

# NOTICE

This scan only represents the application as filed. The information contained herein meets the requirements of K.A.R. 5-3-1 or K.A.R. 5-5-1, and has been found acceptable for filing in the office of the Chief Engineer. The application should not be considered to be a complete application as per K.A.R. 5-3-1b or K.A.R. 5-5-2a.

Submit To: CHIEF ENGINEER  
Division of Water Resources  
Kansas Department of Agriculture  
1320 Research Park Drive  
Manhattan, Kansas 66502  
http://agriculture.ks.gov/dwr

**APPLICATION FOR APPROVAL TO  
CHANGE THE PLACE OF USE, THE  
POINT OF DIVERSION OR THE USE  
MADE OF THE WATER UNDER AN  
EXISTING WATER RIGHT**



State of Kansas

**Filing Fee Must Accompany the Application**  
(Please refer to Fee Schedule on signature page of application form.)

Paragraph Nos. 1, 2, 3, 4 & 8 must be completed. Complete all other applicable portions. A topographic map or detailed plat showing the authorized and proposed points(s) of diversion and /or place of use must accompany this application.

1. Application is hereby made for approval of the Chief Engineer to change the

- Place of Use  
 Point of Diversion  
 Use Made of Water

(Check one or more)

Water Resources  
Received

NOV 19 2018

12:30

File No. 16,715

KS Dept Of Agriculture

2. Name of applicant: Fairleigh Corporation

Address: PO Box 560

City, State and Zip: Scott City, KS 67871

Phone Number: (620) 872-1111

E-mail address: pnowak@fairleigh.com

What is your relationship to the water right;  owner  tenant  agent  other? If other, please explain. \_\_\_\_\_

Fairleigh Corporation will become the owner of this water right upon approval of this change application.

Name of water use correspondent: Fairleigh Corporation

Address: PO Box 560

City, State and Zip: Scott City, KS 67871

Phone Number: (620) 872-1111

E-mail address: pnowak@fairleigh.com

3. The change(s) proposed herein are desired for the following reasons (please be specific): We wish to acquire additional water rights to provide a secure and sufficient supply of water for our cattle feeding facility.

The change(s) (was) (will be) completed  upon approval of this application

(Date)

**For Office Use Only:**

F.O. 4 GMD 1 Meets K.A.R. 5-5-1 (YES / NO) Use 122 Source (G/S) County SC By DAW Date 11/19/18  
Code C-2 Fee \$ \_\_\_\_\_ TR # \_\_\_\_\_ Receipt Date 11/19/18 Check # 77685

4. The presently authorized place of use is:

Owner of Land — NAME: GBCM Farms, L.L.C.

ADDRESS: Attn: Gary Schmidt, 9670 S Eagle Rd, Scott City, KS 67871

Sec.	Twp.	Range	NE¼				NW¼				SW¼				SE¼				TOTAL ACRES
			NE¼	NW¼	SW¼	SE¼	NE¼	NW¼	SW¼	SE¼	NE¼	NW¼	SW¼	SE¼	NE¼	NW¼	SW¼	SE¼	
35	19S	34W	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4.00	20.00	24.00
36	19S	34W	-	-	-	-	-	-	-	-	10.00	8.00	30.00	40.00	-	-	-	-	88.00
1	20S	34W	-	-	-	-	12.00	29.00	20.00	20.00	-	-	-	-	-	-	-	-	81.00

List any other water rights that cover this place of use. File Nos. SC107, SC108, 4,261 and 8,881.

Owner of Land — NAME: Gary G. and Sandra S. Schmidt

ADDRESS: 9670 S Eagle Rd, Scott City, KS 67871

Sec.	Twp.	Range	NE¼				NW¼				SW¼				SE¼				TOTAL ACRES
			NE¼	NW¼	SW¼	SE¼	NE¼	NW¼	SW¼	SE¼	NE¼	NW¼	SW¼	SE¼	NE¼	NW¼	SW¼	SE¼	
2	20S	34W	39.18	24.00	30.00	40.00	38.00	4.00	4.00	29.00	-	-	-	-	30.00	38.00	5.00	1.00	282.18

List any other water rights that cover this place of use. File Nos. SC107, SC108, 4,261 and 8,881.

(If there are more than two landowners, attach additional sheets as necessary.)

