Comments: _____

HOMEOWNER'S ASSOCIATION

- ☐ ☒ ☐ Is the property subject to rules or regulations of any homeowner's association?
- Annual dues \$ _____ Initiation Fee \$ _____
- ☐ ☒ ☐ To your knowledge, are there any problem relating to any common area?
- ☐ ☒ ☐ Have you been notified of any condition which may result in an increase in assessments?
- Comments: _____

ENVIRONMENTAL CONDITIONS

To your knowledge, are any of the following substances, materials, or products present on the real property?

- Yes No
- ☐ ☒ Asbestos
- ☐ ☒ Contaminated soil or water (including drinking water)
- ☐ ☒ Landfill or buried materials
- ☐ ☒ Methane gas
- ☐ ☒ Oil sheers in wet areas
- ☐ ☒ Radioactive material
- ☐ ☒ Toxic material disposal (e.g., solvents, chemicals, etc.)
- ☐ ☒ Underground fuel or chemical storage tanks
- ☐ ☒ EMF's (Electro Magnetic Fields)
- ☐ ☒ Gas or oil wells in area
- ☐ ☒ Other
- ☐ ☒ To your knowledge, are any of the above conditions present near your property?
- Comments: _____

Seller's Initials KPR
Rev 5/01

Page 2 of 3

Buyer's Initials _____
Form #2532

This contract is for use by Lonny Ray McCurdy. Use by any other party is illegal and voids the contract.

Instant
forms

MISCELLANEOUS

To your knowledge:

- | Yes | No | |
|-------------------------------------|-------------------------------------|---|
| ☐ | ☒ | Are there any gas/oil wells on the property or adjacent property? |
| ☐ | ☒ | Is the present use of the property a non-conforming use? |
| ☐ | ☒ | Are there any violations of local, state or federal government laws or regulations relating to this property? |
| ☐ | ☒ | Is there any existing or threatened legal or regulatory action affecting this property? |
| ☐ | ☒ | Are there any current special assessments or do you have knowledge of any future assessments? |
| ☐ | ☒ | Are there any proposed or pending zoning changes on this or adjacent property? |
| ☒ | ☐ | Are any local, state, or federal agencies requiring repairs, alterations or corrections of any existing conditions? |
| ☐ | ☒ | Are there any diseased or dead trees or shrubs? |
| ☐ | ☒ | Is the property located in an area where public authorities have or are contemplating condemnation proceedings? |
| ☒ | ☐ | Are there any facts, conditions, or circumstances, on or off site, which could affect the value, beneficial use, or desirability of the property? If yes, please explain below. |

Seller owns:

- | | | |
|-------------------------------------|--------------------------|----------------|
| ☒ | ☐ | Mineral Rights |
| ☐ | ☐ | Crops |
| ☒ | ☐ | Water Rights |

Comments: Poor grass in this section and the presence of servera lespedeza weeds

SELLER'S ACKNOWLEDGMENT

Seller acknowledges that: the information contained in this statement is accurate, true and complete to the best of Seller's knowledge, information and belief; Seller has provided all the information contained in this Seller's Property Disclosure Statement; and that the Broker/REALTOR® has not prepared, nor assisted in the preparation of this Statement. Seller hereby indemnifies, holds harmless and releases all Broker/REALTOR® involved in the sale of the property from all liability, claims, loss, cost, or damage in connection with the information contained in this Statement. Seller hereby authorizes the listing broker to provide copies of this Statement to other real estate brokers and agents and prospective buyers of the property. The Commerce Trust Company, a division of Commerce Bank, as Executor of the Marjorie Sue Smith Estate

Seller _____ Seller _____

OR

Seller certifies that the information herein is true and correct to the best of the Seller's knowledge as of the date signed by Seller. I have not occupied this property in _____ years and am not familiar with all conditions represented in this form.

Seller By: Kevin C. Roberts, Officer 6/22/2017 Seller _____

BUYER'S ACKNOWLEDGMENT AND AGREEMENT

1. I personally have carefully inspected the property. I will rely upon the inspections encouraged under my contract with Seller. Subject to any inspections, I agree to purchase the property in its present condition without representations or guarantees of any kind by the Seller or any REALTOR® concerning the condition or value of the property.
2. I agree to verify any of the above information that is important to me by an independent investigation of my own. I have been advised to have the property examined by professional inspectors.
3. I acknowledge that neither Seller nor any REALTOR® involved in this transaction is an expert at detecting or repairing physical defects in the property. I state that no important representations concerning the condition of the property are being relied upon by me except as disclosed above or as fully set forth as follows: _____
4. I acknowledge that I have been informed that Kansas Law requires persons who are convicted of certain sexually violent crimes after April 14, 1994, to register with the sheriff of the county in which they reside. I have been advised that if I desire information regarding those registrants, I may find information on the home page of the Kansas Bureau of Investigation (KBI) at www.ink.org/public/kbi or by contacting the local sheriff's office.

Buyer _____ Date _____

Buyer _____ Date _____

Rev 5/01

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Form #2532

Approved by Legal Counsel Wichita Area Association of REALTORS®

This contract is for use by Lonny Ray McCurdy. Use by any other party is illegal and voids the contract.

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WATER WELL AND WASTEWATER SYSTEM INFORMATION

Property Address: 00000 R Rd - Eureka, KS 67045

DOES THE PROPERTY HAVE A WELL? YES _____ NO ☒

If yes, what type? Irrigation _____ Drinking _____ Other _____

Location of Well: _____

DOES THE PROPERTY HAVE A LAGOON OR SEPTIC SYSTEM? YES _____ NO ☒

If yes, what type? Septic _____ Lagoon _____

No lagoon, but pond

Location of Lagoon/Septic Access: _____

*The Commerce Trust Company, a division of Commerce Bank, as Executor
of the Marilyn Sue Smith Estate*

By: Kevin C. Roberts, Officer
Owner

6/22/2017
Date

Owner

Date

PASTURE CONTRACT

This contract for pasturing cattle made this 14 day of October, 2016 by and between

_____, party of the first part and
_____ of the second party.

The said first party agrees to put into her pasture for pasturing all year around _____ cattle, and to pasture the same upon the grass growing on the said pasture during the grazing season of 2017, which pasture is described as follows:

W ½ & SE ¼ Sec. 07 Twp. 25 Range 11E

All Sec. 18 Twp. 25 Range 11E

All Sec. 8 Twp. 25 Range 11E

For which the second party agrees to pay to the first party or assigns, the sum of \$ 40,480.00.

It is agreed that of the said number of acres are 1760. It is agreed that the only feed that is to be furnished or fed said cattle on said pasture shall be native grass and feed supplements and the said cattle are to be placed in the pasture not earlier than Nov. 1, 2016, and are to remain no later than Oct. 31, 2017. It is agreed that second party may move from said pasture for shipment or otherwise such number of cattle as they may desire during the season, but before removing shall pay the sum of \$23.00 per acre, for the number thus removed to be credited on the said sum of \$40,480.00 and the said pasture bill becomes due when the cattle are taken from pasture and it is understood that the first party or assigns shall have a lien on all or said cattle for the sum of \$40,480.00. It is agreed between the parties that the first party receives the said cattle in the above described pasture for the purpose of grazing only. It is expressly agreed and understood by the parties hereto that the party of the first part is to assume no responsibility for shortage of grass, water, or loss of cattle by reason of bad fences or any other cause what-so-ever, and it is agreed that in case the party of the second part removes any of the cattle from said pasture during the grazing season.