5. It is proposed that the place of use be changed to:

Owner of Land — NAME: Fairleigh Corporation

ADDRESS: PO Box 560, Scott City, KS 67871

Sec.	Twp.	Range	NE¼				NW¼				SW¼				SE¼				TOTAL ACRES
			NE¼	NW¼	SW¼	SE¼	NE¼	NW¼	SW¼	SE¼	NE¼	NW¼	SW¼	SE¼	NE¼	NW¼	SW¼	SE¼	
25	19S	34W													X	X	X	X	Feedlot
30	19S	33W	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	Feedlot

List any other water rights that cover this place of use. SC83, 6,168, 18,859, 28,305, 43,366, 44,997, 44,998 & 4,261.

Owner of Land — NAME: GBCM Farms, L.L.C.

ADDRESS: Attn: Gary Schmidt, 9670 S Eagle Rd, Scott City, KS 67871

Sec.	Twp.	Range	NE¼				NW¼				SW¼				SE¼				TOTAL ACRES
			NE¼	NW¼	SW¼	SE¼	NE¼	NW¼	SW¼	SE¼	NE¼	NW¼	SW¼	SE¼	NE¼	NW¼	SW¼	SE¼	
35	19S	34W	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4.00	20.00	24.0

Water Resources  
Received  
**NOV 19 2018**

List any other water rights that cover this place of use. File Nos. SC107, SC108 and 8,881.

KS Dept Of Agriculture

**IF MORE SPACE IS NEEDED, ATTACH ADDITIONAL SHEETS AS NECESSARY**

4. The presently authorized place of use is:

Owner of Land — NAME: Margaret Koehn Trust

ADDRESS: Attn: Sharon Roemer, 1609 Court Street, Scott City, KS 67871

Sec.	Twp.	Range	NE¼				NW¼				SW¼				SE¼				TOTAL ACRES
			NE¼	NW¼	SW¼	SE¼	NE¼	NW¼	SW¼	SE¼	NE¼	NW¼	SW¼	SE¼	NE¼	NW¼	SW¼	SE¼	
12	20S	34W	40.00	40.00	40.00	40.00	40.00	40.00	40.00	40.00	40.00	40.00	40.00	40.00	40.00	40.00	40.00	40.00	480.00

List any other water rights that cover this place of use. File Nos. SC107, SC108, 4,261 and 8,881.

Owner of Land — NAME: \_\_\_\_\_

ADDRESS: \_\_\_\_\_

Sec.	Twp.	Range	NE¼				NW¼				SW¼				SE¼				TOTAL ACRES
			NE¼	NW¼	SW¼	SE¼	NE¼	NW¼	SW¼	SE¼	NE¼	NW¼	SW¼	SE¼	NE¼	NW¼	SW¼	SE¼	

List any other water rights that cover this place of use. \_\_\_\_\_

(If there are more than two landowners, attach additional sheets as necessary.)

It is proposed that the place of use be changed to:

Owner of Land — NAME: Gary G. and Sandra S. Schmidt

ADDRESS: 9670 S Eagle Rd, Scott City, KS 67871

Sec.	Twp.	Range	NE¼				NW¼				SW¼				SE¼				TOTAL ACRES
			NE¼	NW¼	SW¼	SE¼	NE¼	NW¼	SW¼	SE¼	NE¼	NW¼	SW¼	SE¼	NE¼	NW¼	SW¼	SE¼	
2	20S	34W	39.18	24.00	30.00	40.00	38.00	4.00	4.00	29.00	--	--	--	--	30.00	38.00	5.00	1.00	282.18

List any other water rights that cover this place of use. File Nos. SC107, SC108 and 8,881.

Owner of Land — NAME: Margaret Koehn Trust

ADDRESS: Attn: Sharon Roemer, 1609 Court Street, Scott City, KS 67871

Sec.	Twp.	Range	NE¼				NW¼				SW¼				SE¼				TOTAL ACRES
			NE¼	NW¼	SW¼	SE¼	NE¼	NW¼	SW¼	SE¼	NE¼	NW¼	SW¼	SE¼	NE¼	NW¼	SW¼	SE¼	
12	20S	34W	40.00	40.00	40.00	40.00	40.00	40.00	40.00	40.00	40.00	40.00	40.00	40.00	40.00	40.00	40.00	40.00	480.00

Water Resources  
Received  
NOV 19 2018

List any other water rights that cover this place of use. File Nos. SC107, SC108 and 8,881.

IF MORE SPACE IS NEEDED, ATTACH ADDITIONAL SHEETS AS NECESSARY

6. The presently authorized point(s) of diversion (is) (are) three wells, pumps and appurtenances  
(Provide description and number of points)
7. The proposed point(s) of diversion (is) (are) three wells, pump sand appurtenances  
(Provide description and number of points)

**List all presently authorized point(s) of diversion:**

8. **Presently authorized point of diversion:**  
 One in the NE Quarter of the SW Quarter of the SW Quarter  
 of Section 2, Township 20 South, Range 34W (E/W),  
 in Scott County, Kansas, 1144 feet North 4022 feet West of Southeast corner of section.  
 Authorized Rate 495 gpm Authorized Quantity 250.0 acre-feet  
 (DWR use only: Computer ID No. \_\_\_\_\_ GPS \_\_\_\_\_ feet North \_\_\_\_\_ feet West)  
 This point will not be changed     This point will be changed as follows:  
**Proposed point of diversion: (Complete only if change is requested)**  
 One in the \_\_\_\_\_ Quarter of the \_\_\_\_\_ Quarter of the \_\_\_\_\_ Quarter  
 of Section \_\_\_\_\_, Township \_\_\_\_\_ South, Range \_\_\_\_\_ (E/W),  
 in \_\_\_\_\_ County, Kansas, \_\_\_\_\_ feet North \_\_\_\_\_ feet West of Southeast corner of section.  
 Proposed Rate \_\_\_\_\_ Proposed Quantity \_\_\_\_\_  
 This point is:  Additional Well     Geo Center    List other water rights that will use this point \_\_\_\_\_

9. **Presently authorized point of diversion:**  
 One in the NC W2 Quarter of the SW Quarter of the SE Quarter  
 of Section 2, Township 20 South, Range 34W (E/W),  
 in Scott County, Kansas, 652 feet North 2318 feet West of Southeast corner of section.  
 Authorized Rate 300 gpm Authorized Quantity 173.0 acre-feet  
 (DWR use only: Computer ID No. \_\_\_\_\_ GPS \_\_\_\_\_ feet North \_\_\_\_\_ feet West)  
 This point will not be changed     This point will be changed as follows:  
**Proposed point of diversion: (Complete only if change is requested)**  
 One in the NC W2 Quarter of the SW Quarter of the SE Quarter  
 of Section 2, Township 20 South, Range 34W (E/W),  
 in Scott County, Kansas, 652 feet North 2318 feet West of Southeast corner of section.  
 Proposed Rate 300 gpm Proposed Quantity 141.5 ac.-ft. STK  
 This point is:  Additional Well     Geo Center    List other water rights that will use this point \_\_\_\_\_

10. **Presently authorized point of diversion:**  
 One in the SW Quarter of the NE Quarter of the SE Quarter  
 of Section 12, Township 20 South, Range 34W (E/W),  
 in Scott County, Kansas, 1520 feet North 1246 feet West of Southeast corner of section.  
 Authorized Rate 330 gpm Authorized Quantity 140 acre-feet  
 (DWR use only: Computer ID No. \_\_\_\_\_ GPS \_\_\_\_\_ feet North \_\_\_\_\_ feet West)  
 This point will not be changed     This point will be changed as follows:  
**Proposed point of diversion: (Complete only if change is requested)**  
 One in the \_\_\_\_\_ Quarter of the \_\_\_\_\_ Quarter of the \_\_\_\_\_ Quarter  
 of Section \_\_\_\_\_, Township \_\_\_\_\_ South, Range \_\_\_\_\_ (E/W),  
 in \_\_\_\_\_ County, Kansas, \_\_\_\_\_ feet North \_\_\_\_\_ feet West of Southeast corner of section.  
 Proposed Rate \_\_\_\_\_ Proposed Quantity \_\_\_\_\_  
 This point is:  Additional Well     Geo Center    List other water rights that will use this point \_\_\_\_\_

Water Resources  
 Received  
**NOV 19 2018**  
 KS Dept Of Agriculture

1. Describe the current condition of and future plans for any point(s) of diversion which will no longer be used. \_\_\_\_\_  
 Not applicable.