Witness our hands this 14 day of October, 2016.

Agent of the Second Part

Party of the First Part



First American Title™

Title Insurance Commitment

ISSUED BY

First American Title Insurance Company

Commitment

INFORMATION

The Title Insurance Commitment is a legal contract between you and the Company. It is issued to show the basis on which we will issue a Title Insurance Policy to you. The Policy will insure you against certain risks to the land title, subject to the limitations shown in the Policy.

The Company will give you a sample of the Policy form, if you ask.

The Commitment is based on the land title as of the Commitment Date. Any changes in the land title or the transaction may affect the Commitment and the Policy.

The Commitment is subject to its Requirements, Exceptions and Conditions.

THIS INFORMATION IS NOT PART OF THE TITLE INSURANCE COMMITMENT. YOU SHOULD READ THE COMMITMENT VERY CAREFULLY.

If you have any questions about the Commitment, contact:

FIRST AMERICAN TITLE INSURANCE COMPANY
1 First American Way, Santa Ana, California 92707

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AGREEMENT TO ISSUE POLICY

We agree to issue policy to you according to the terms of the Commitment. When we show the policy amount and your name as the proposed insured in Schedule A, this Commitment becomes effective as of the Commitment Date shown in Schedule A.

If the Requirements shown in this Commitment have not been met within six months after the Commitment Date, our obligation under this Commitment will end. Also, our obligation under this Commitment will end when the Policy is issued and then our obligation to you will be under the Policy.

Our obligation under this Commitment is limited by the following:

- The Provisions in Schedule A.
- The Requirements in Schedule B-I.
- The Exceptions in Schedule B-II.
- The Conditions on Page 2.

This Commitment is not valid without SCHEDULE A and Sections I and II of SCHEDULE B.

First American Title Insurance Company

Dennis J. Gilmore
President

Jeffrey S. Robinson
Secretary

Issuing Agent:



Security 1st Title

414 E. River
Eureka, KS 67045

Title Officer: **Rita Anello**

Phone: **620-583-5020**

Email: **ranello@security1stks.com**

(This Commitment is valid only when Schedules A and B are attached)

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CONDITIONS

1. DEFINITIONS

(a) "Mortgage" means mortgage, deed of trust or other security instrument. (b) "Public Records" means title records that give constructive notice of matters affecting your title according to the state statutes where your Land is located.

2. LATER DEFECTS

The Exceptions in Schedule B - Section II may be amended to show any defects, liens or encumbrances that appear for the first time in the public records or are created or attach between the Commitment Date and the date on which all of the Requirements (a) and (c) of Schedule B - Section I are met. We shall have no liability to you because of this amendment.

3. EXISTING DEFECTS

If any defects, liens or encumbrances existing at Commitment Date are not shown in Schedule B, we may amend Schedule B to show them. If we do amend Schedule B to show these defects, liens or encumbrances, we shall be liable to you according to Paragraph 4 below unless you knew of this information and did not tell us about it in writing.

4. LIMITATION OF OUR LIABILITY

Our only obligation is to issue to you the Policy referred to in this Commitment, when you have met its Requirements. If we have any liability to you for any loss you incur because of an error in this Commitment, our liability will be limited to your actual loss caused by your relying on this Commitment when you acted in good faith to:

Comply with the Requirements shown in Schedule B - Section I

Or

Eliminate with our written consent any Exceptions shown in Schedule B - Section II.

We shall not be liable for more than the Policy Amount shown in Schedule A of this Commitment and our liability is subject to the terms of the Policy form to be issued to you.

5. CLAIMS MUST BE BASED ON THIS COMMITMENT

Any claim, whether or not based on negligence, which you may have against us concerning the title to the Land must be based on this Commitment and is subject to its terms.

 First American Title™	Title Insurance Commitment
	ISSUED BY First American Title Insurance Company
Schedule A	ISSUING AGENT  Security 1st Title

File No: **2219233**

Title Officer: **Rita Anello**, Phone: **620-583-5020**, Email: **ranello@security1stks.com**

1. Commitment Date: **July 7, 2017, at 7:30 a.m.**

2. Policy (or Policies) to be issued: Amount
 - a. ☒ ALTA Owner's Policy of Title Insurance (6-17-06):
Proposed Insured: **To Be Determined**

 - b. ☐ ALTA Loan Policy of Title Insurance (6-17-06):
Proposed Insured:

3. **Fee Simple** interest in the Land described in this Commitment is owned, at the Commitment Date, by
Commerce Trust Company, a division of Commerce Bank, Executor of the Estate of Marilyn Sue Smith, deceased

4. The land referred to in this Commitment is described as follows:
SEE ATTACHED EXHIBIT "A"

EXHIBIT "A"

TRACT 1

The South Half (S2) and the Northwest Quarter (NW4) of Section 7, Township 25 South, Range 11 East of the 6th P.M., Greenwood County, Kansas.

TRACT 2

All of Section 8, Township 25 South, Range 11 East of the 6th P.M., Greenwood County, Kansas.

TRACT 3

All of Section 18, Township 25 South, Range 11 East of the 6th P.M., Greenwood County, Kansas.

 First American Title™	Title Insurance Commitment
	ISSUED BY First American Title Insurance Company
Schedule BI	ISSUING AGENT  Security 1st Title

File No: **2219233**

Title Officer: **Rita Anello**, Phone: **620-583-5020**, Email: **ranello@security1stks.com**

REQUIREMENTS

The following requirements must be met:

- (A) Pay the agreed amounts for the interest in the land and/or the mortgage to be insured.
- (B) Pay us the premiums, fees and charges for the policy.
- (C) Documents satisfactory to us creating the interest in the land and/or the mortgage to be insured must be signed, delivered and recorded:
- (D) You must tell us in writing the name of anyone not referred to in this Commitment who will get an interest in the land or who will make a loan on the land. We may then make additional requirements or exceptions.
- (E) **Case No. 16PR 967; In the Matter of the Estate of Marilyn Sue Smith, deceased; Petition for Probate of Will and Issuance of Letters Testamentary filed November 8, 2016 by Eric S. Parkhurst, Attorney (316-263-8294); Order Admitting Will to Probate filed November 22, 2016 wherein The Commerce Trust Company, a division of Commerce Bank, a Missouri Banking Corporation, Wichita, Kansas, named Executor; Letters Testamentary filed November 22, 2016; We require:**

File transcript of Case No. 16PR967 in Greenwood County District Court.
- (F) **File a Executor's Deed from Commerce Trust Company, a division of Commerce Bank, Executor of the Estate of Marilyn Sue Smith, deceased to To Be Determined.**
- (G) **The application for title insurance does not give the name of the prospective purchaser. We reserve the right to make any additional requirements we deem necessary when such name is ascertained.**
- (H) **Recording Information for Greenwood County, Kansas:**

Recording Fees for documents recorded on or after January 1, 2017 but prior to January 1, 2018:

Deed \$18.00 first page, \$14.00 each additional page thereafter

Mortgage \$18.00 first page, \$14.00 each additional page thereafter

(This fee shall not exceed \$125.00 for recording single family mortgages on principal residences where the principal debt or obligation is \$75,000 or less.)

Mortgage Tax \$0.10 per each \$100.00 of loan amount

Mortgage Release \$17.00 first page, \$4.00 each additional page thereafter

The State of Kansas requires that any deed transferring real estate must be accompanied by the Real Estate Validation Questionnaire. This form must be executed by either the Grantor (Seller) or the Grantee (Buyer).

Certain exemptions do apply. The official form can be obtained from the Register of Deeds, or from Security 1st Title. Photocopies of the official form will not be accepted.

 First American Title™	Title Insurance Commitment ISSUED BY First American Title Insurance Company
Schedule BII	ISSUING AGENT  Security 1st Title

File No: **2219233**

Title Officer: **Rita Anello**, Phone: **620-583-5020**, Email: **ranello@security1stks.com**

EXCEPTIONS

Any policy we issue will have the following exceptions unless they are taken care of to our satisfaction.

1. Right or claims of parties in possession not shown by the Public Records.
2. Easements, or claims of easements, not shown by the Public Records.
3. Any encroachment, encumbrance, violation, variation or adverse circumstances affecting Title that would be disclosed by an accurate and complete survey of the Land or that could be ascertained by an inspection of the Land.
4. Any lien, or right to lien, for services, labor, or material heretofore or hereafter furnished, imposed by law and not shown by the Public Records.
5. Taxes, or special assessments, if any, not shown as existing liens by the Public Records.
6. Loss or damage by reason of there being recorded in the Public Records, any deeds, mortgages, lis pendens, liens or other title encumbrances subsequent to the commitment date and prior to the effective date of the final Policy.
7. **General taxes and special assessments for the fiscal year 2016 in the original amount of \$918.02.**
First Installment: \$459.01, Paid
Second Installment: \$459.01, Paid
Property I.D. # 1-02837
PIN #1-02837 (As to Tract 1)
8. **General taxes and special assessments for the fiscal year 2016 in the original amount of \$1,553.58.**
First Installment: \$776.79, Paid
Second Installment: \$776.79, Paid
Property I.D. # 1-02838
PIN #1-02838 (As to Tract 2)
9. **General taxes and special assessments for the fiscal year 2016 in the original amount of \$1,207.26.**
First Installment: \$603.63, Paid
Second Installment: \$603.63, Paid
Property I.D. # 1-02825
PIN #1-02825 (As to Tract 3)
10. **Terms and provisions of the oil and gas leases executed between Marilyn S. Smith, a single person, aka Marilyn Sue Smith, lessor, and Fancher Resources, LLC, lessee, filed August 25, 2003, recorded in/on Lease Book 50, Page 191, together with all subsequent assignments and conveyances.**

NOTE: If there is no production of oil and gas from all of the property covered by the above lease; if any set terms including options to renew in the lease have expired; and if a properly executed Affidavit of Non-Production is recorded, the above exception will not appear on the policy to be issued. Said Affidavit must include the same land covered in the Lease.

- 11. An easement for Water line and appurtenances, recorded as Misc. Book 51, Page 443.
In favor of: Rural Water District No. 2, Greenwood County, Kansas
Affects: West 20 feet of Section 8, Township 25, Range 11 East**
- 12. A document entitled Declaration of Abandonment recorded January 19, 1978 in/on Misc. Book 39, Page 49.**
- 13. The application for title insurance does not give the name of the prospective purchaser. When such name is ascertained, the records must be searched for possible judgments. If the purchaser is to be an entity other than a natural person or persons, certain additional requirements may be necessary.**
- 14. The actual value of the estate or interest to be insured must be disclosed to the Company, and subject to approval by the Company, entered as the amount of the policy to be issued. It is agreed that, as between the Company, the applicant for this commitment, and every person relying on this commitment, the amount of the requested policy will be assumed to be \$1,000.00, and the total liability of the Company on account of this commitment shall not exceed that amount, until such time as the actual amount of the policy to be issued shall have been agreed upon and entered as aforesaid, and the Company's applicable insurance premium charge for same shall have been paid.**



First American Title™

Privacy Information

We Are Committed to Safeguarding Customer Information

In order to better serve your needs now and in the future, we may ask you to provide us with certain information. We understand that you may be concerned about what we will do with such information – particularly any personal or financial information. We agree that you have a right to know how we will utilize the personal information you provide to us. Therefore, together with our subsidiaries we have adopted this Privacy Policy to govern the use and handling of your personal information.

Applicability

This Privacy Policy governs our use of the information that you provide to us. It does not govern the manner in which we may use information we have obtained from any other source, such as information obtained from a public record or from another person or entity. First American has also adopted broader guidelines that govern our use of personal information regardless of its source. First American calls these guidelines its Fair Information Values.

Types of Information

Depending upon which of our services you are utilizing, the types of nonpublic personal information that we may collect include:

- Information we receive from you on applications, forms and in other communications to us, whether in writing, in person, by telephone or any other means;
- Information about your transactions with us, our affiliated companies, or others; and
- Information we receive from a consumer reporting agency.

Use of Information

We request information from you for our own legitimate business purposes and not for the benefit of any nonaffiliated party. Therefore, we will not release your information to nonaffiliated parties except: (1) as necessary for us to provide the product or service you have requested of us; or (2) as permitted by law. We may, however, store such information indefinitely, including the period after which any customer relationship has ceased. Such information may be used for any internal purpose, such as quality control efforts or customer analysis. We may also provide all of the types of nonpublic personal information listed above to one or more of our affiliated companies. Such affiliated companies include financial service providers, such as title insurers, property and casualty insurers, and trust and investment advisory companies, or companies involved in real estate services, such as appraisal companies, home warranty companies and escrow companies. Furthermore, we may also provide all the information we collect, as described above, to companies that perform marketing services on our behalf, on behalf of our affiliated companies or to other financial institutions with whom we or our affiliated companies have joint marketing agreements.

Former Customers

Even if you are no longer our customer, our Privacy Policy will continue to apply to you.

Confidentiality and Security

We will use our best efforts to ensure that no unauthorized parties have access to any of your information. We restrict access to nonpublic personal information about you to those individuals and entities who need to know that information to provide products or services to you. We will use our best efforts to train and oversee our employees and agents to ensure that your information will be handled responsibly and in accordance with this Privacy Policy and First American's Fair Information Values. We currently maintain physical, electronic, and procedural safeguards that comply with federal regulations to guard your nonpublic personal information.

Information Obtained Through Our Web Site

First American Financial Corporation is sensitive to privacy issues on the Internet. We believe it is important you know how we treat the information about you we receive on the Internet. In general, you can visit First American or its affiliates' Web sites on the World Wide Web without telling us who you are or revealing any information about yourself. Our Web servers collect the domain names, not the e-mail addresses, of visitors. This information is aggregated to measure the number of visits, average time spent on the site, pages viewed and similar information. First American uses this information to measure the use of our site and to develop ideas to improve the content of our site.