**IF MORE SPACE IS NEEDED, ATTACH ADDITIONAL SHEETS AS NECESSARY**

12. The presently authorized use of water is for irrigation purposes.  
It is proposed that the use be changed to stockwatering and irrigation purposes.

13. If changing the place of use and/or use made of water, describe how the consumptive use will not be increased.  
The authorized quantity will be reduced in accordance with the provisions of K.A.R. 5-5-9.

Overlapping irrigated acres associated with the current irrigation place of use will be reduced in accordance with the provisions of K.A.R. 5-5-11(b)(2)(B)(ii) and 5-5-12. Please refer to the enclosed calculations and supporting documentation for more detailed information.

(Please show any calculations here.)

14. It is requested that the maximum annual quantity of water be reduced to 531.5 acre-feet (acre-feet or million gallons).

15. It is requested that the maximum rate of diversion of water be reduced to \_\_\_\_\_ gallons per minute (\_\_\_\_ c.f.s.).

16. The application must include either a topographic map or detailed plat. A U.S. Geological Survey Topographic Map, scale 1:24,000, is available through the Kansas Geological Survey, 1930 Constant Avenue, University of Kansas, Lawrence, Kansas 66047-3726 ([www.usgs.gov](http://www.usgs.gov)). The map should show the location of the presently authorized point(s) of diversion. Distances North and West of the Southeast corner of the section must be shown. The presently authorized place of use should also be shown. Identify the center of the section, the section lines and the section corners and show the appropriate section, township, and range numbers on the map. In addition the following information must also be shown on the map.

a. If a change in the location of the point(s) of diversion is proposed, show:

- 1) The location of the proposed point(s) of diversion. Distances North and West of the Southeast corner of the section must be shown. Please be certain that the information shown on the map agrees with the information shown in Paragraph Nos. 9, 10 and 11 of the application.
- 2) If the source of supply is groundwater, please show the location of existing water wells of any kind, including domestic wells, within 1/2 mile of the proposed well or wells. Identify each well as to its use and furnish name and mailing address of the property owner or owners. If there are no wells within 1/2 mile, please indicate so on the map.
- 3) If the source of supply is surface water, the names and mailing addresses of all landowner(s) 1/2 mile downstream and 1/2 mile upstream from your property lines must be shown.

b. If a change in the place of use is desired, show the proposed place of use by crosshatching on the map. Please be certain that the information shown on the map agrees with the information shown in Paragraph No. 5 of the application.

17. Attach documentation to show the change(s) proposed herein will not impair existing water rights and relates to the same local source of supply as to which the water right relates. This information may include statements, plats, geology reports, well logs, test hole logs, and other information as necessary information to show the above. Additional comments may be made below.

Please refer to the enclosed maps, calculations and supporting documentation for more detailed information.

Received

NOV 19 2018

KS Dept Of Agriculture

18. If the proposed change(s) does not meet all applicable rules and regulations of the Kansas Water Appropriation Act, please identify the rules and regulations for which you request a waiver. State the reason why a waiver is needed and why the request should be granted. Attach documentation showing that granting the request will not impair existing water rights and will not prejudicially and unreasonably affect the public interest.

No waivers are known to be needed for approval of this application.

Any use of water that is not as authorized by the water right or permit to authorize water **before** the chief engineer approves this application is a violation of the Kansas Water Appropriation Act for which criminal or civil penalties may be assessed. Such violation is a class C misdemeanor, punishable by a fine not to exceed \$500 and/or a term of confinement not to exceed one month in the county jail. K.S.A. 82a-728(b). Civil penalties shall be not less than \$100 nor more than \$1,000 per violation. In the case of a continuing violation, each day such violation continues may be deemed a separate violation. In addition to these penalties the water right may be modified or suspended. K.S.A. 82a-737, as amended.

The application must be signed by all owners of the place of use authorized under the water right and his or her spouse, if married. Please indicate if there is no spouse. If land is being purchased under contract, the seller must sign as landowner until such time as the contract is completed.

In the event that all applicants cannot appear before one notary public, they may as necessary sign separate copies of the application before any notary public conveniently available to them. All copies signed in this manner shall be considered to be valid parts of the application.

If the request is signed on behalf of any Owner by someone with legal authority to do so (for example, an agent, one who has power of attorney, or an executor, executrix, conservator), it will be necessary to attach proper documents showing such authority.

I declare that I am an owner of the currently authorized place of use as identified herein, or that I represent all such owners and am authorized to make this application on their behalf, and declare further that the statements contained herein are true, correct, and complete. By filing this application I authorize the chief engineer to permanently reduce the quantity of water and/or rate of diversion as specified in sections 14 and 15 of this application.

Dated at Scott City, Kansas, this 8<sup>th</sup> day of November, 2018.

Mary S. Schmidt  
(Owner)

Sandra S. Schmidt  
(Spouse)

GARY B. SCHMIDT  
(Please Print)

Sandra S. Schmidt  
(Please Print)

Merald E. Koehn POA  
(Owner)

(Spouse)

Margaret Koehn Trust  
(Please Print)

(Please Print)

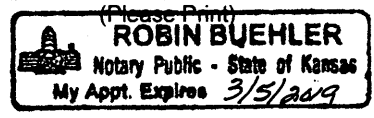
Mary S. Schmidt  
(Owner)

(Spouse)

GBCM LLC  
(Please Print)

(Please Print)

State of Kansas }  
County of Scott } SS



I hereby certify that the foregoing application was signed in my presence and sworn to before me this 8<sup>th</sup> day of November, 2018.

Robin Buehler  
Notary Public

My Commission Expires 3/5/2019

**FEE SCHEDULE**

Each application to change the place of use, the point of diversion or the use made of the water under this section shall be accompanied by the application fee set forth in the schedule below:

- (1) Application to change a point of diversion 300 feet or less ..... \$100
- (2) Application to change a point of diversion more than 300 feet ..... \$200
- (3) Application to change the place of use ..... \$200
- (4) Application to change the use made of the water ..... \$300

Make check payable to **Kansas Department of Agriculture.**

Water Resources  
Received

**NOV 19 2018**

KS Dept Of Agriculture

Any use of water that is not as authorized by the water right or permit to authorize water before the chief engineer approves this application is a violation of the Kansas Water Appropriation Act for which criminal or civil penalties may be assessed. Such violation is a class C misdemeanor, punishable by a fine not to exceed \$500 and/or a term of confinement not to exceed one month in the county jail. K.S.A. 82a-728(b). Civil penalties shall be not less than \$100 nor more than \$1,000 per violation. In the case of a continuing violation, each day such violation continues may be deemed a separate violation. In addition to these penalties the water right may be modified or suspended. K.S.A. 82a-737, as amended.

The application must be signed by all owners of the place of use authorized under the water right and his or her spouse, if married. Please indicate if there is no spouse. If land is being purchased under contract, the seller must sign as landowner until such time as the contract is completed.

In the event that all applicants cannot appear before one notary public, they may as necessary sign separate copies of the application before any notary public conveniently available to them. All copies signed in this manner shall be considered to be valid parts of the application.

If the request is signed on behalf of any Owner by someone with legal authority to do so (for example, an agent, one who has power of attorney, or an executor, executrix, conservator), it will be necessary to attach proper documents showing such authority.

I declare that I am an owner of the currently authorized place of use as identified herein, or that I represent all such owners and am authorized to make this application on their behalf, and declare further that the statements contained herein are true, correct, and complete. By filing this application I authorize the chief engineer to permanently reduce the quantity of water and/or rate of diversion as specified in sections 14 and 15 of this application.

Dated at Scott City, Kansas, this 8<sup>th</sup> day of November, 20 18.

[Signature] CEO  
(Owner)

Fairleigh Corporation dba Fairleigh Feed Yard  
(Please Print)

(Owner)

(Please Print)

(Owner)

(Please Print)

(Spouse)

(Please Print)

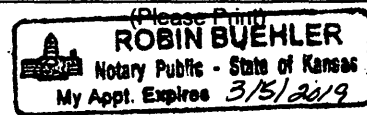
(Spouse)

(Please Print)

(Spouse)

(Please Print)

State of Kansas }  
County of Scott } SS



I hereby certify that the foregoing application was signed in my presence and sworn to before me this 8<sup>th</sup> day of November, 20 18.