There are times, however, when we may need information from you, such as your name and email address. When information is needed, we will use our best efforts to let you know at the time of collection how we will use the personal information. Usually, the personal information we collect is used only by us to respond to your inquiry, process an order or allow you to access specific account/profile information. If you choose to share any personal information with us, we will only use it in accordance with the policies outlined above.

Business Relationships

First American Financial Corporation's site and its affiliates' sites may contain links to other Web sites. While we try to link only to sites that share our high standards and respect for privacy, we are not responsible for the content or the privacy practices employed by other sites.

Cookies

Some of First American's Web sites may make use of "cookie" technology to measure site activity and to customize information to your personal tastes. A cookie is an element of data that a Web site can send to your browser, which may then store the cookie on your hard drive.

FirstAm.com uses stored cookies. The goal of this technology is to better serve you when visiting our site, save you time when you are here and to provide you with a more meaningful and productive Web site experience.

Fair Information Values

Fairness We consider consumer expectations about their privacy in all our businesses. We only offer products and services that assure a favorable balance between consumer benefits and consumer privacy.

Public Record We believe that an open public record creates significant value for society, enhances consumer choice and creates consumer opportunity. We actively support an open public record and emphasize its importance and contribution to our economy.

Use We believe we should behave responsibly when we use information about a consumer in our business. We will obey the laws governing the collection, use and dissemination of data.

Accuracy We will take reasonable steps to help assure the accuracy of the data we collect, use and disseminate. Where possible, we will take reasonable steps to correct inaccurate information. When, as with the public record, we cannot correct inaccurate information, we will take all reasonable steps to assist consumers in identifying the source of the erroneous data so that the consumer can secure the required corrections.

Education We endeavor to educate the users of our products and services, our employees and others in our industry about the importance of consumer privacy. We will instruct our employees on our fair information values and on the responsible collection and use of data. We will encourage others in our industry to collect and use information in a responsible manner.

Security We will maintain appropriate facilities and systems to protect against unauthorized access to and corruption of the data we maintain.

PRIVACY POLICY

WHAT DOES SECURITY 1ST TITLE DO WITH YOUR PERSONAL INFORMATION?

Federal and applicable state law and regulations give consumers the right to limit some but not all sharing. Federal and applicable state law regulations also require us to tell you how we collect, share, and protect your personal information. Please read this notice carefully to understand how we use your personal information. This privacy notice is distributed on behalf of Security 1ST Title, LLC, pursuant to Title V of the Gramm-Leach-Bliley Act (GLBA).

The types of personal information we collect and share depend on the product or service that you have sought through us. This information can include social security numbers and driver's license number.

All financial companies, such as Security 1st Title, need to share customers' personal information to run their everyday business—to process transactions and maintain customer accounts. In the section below, we list the reasons that we can share customers' personal information; the reasons that we choose to share; and whether you can limit this sharing.

Reasons we can share your personal information	Do we share?	Can you limit this sharing?
For our everyday business purposes — to process your transactions and maintain your account. This may include running the business and managing customer accounts, such as processing transactions, mailing, and auditing services, and responding to court orders and legal investigations.	Yes	No
For our marketing purposes — to offer our products and services to you.	Yes	No
For joint marketing with other financial companies	No	We don't share
For our affiliates' everyday business purposes — information about your transactions and experiences. Affiliates are companies related by common ownership or control. They can be financial and nonfinancial companies.	Yes	No
For our affiliates' everyday business purposes — information about your creditworthiness.	No	We don't share
For our affiliates to market to you	Yes	No
For nonaffiliates to market to you. Nonaffiliates are companies not related by common ownership or control. They can be financial and nonfinancial companies.	No	We don't share

We may disclose your personal information to our affiliates or to nonaffiliates as permitted by law. If you request a transaction with a nonaffiliate, such as a third party insurance company, we will disclose your personal information to that nonaffiliate. (We do not control their subsequent use of information, and suggest you refer to their privacy notices.)

Sharing practices	
How often does Security 1st Title notify me about their practices?	We must notify you about our sharing practices when you request a transaction.
How does Security 1st Title protect my personal information?	To protect your personal information from unauthorized access and use, we use security measures that comply with federal and state law. These measures include computer, file, and building safeguards.
How does Security 1st Title collect my personal information?	We collect your personal information, for example, when you request insurance-related services provide such information to us We also collect your personal information from others, such as the real estate agent or lender involved in your transaction, credit reporting agencies, affiliates or other companies.
What sharing can I limit?	Although federal and state law give you the right to limit sharing (e.g., opt out) in certain instances, we do not share your personal information in those instances.
Contact Us	If you have any questions about this privacy notice, please contact us at: Security 1 st Title, 727 N. Waco, Suite 300, Wichita, KS 67203.

PRODUCERS 88-PAID UP
Kansas CBM Form

Prospect: Eureka

OIL AND GAS LEASE

This Agreement, made and entered into this 9th day of July, 2003, by and between
Marilyn S. Smith a single person, a/k/a Marilyn Sue Smith

whose address is 761 Country Acres Wichita, KS 67212

hereinafter called Lessor (whether one or more) and **Fancher Resources, LLC**

whose address is 1801 Broadway, Suite 720, Denver, Colorado 80202 hereinafter called Lessee:

WITNESSETH, That the Lessor, for and in consideration of TEN AND MORE (\$10.00 +) DOLLARS cash in hand paid, the receipt and sufficiency are hereby acknowledged, and the covenants and agreements hereinafter contained, has granted, demised, leased and let, and by these presents does grant, demise, lease and let exclusively unto the said Lessee, the land hereinafter described, with the exclusive right for the purpose of exploring by geophysical and other methods, and operating for and producing therefrom oil, gas, and other hydrocarbons and all other minerals or substances, whether similar or dissimilar, including, but not limited to, coalbed methane, helium, nitrogen, carbon dioxide, and all substances produced in association therewith from coal bearing formations or elsewhere, that may be produced from any well drilled under the terms of this lease, with rights of way and easements for laying pipe lines and servicing or drilling other wells in the vicinity of said lands, and erection of structures thereon to produce, save and take care of said products, including the right to inject salt water and production fluids into strata below those providing fresh water from wells located on the herein leased lands or on adjacent lands, all that certain tract of land, together with any reversionary, remaindermen and executory rights therein, situated in Greenwood County, State of Kansas described as follows, to-wit:

Township 25 South Range 11 East

Sec 7: The South Half (S1/2) and the Northwest Quarter (NW1/4)

Sec 8: All

Sec 18: All

Containing 1760 acres more or less

And containing **1760** acres, more or less, together with all strips or parcels of land (not, however, to be construed to include parcels comprising a regular 40-acre legal subdivision or lot of approximately corresponding size) adjoining or contiguous to the above described land and owned or claimed by Lessor.