[Signature]  
Notary Public

My Commission Expires 3/5/2019

**FEE SCHEDULE**

Each application to change the place of use, the point of diversion or the use made of the water under this section shall be accompanied by the application fee set forth in the schedule below:

- (1) Application to change a point of diversion 300 feet or less ..... \$100
- (2) Application to change a point of diversion more than 300 feet ..... \$200
- (3) Application to change the place of use ..... \$200
- (4) Application to change the use made of the water ..... \$300

Make check payable to Kansas Department of Agriculture.

Water Resources  
Received  
**NOV 19 2018**  
KS Dept Of Agriculture







Kansas Department of Health & Environment

Division of Environment  
Bureau of Water



Topeka, Kansas 66612-1367  
Telephone: (785) 296-6432

Kansas Permit No.: **A-UASC-C001**  
Federal Permit No.: **KS0038059**

**KANSAS WATER POLLUTION CONTROL PERMIT FOR AGRICULTURAL AND RELATED WASTES  
AND AUTHORIZATION TO DISCHARGE UNDER THE  
NATIONAL POLLUTANT DISCHARGE ELIMINATION SYSTEM**

Pursuant to provisions of Kansas Statutes Annotated 65-164 and 65-165 et seq., and the Federal Water Pollution Control Act as amended, (33 U.S.C. 1251 et seq.; the "Act"),

Permittee: **Fairleigh Feed Yard, Inc.**  
Permittee's Address: **P.O. Box 560  
Scott City, KS 67871**  
Facility Name: **Fairleigh Feed Yard**  
Facility Location: **All of Section 25, Township 19S, Range 34W  
All of Section 30, Township 19S, Range 33W  
Scott County, Kansas**  
River Basin: **Upper Arkansas River Basin**

is authorized to operate, as a pollutant discharge elimination system, water pollution control facilities to collect, retain, and dispose of precipitation induced runoff and/or dry weather wastewater accumulations containing livestock and related agricultural wastes in accordance with requirements as set forth herein.

This permit is effective July 31, 2018, supersedes the previously issued water pollution control permit A-UASC-C001, and expires July 30, 2023.

Facility Summary

The existing facility consists of approximately 458.5 acres of open lot pens, associated feedlot areas, and extraneous drainage area for an increased maximum capacity of 80,000 head (80,000 animal units) of cattle weighing greater than 700 pounds. The facility is separated into six drainage areas, each served by an existing earthen retention structure (RS) along with one pump-to retention structure for additional wastewater storage.

Secretary, Kansas Department of Health and Environment  
Water Resources

July 31, 2018  
Date

Received

**NOV 19 2018**

KS Dept Of Agriculture

Rural Resources Consulting, LLC

PROJECT: FAIRLEIGH FEED YARD

LOCATION: SECTION 25 T19S R34W & SECTION 30 T19S R33W, SCOTT COUNTY, KANSAS

BY: FCM  
DATE: 10/17/2018

CHECKED BY: CAM  
DATE: 11/3/2018

**DETERMINATION OF MAXIMUM ACRES FOR IRRIGATION PLACE OF USE  
RESULTING FROM CHANGE OF USE FROM IRRIGATION TO STOCKWATER**

Water Right File Nos. SC107, SC108, 4,261, 8,881 and 16,715 are completely overlapped and have a common place of use. File Nos. SC107, SC108, 4,261, and 8,881 are currently subject to an overall limitation of 1,469 acre-feet (AF) per year. The group of File Nos. SC107, SC108, 4,261, 8,881 and 16,715 are subject to another overall limitation of 1,549 AF per year. Change applications have been filed for File Nos. 4,261 and 16,715 (ID 6) to change the use from irrigation to stockwater. This and associated filings have resulted in a reduction of the overall limitations pertaining to irrigation use, which is summarized below.

Irrigation limitation for File Nos. SC107, SC108, 4,261, 8,881 and 16,715:	1,549 AF
Reduction due to removal of File No. 4,261 from irrigation use:	-141 AF
Reduction due to removal of File No. 16,715 (ID 6) from irrigation use:	<u>-173 AF</u>
Resulting limitation after changes in use =	1,235 AF

The procedures specified in K.A.R. 5-5-11(b)(2)(B)(ii) are used to determine the maximum irrigated acres that may be retained. The following calculation is based on the total quantity proposed for irrigation use that results from the change applications pertaining to File Nos. 4,261 and 16,715:

$$\begin{aligned}
 \text{K.A.R. 5-5-11(b)(2)(B)(ii): Acres} &= (\text{Authorized Quantity}) \times (0.85) / (80\% \text{ Chance NIR}^*) \\
 &= (1235.0 \text{ AF}) \times (0.85) / (1.33 \text{ ft.}) \\
 &= 789.3 \text{ acres}
 \end{aligned}$$

\* From K.A.R. 5-5-12 as listed for Scott County

Water Resources  
Received  
**NOV 19 2018**

The current place of use is:

<u>SEC-TWP-RGE</u>	<u>ACRES</u>
12-20S-34W	480.00
2-20S-34W	282.18
1-20S-34W	81.00
35-19S-34W	24.00
36-19S-34W	88.00
Total =	<u>955.18</u>
	-81.00
	<u>-88.00</u>
	786.18

KS Dept Of Agriculture

The proposed place of use of 786.18 acres is less than the maximum allowable area of 789.3 acres.

- Reduce the place of use to 786.18 acres.
- Retain the current remaining descriptions and locations of the remaining place of use.

<u>County</u>	<u>50% Chance Rainfall</u>	<u>80% Chance Rainfall</u>
McPherson	10.8" = 0.90'	13.1" = 1.09'
Meade	14.3" = 1.19'	16.1" = 1.34'
Miami	5.0" = 0.42'	9.0" = 0.75'
Mitchell	10.8" = 0.90'	13.3" = 1.11'
Montgomery	8.1" = 0.68'	10.9" = 0.91'
Morris	8.5" = 0.71'	11.4" = 0.95'
Morton	15.4" = 1.28'	17.1" = 1.43'
Nemaha	7.8" = 0.65'	10.9" = 0.91'
Neosho	7.1" = 0.59'	10.2" = 0.85'
Ness	13.3" = 1.11'	15.3" = 1.28'
Norton	12.3" = 1.03'	14.4" = 1.20'
Osage	7.0" = 0.58'	9.9" = 0.83'
Osborne	11.7" = 0.98'	13.8" = 1.15'
Ottawa	10.5" = 0.88'	12.9" = 1.08'
Pawnee	12.7" = 1.06'	14.9" = 1.24'
Phillips	11.7" = 0.98'	14.0" = 1.17'
Pottawatomie	8.1" = 0.68'	11.1" = 0.93'
Pratt	12.6" = 1.05'	14.6" = 1.22'
Rawlins	13.2" = 1.10'	15.1" = 1.26'
Reno	11.4" = 0.95'	13.8" = 1.15'
Republic	10.0" = 0.83'	12.6" = 1.05'
Rice	11.5" = 0.96'	13.8" = 1.15'
Riley	8.5" = 0.71'	11.4" = 0.95'
Rooks	12.0" - 1.00'	14.3" = 1.19'
Rush	12.6" = 1.05'	14.8" = 1.23'
Russell	11.3" = 0.94'	14.1" = 1.18'
Saline	10.8" = 0.90'	13.1" = 1.09'
Scott	14.0" = 1.17'	15.9" - 1.33'
Sedgwick	10.7" = 0.89'	13.1" = 1.09'
Seward	14.5" = 1.21'	16.4" = 1.37'
Shawnee	7.4" = 0.62'	10.2" = 0.85'
Sheridan	12.9" = 1.08'	15.0" = 1.25'
Sherman	14.1" = 1.18'	15.7" = 1.31'
Smith	11.4" = 0.95'	13.6" = 1.13'
Stafford	12.3" = 1.03'	14.5" = 1.21'
Stanton	15.6" = 1.30'	17.2" = 1.43'
Stevens	14.8" = 1.23'	16.8" = 1.40'
Sumner	10.3" = 0.86'	13.2" = 1.10'
Thomas	13.5" = 1.13'	15.4" = 1.28'
Trego	12.9" = 1.08'	15.0" = 1.25'
Wabaunsee	7.8" = 0.65'	10.7" = 0.89'
Wallace	14.3" = 1.19'	16.1" = 1.34'
Washington	9.2" = 0.77'	12.0" = 1.00'
Wichita	14.4" = 1.20'	16.3" = 1.36'