1. It is agreed that this lease shall remain in force for a term of **Five (5)** years from this date and as long thereafter as oil or gas of whatsoever nature or kind is produced from said leased premises or on acreage pooled therewith, or drilling operations are continued as hereinafter provided. If, at the expiration of the primary term of this lease, oil or gas is not being produced on the leased premises or on acreage pooled therewith but Lessee is then engaged in drilling or re-working operations thereon, then this lease shall continue in force so long as operations are being continuously prosecuted on the leased premises or on acreage pooled therewith; and operations shall be considered to be continuously prosecuted if not more than ninety (90) days shall elapse between the completion or abandonment of one well and the beginning of operations for the drilling of a subsequent well. If after discovery of oil or gas on said land or on acreage pooled therewith, the production thereof should cease from any cause after the primary term, this lease shall not terminate if Lessee commences additional drilling or re-working operations within ninety (90) days from date of cessation of production or from date of completion of dry hole. If oil or gas shall be discovered and produced as a result of such operations at or after the expiration of the primary term of this lease, this lease shall continue in force so long as oil or gas is produced from the leased premises or on acreage pooled therewith.
2. This is a PAID-UP LEASE. In consideration of the down cash payment, Lessor agrees that Lessee shall not be obligated, except as otherwise provided herein, to commence or continue any operations during the primary term. Lessee may at any time or times during or after the primary term surrender this lease as to all or any portion of said land and as to any strata or stratum by delivering to Lessor or by filing for record a release or releases, and be relieved of all obligation thereafter accruing as to the acreage surrendered.
3. In consideration of the premises the said Lessee covenants and agrees:
 - 1st. To deliver to the credit of Lessor, free of cost, in the pipe line to which Lessee may connect wells on said land, the equal one-eighth (1/8) part of all oil produced and saved from the leased premises.
 - 2nd. To pay Lessor one-eighth (1/8) of the net proceeds at the well from proceeds received for gas sold from each well where gas only is found, or the market value at the well of such gas used off the premises.
 - 3rd. To pay Lessor one-eighth (1/8) of the market value at the well for gas produced from any oil well and used off the premises, or for the manufacture of casing-head gasoline or dry commercial gas.
 - 4th. To pay Lessor one-eighth (1/8) of the proceeds received from the sale of any substance covered by this lease, other than oil and gas and the products thereof, which Lessee may elect to produce, save, and market from the leased premises.

STATE OF KANSAS FEE \$16.00
GREENWOOD CO. SS
This instrument was filed on this 25
day of August 2003 at 10:10
o'clock AM, and duly entered in book
50 of Lease page 191
Marsha E. Ramsey Register
By _____ Deputy



WLS6159

4. If any well capable of producing oil and/or gas, whether or not in paying quantities, located on said land or on lands pooled or unitized with all or part of said land, is at any time shut in and production therefrom is not sold or used off the premises, nevertheless such shut-in well shall be considered a well producing oil and/or gas and this lease will continue in force while such well is shut in, notwithstanding expiration of the primary term. In lieu of any implied covenant to market, Lessee expressly agrees to market oil and/or gas produced from Lessee's well located on said lands or on lands pooled or unitized therewith, but Lessee does not covenant or agree to reinject or recycle gas, to market such oil and/or gas under terms, conditions or circumstances which in Lessee's judgement are uneconomic or otherwise unsatisfactory or to bear more than Lessee's revenue interest share of the cost and expense incurred to make the production marketable. If all wells on said land, or on lands pooled or unitized with all or part of said land, are shut in, then within 60 days after expiration of each period of one year in length (annual period) during which all such wells are shut in, Lessee shall be obligated to pay or tender to Lessor at above address via U.S. Mail on or before said date, as royalty, the sum of \$1.00 multiplied by the number of acres subject to this lease, provided, however, that if production from a well or wells located on said land or on lands pooled or unitized therewith is sold or used off the premises before the end of any such period, or if at the end of any such annual period this lease is being maintained in force and effect other than solely by reason of the shut-in well(s), Lessee shall not be obligated to pay or tender said sum of money for that annual period.

5. If said Lessor owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties (including any shut-in gas royalty) herein provided for shall be paid the Lessor only in the proportion which Lessor's interest bears to the whole and undivided fee.

6. Lessee shall have the right to use, free of cost, gas, oil and water produced on said land for Lessee's operation thereon, except water from the wells of Lessor.

7. When requested by Lessor, Lessee shall bury Lessee's pipe line below plow depth.

8. No well shall be drilled nearer than 200 feet to the house or barn now on said premises without written consent of Lessor.

9. Lessee shall pay for damages caused by Lessee's operations to growing crops on said land.

10. Lessee shall have the right at any time to remove all machinery and fixtures placed on said premises, including the right to draw and remove casing.

11. The rights of Lessor and Lessee hereunder may be assigned in whole or part. No change in ownership of Lessor's interest (by assignment or otherwise) shall be binding on Lessee until Lessee has been furnished with notice, consisting of certified copies of all recorded instruments or documents and other information necessary to establish a complete chain of record title from Lessor, and then only with respect to payments thereafter made. No other kind of notice, whether actual or constructive, shall be binding on Lessee. No present or future division of Lessor's ownership as to different portions or parcels of said land shall operate to enlarge the obligations or diminish the rights of Lessee, and all Lessee's operations may be conducted without regard to any such division. If all or any part of this lease is assigned, no leasehold owner shall be liable for any act or omission of any other leasehold owner.

12. Lessee, at its option, is hereby given the right and power at any time and from time to time as a recurring right, either before or after production, as to all or any part of the land described herein and as to any one or more of the formations hereunder, to pool or unitize the leasehold estate and the mineral estate covered by this lease with other land, lease or leases in the immediate vicinity for the production of oil and gas, or separately for the production of either, when in Lessee's judgment it is necessary or advisable to do so, and irrespective of whether authority similar to this exists with respect to such other land, lease or leases. Likewise, units previously formed to include formations not producing oil or gas, may be reformed to exclude such non-producing formations. The forming or reforming of any unit shall be accomplished by Lessee executing and filing of record a declaration of such unitization or reformation, which declaration shall describe the unit. Any unit may include land upon which a well has theretofore been completed or upon which operations for drilling have theretofore been commenced. Production, drilling or re-working operations or a well shut in for want of a market anywhere on a unit which includes all or a part of this lease shall be treated as if it were production, drilling, or re-working operations or a well shut in for want of a market under this lease. In lieu of the royalties elsewhere herein specified, including shut-in gas royalties, Lessor shall receive on production from the unit so pooled royalties only on the portion of such production allocated to this lease; such allocation shall be that proportion of the unit production that the total number of surface acres covered by this lease and included in the unit bears to the total number of surface acres in such unit. In addition to the foregoing, Lessee shall have the right to unitize, pool, or combine all or any part of the above described lands as to one or more of the formations thereunder with other lands in the same general area by entering into a cooperative or unit plan of development or operation approved by any governmental authority and, from time to time, with like approval, to modify, change or terminate any such plan or agreement and, in such event, the terms, conditions and provisions of this lease shall be deemed modified to conform to the terms, conditions, and provisions of such approved cooperative or unit plan of development or operation and, particularly, all drilling and development requirements of this lease, express or implied, shall be satisfied by compliance with the drilling and development requirements of such plan or agreement, and this lease shall not terminate or expire during the life of such plan or agreement. In the event that said above described lands or any part thereof, shall hereafter be operated under any such cooperative or unit plan of development or operation whereby the production therefrom is allocated to different portions of the land covered by said plan, then the production allocated to any particular tract of land shall, for the purpose of computing the royalties to be paid hereunder to Lessor, be regarded as having been produced from the particular tract of land to which it is allocated and not to any other tract of land; and the royalty payments to be made hereunder to Lessor shall be based upon production only as so allocated. Lessor shall formally express Lessor's consent to any cooperative or unit plan of development or operation adopted by Lessee and approved by any governmental agency by executing the same upon request of Lessee.

13. For purposes of promoting the development of shallow gas and associated hydrocarbons produced in conjunction therewith, Lessee is granted the power to pool and unitize this lease into a development pooled unit of up to 5,760 acres. This grant shall only be effective if Lessee drills or has drilled no later than one (1) year from declaration of pooling and in no event later than one (1) year after the expiration of the primary term hereof, at least two wells within the pooled unit. This special pooling grant is only effective as to formations hereby defined as geologic formations located from the surface of the earth to one hundred feet (100') below the top of the Mississippian Carbonate formation. To utilize this pooling grant Lessee shall file with the Recorders Office of the relevant county or counties a declaration of the exact description of the unit formed pursuant to this clause. Subject to fulfilling the above described drilling requirements, such declaration is all that is required to establish the pooled unit. If such gas well or wells as contemplated by this clause shall not be drilled on the premises herein leased it shall nevertheless be deemed to be upon the leased premises within the meaning of all covenants, expressed or implied, in this lease. Lessor shall receive on hydrocarbon production thus pooled such proportion of the royalty stipulation herein reserved as the amount of Lessor's acreage placed in the unit bears to the total acreage so pooled in the particular declared unit, regardless of which wells the production actually comes from. After one such unit has been declared, Lessee may add other lands to such unit up to the limit of 5,760 acres.

14. All express or implied covenants of this lease shall be subject to all Federal and State Laws, Executive Orders, Rules or Regulations, and this lease shall not be terminated, in whole or in part, nor Lessee held liable in damages, for failure to comply therewith, if compliance is prevented by, or if such failure is the result of, any such Law, Order, Rule or Regulation.

15. Lessor hereby warrants and agrees to defend the title to the lands herein described, and agrees that the Lessee shall have the right at any time to redeem for Lessor, by payment, any mortgages, taxes or other liens on the above described lands, in the event of default of payment by Lessor and be subrogated to the rights of the holder thereof, and Lessor hereby agrees that any such payments made by Lessee for the Lessor may be deducted from any amounts of money which may become due the Lessor under the terms of this lease. The undersigned Lessors, for themselves and their heirs, successors and assigns, hereby surrender and release all right of dower and homestead in the premises described herein, insofar as said right of dower and homestead may in any way affect the purposes for which this lease is made, as recited herein.

16. Should any one or more of the parties hereinabove named as Lessor fail to execute this Lease, it shall nevertheless be binding upon all such parties who do execute it as Lessor. The word "Lessor", as used in this lease, shall mean any one or more or all of the parties who execute this lease as Lessor. All the provisions of this lease shall be binding on the heirs, successors and assigns of Lessor and Lessee.

17. Lessor and Lessee hereby made, as express provisions of this lease, the following: It is agreed that this lease shall remain in force for a term of Five (5) year(s) from the date, and as long thereafter as oil or gas, or either of them, is produced from said land by the Lessee, its successors and assigns. Lessee has the option to extend this lease for an additional term of Five (5) year(s) from the expiration of the primary term of this lease, and as long thereafter as oil or gas, or either of them, is produced from said land by the Lessee, its successors and assigns, said renewal to be under the same terms and conditions as contained in this lease. Lessee, its successors or assigns, may exercise this option to renew if on or before the expiration date of the primary term of this lease, Lessee pays or tenders to the Lessor or to the Lessor's credit, the sum of \$20.00 dollars per net mineral acre.

18. Bonuses may be paid by check or draft and may be remitted by mail. Mailing of bonuses on or before the bonus paying date shall be deemed a timely tender thereof and shall preclude termination of this lease.

19. Lessee shall not be liable for any environmental or operational costs associated with existing wells (and associated surface facilities) already located on the lands covered hereby, which wells were drilled or operated prior to the date of this lease. Furthermore, it is understood and agreed that this lease shall cover the lands described, less and except a tract of land in the form of a square being 50 feet by 50 feet centered around any inactive or abandoned well that may exist thereon as of the date hereof. Lessee shall have the right, with no obligation, at Lessee's option to plug any such well and thereafter the land surrounding said well, which were originally excluded from this lease, shall be incorporated with and become part of the premises covered by this lease the same as if said lands had originally been included herein.

OTHER PROVISIONS

- 20. Lessee and Lessor agree that any access roads, well sites, or pipelines to be constructed under the terms of this lease shall be done in consultation with the Lessor, provided however, the Lessor shall not attempt to prohibit said construction or make unreasonable requests of the Lessee.
- 21. Lessee agrees that as soon as is reasonably possible, following completion of its operations, Lessee shall restore its well site, as nearly as possible, to its original condition and land contour.
- 22. Lessee agrees to be a prudent operator and will keep all surface disturbances to the minimum area necessary to conduct its operations.
- 23. Lessee shall indemnify and hold Lessor harmless from any and all liability, liens, claims and environmental liability arising out of Lessee's operations under the terms of this lease.
- 24. Pursuant to paragraph #9 of this lease, Lessee agrees that within thirty (30) days of commencement of operations on the herein described lands, Lessee agrees to pay Lessor a one time damage payment of \$500.00 for each acre of actual damage caused to Lessor's property as a direct result of Lessee's operations under the terms of this lease.

IN WITNESS WHEREOF, this instrument is executed as of the date first above written

Marilyn S. Smith
Marilyn S. Smith aka Marilyn Sue Smith

SS# 515-30-0311

State of Kansas

ACKNOWLEDGEMENT-INDIVIDUAL

County of Greenwood

BEFORE ME, the undersigned, a Notary Public, in and for said County and State, on this 9th day of July, 2003, Personally appeared Marilyn S. Smith a single person, aka Marilyn Sue Smith to me known to be the person(s) described in and that executed the foregoing instrument and acknowledged to me that each executed the same in,her free act and deed.

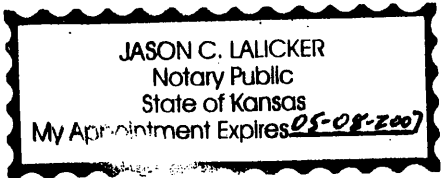
IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal the day and year last above written.

MY COMMISSION EXPIRES:

05-08-2007

Jason C. Lalicker
Jason C. Lalicker
Notary Public:

Address: 1915 W. 24th Street
Lawrence, KS 66046



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UNITED STATES DEPARTMENT OF AGRICULTURE
FARMERS HOME ADMINISTRATION

RIGHT-OF-WAY EASEMENT

The Fourth National Bank and Trust Company, Wichita, as
Trustee of the Venus B. Smith Trust & Marilyn Sue Smith, a

KNOW ALL MEN BY THESE PRESENTS, that Single woman
hereinafter called Grantors, in consideration of one dollar (\$1.00) and other good and valuable consideration paid by Rural Water
District No. 2, Greenwood Co., Ks. hereinafter called the Grantee, the receipt and sufficiency of which is hereby acknowledged,
has hereby grant, bargain, sell, transfer, and convey to said Grantee, its successors, and assigns, a perpetual easement with the right to
erect, construct, install, and lay and thereafter use, operate, inspect, repair, maintain, replace and remove

A Water line and appurtenances

over and across the following land owned by Grantor in Greenwood County, State of Kansas

The West Twenty (20) feet of Section Eight (8),
Township Twenty-five (25) South, Range Eleven
(11) East of the 6th P.M., in Greenwood County,
Kansas.

The easement hereby granted shall not exceed 20' in width, the center line thereof to be located across said land as follows:

The center line shall follow the location of the water line as laid.

The consideration recited herein shall constitute payment in full for all damages sustained by Grantors by reason of the installation of the
structures referred to herein and the Grantee will maintain such easement in a state of good repair and efficiency so that no unreasonable
damages will result from its use of Grantors' premises. This Agreement together with other provisions of this grant shall constitute a
covenant running with the land for the benefit of the Grantee, its successors, and assigns. The Grantors covenant that they are the owners
of the above-described lands and that said lands are free and clear of all encumbrances and liens except the following:

IN WITNESS WHEREOF the said Grantors have executed this instrument this 30th day of MARCH
19 83.
The Fourth National Bank and Trust Co., Wichita
Trustee of the Venus B. Smith Trust
By: Marilyn Sue Smith
D. J. Appliger
Marilyn Sue Smith, a single woman

STATE OF KANSAS

SS:

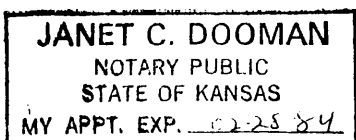
COUNTY OF SEDGWICK

BE IT REMEMBERED, that on this 30th day of March, 19 83, before me, the undersigned, a Notary Public,
in and for the county and state aforesaid, came Marilyn Sue Smith, a single woman,
who is personally known to me to be the same person who executed the within instrument of writing and
such person duly acknowledged the execution of the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal the day and year last above written.

Janet C. Dooman
Notary Public

My commission expires: 02-28-84



FHA-KS 442-5 (Rev. 2-17-65)

LIENHOLDER'S CONSENT TO EASEMENT

The undersigned hereby consents to the granting of the above easement.

 Lienholder

ATTEST:

STATE OF KANSAS)
) SS:
 SEDGWICK COUNTY)

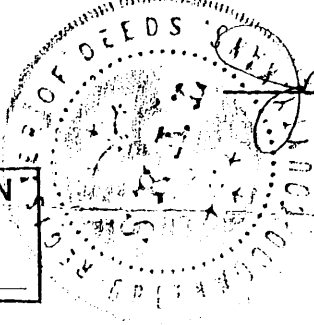
Before me, the undersigned, a notary public, within and for said county and state, on this 30th day of March, 1983, appeared D. L. Oppliger, Vice President & Trust Officer of THE FOURTH NATIONAL BANK AND TRUST COMPANY, WICHITA, a national banking association which is Trustee of the Venus B. Smith Trust

to me personally known to be the identical person who executed the within and foregoing instrument and acknowledged to me that he executed the same as his free and voluntary act and deed on behalf of said association and as the act and deed of such Trust for the uses and purposes therein set forth.

My appointment expires

02-28-84

JANET C. DOOMAN
 NOTARY PUBLIC
 STATE OF KANSAS
 MY APPT. EXP. _____



Notary Public
 STATE OF KANSAS FEE \$5.50
 GREENWOOD CO. SS
 This instrument was filed on this 13
 day of April, 1983 at 9:20
 o'clock A.M., and duly entered in book
51 of Misc page 443
Erma Bray Register
 By Betty Dender Deputy

DECLARATION OF ABANDONMENT

KNOW ALL MEN BY THESE PRESENTS:

That THE ATCHISON, TOPEKA AND SANTA FE RAILWAY COMPANY, a corporation of the State of Delaware, successor to The Kansas City, Emporia and Southern Railroad Company and The Kansas City, Emporia and Southern Railway Company, hereby declares: (1) that the lands hereinafter described were acquired by said Companies for railroad right of way purposes; (2) that the same were at all times subject to reversion in the event of a permanent abandonment thereof for railroad right of way purposes; and (3) that The Atchison, Topeka and Santa Fe Railway Company has permanently abandoned said lands for railroad right of way purposes.

WHEREFORE, THE ATCHISON, TOPEKA AND SANTA FE RAILWAY COMPANY disclaims any and all right, title and interest in and to the following described lands in Lyon, Greenwood and Elk Counties, Kansas, to-wit:

All that portion of the lands which constituted the right of way of the Howard District of the Eastern Division of The Atchison, Topeka and Santa Fe Railway Company, described as follows:

LYON COUNTY

Beginning at Mile Post 1 + 1500 feet, more or less, on the centerline of main track (now taken up) of said Railway Company. Said beginning point being in the Northwest Quarter (NW/4), Section 23, T-19-S, R-11-E and located 390 feet, more or less, north of the East-West centerline of said section. Thence in a general southerly direction, a distance of 15.33 miles, more or less, through the

Entered in Transfer Record in my Office this
19th day of January A.D., 1978
Mahala True, Deputy
County Clerk

STATE OF KANSAS, LYON COUNTY, SS
FILED FOR RECORD THIS 19 DAY OF Jan
1978 AT 9:00 O'CLOCK A.M. AND DULY
RECORDED IN VOL 350 PAGE 433
Oma Peris REGISTER OF DEEDS

433

MISC. BOOK 39 PAGE 49

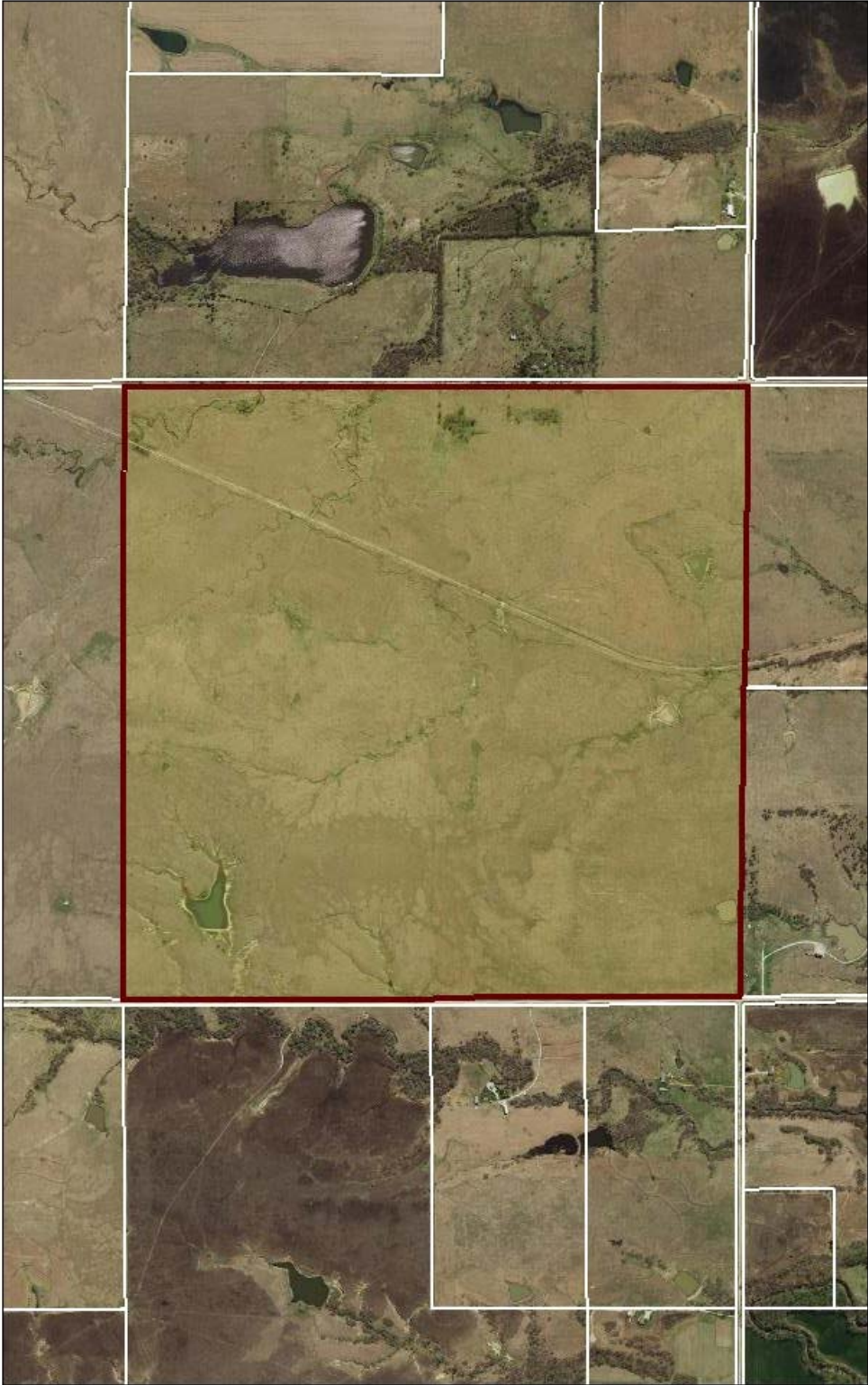
Original Compared
With Record

ORIGINAL COMPARED WITH RECORD

NW/4	of Section 14	T.24S. - R.11E.
SW/4	of Section 14	T.24S. - R.11E.
NW/4	of Section 23	T.24S. - R.11E.
NE/4	of Section 22	T.24S. - R.11E.
SE/4	of Section 22	T.24S. - R.11E.
SW/4	of Section 22	T.24S. - R.11E.
NW/4	of Section 27	T.24S. - R.11E.
NE/4	of Section 28	T.24S. - R.11E.
SE/4	of Section 28	T.24S. - R.11E.
SW/4	of Section 28	T.24S. - R.11E.
NW/4	of Section 33	T.24S. - R.11E.
NE/4	of Section 32	T.24S. - R.11E.
SE/4	of Section 32	T.24S. - R.11E.
NE/4	of Section 5	T.25S. - R.11E.
SE/4	of Section 5	T.25S. - R.11E.
SW/4	of Section 5	T.25S. - R.11E.
NW/4	of Section 8	T.25S. - R.11E. ✓
SW/4	of Section 8	T.25S. - R.11E. ✓
SE/4	of Section 7	T.25S. - R.11E. ✓
NE/4	of Section 18	T.25S. - R.11E. ✓
SE/4	of Section 18	T.25S. - R.11E. ✓
NE/4	of Section 19	T.25S. - R.11E.
SE/4	of Section 19	T.25S. - R.11E.
NE/4	of Section 30	T.25S. - R.11E.
SE/4	of Section 30	T.25S. - R.11E.
NE/4	of Section 31	T.25S. - R.11E.
NW/4	of Section 31	T.25S. - R.11E.
NE/4	of Section 36	T.25S. - R.10E.
SE/4	of Section 36	T.25S. - R.10E.
SW/4	of Section 36	T.25S. - R.10E.
SE/4	of Section 35	T.25S. - R.10E.
SW/4	of Section 35	T.25S. - R.10E.
SE/4	of Section 34	T.25S. - R.10E.
NE/4	of Section 3	T.26S. - R.10E.
NW/4	of Section 2	T.26S. - R.10E.
SW/4	of Section 2	T.26S. - R.10E.
SE/4	of Section 2	T.26S. - R.10E.
SW/4	of Section 1	T.26S. - R.10E.
NW/4	of Section 12	T.26S. - R.10E.
NE/4	of Section 12	T.26S. - R.10E.
SE/4	of Section 12	T.26S. - R.10E.
NW/4	of Section 7	T.26S. - R.11E.
SW/4	of Section 7	T.26S. - R.11E.
SE/4	of Section 7	T.26S. - R.11E.
NE/4	of Section 18	T.26S. - R.11E.
NW/4	of Section 17	T.26S. - R.11E.
SW/4	of Section 17	T.26S. - R.11E.
SE/4	of Section 17	T.26S. - R.11E.
NE/4	of Section 20	T.26S. - R.11E.
NW/4	of Section 20	T.26S. - R.11E.
SE/4	of Section 20	T.26S. - R.11E.

Parcel B

Parcel 03720418000000001000



July 12, 17

- Green: Band_2
- Blue: Band_3
- Red: Band_1

1:18,056
0 800 1,600 3,200 ft
0 250 500 1,000 m
All Kansas counties, KDOH
Kansas counties, KDOH

GUIDE TO AUCTION COSTS

WHAT TO EXPECT

THE SELLER CAN EXPECT TO PAY

- Half of the Owner's Title Insurance
- Half of the Title Company's Closing Fee
- Real Estate Commission (*If Applicable*)
- Advertising Costs
- Payoff of All Loans, Including Accrued Interest, Statement Fees, Reconveyance Fees and Any Prepayment Penalties
- Any Judgments, Tax Liens, etc. Against the Seller
- Recording Charges Required to Convey Clear Title
- Any Unpaid Taxes and Tax Proration for the Current Year
- Any Unpaid Homeowner's Association Dues
- Rent Deposits and Prorated Rents (*If Applicable*)

THE BUYER CAN GENERALLY EXPECT TO PAY

- Half of the Owner's Title Insurance
- Half of the Title Company's Closing Fee
- 10% Buyer's Premium (*If Applicable*)
- Document Preparation (*If Applicable*)
- Notary Fees (*If Applicable*)
- Recording Charges for All Documents in Buyer's Name
- Homeowner's Association Transfer / Setup Fee (*If Applicable*)
- All New Loan Charges (*If Obtaining Financing*)
- Lender's Title Policy Premiums (*If Obtaining Financing*)
- Homeowner's Insurance Premium for First Year
- All Prepaid Deposits for Taxes, Insurance, PMI, etc. (*If Applicable*)