Water Resources  
 Received  
**NOV 19 2018**  
 KS Dept Of Agriculture

**LAND OWNERSHIP SUMMARY**

LEGAL DESCRIPTION		OWNER	MAILING ADDRESS	CITY	STATE	ZIP CODE	P/D* LOCATED ON PROPERTY
FRACTION	SEC-TWP-RGE						
<b>OWNERSHIP OF CURRENT PLACE OF USE</b>							
NW 1/4	1-20S-34W	GBCM Farms, L.L.C.	Attn: Gary Schmidt 9670 S Eagle Rd	Scott City	KS	67871	
All	2-20S-34W	Gary G & Sandra S Schmidt	9670 S Eagle Rd	Scott City	KS	67871	SC107(1), 4,261(2), 8,881(2), 8,881(3), 16,715(5) & 16,715(6)
N 1/2 & SE 1/4	12-20S-34W	Margaret Koehn Trust	Attn: Sharon Roemer 1609 Court St	Scott City	KS	67871	SC108(1), 8,881(4) & 16,715(5)
S 1/2	35-19S-34W	GBCM Farms, L.L.C.	Attn: Gary Schmidt 9670 S Eagle Rd	Scott City	KS	67871	
SW 1/4	36-19S-34W	GBCM Farms, L.L.C.	Attn: Gary Schmidt 9670 S Eagle Rd	Scott City	KS	67871	
<b>OWNERSHIP OF OVERLAPPING POINTS OF DIVERSION LOCATED OUTSIDE OF CURRENT PLACE OF USE</b>							
SW 1/4	1-20S-34W	Margaret Koehn Trust	Attn: Sharon Roemer 1609 Court St	Scott City	KS	67871	8,881(1)
N 1/2	11-20S-34W	Margaret Koehn Trust	Attn: Sharon Roemer 1609 Court St	Scott City	KS	67871	SC108(1), 8,881(1) & 8,881(3)

\*P/D = point of diversion (well)

Source of ownership information: Scott County Kansas Public Parcel Search: <http://www.scott.kansasgis.com/>

Water Resources  
 Received  
**NOV 19 2018**  
 KS Dept Of Agriculture

Compiled by: F. Mercurio  
 10/16/2018

**LAND OWNERSHIP SUMMARY OF PROPOSED STOCKWATER (STK) PLACE OF USE**

LEGAL DESCRIPTION		OWNER	MAILING ADDRESS	CITY	STATE	ZIP CODE
FRACTION	SEC-TWP-RGE					
All	25-19S-34W	Fairleigh Corporation	PO Box 560	Scott City	KS	67871
All	30-19S-33W	Fairleigh Corporation	PO Box 560	Scott City	KS	67871

Source of ownership information: Scott County Kansas Public Parcel Search: <http://www.scott.kansasgis.com/>

Compiled by: F. Mercurio  
10/16/2018

Water Resources  
Received  
**NOV 19 2018**  
KS Dept Of Agriculture

## **CONTRACT FOR WATER PURCHASE**

THIS CONTRACT made and entered into this 16th day of July, 2018, by and between, GARY G. SCHMIDT and SANDRA S. SCHMIDT, Husband and Wife, hereinafter referred to as "SELLER" and FAIRLEIGH CORPORATION, a Kansas Corporation, dba FAIRLEIGH FEED YARD, hereinafter referred to as "BUYER," in consideration of the mutual premises and the covenants herein contained do hereby contract, covenant and agree as follows, to wit:

**WITNESSETH:** That the Seller hereby covenants, stipulates and agrees that if the Buyer shall make the payments and perform the covenants hereinafter mentioned on their part to be made and performed, the Seller shall cause to be conveyed to the Buyer, in fee simple, clear of all encumbrances whatever, by General Warranty Deed showing good and merchantable title to all of the following described water, water rights, appropriation rights, use of water including but not limited to all certified water rights in File No. 16715 and 4261 with the Kansas Department of Agriculture, Division of Water Resources, associated with real property situated in Scott County, Kansas, to wit:

The South East Quarter (SE/4) of Section Two (2), Township Twenty (20), Range Thirty-four (34) West of the 6" P.M.

**1. Purchase Price.** Buyer covenants, stipulates and agrees to pay as purchase price for the above mentioned interest shall be the sum of \$200,000.00 said sum to be paid in the manner following:

a. The sum of \$2,500.00 shall be paid as earnest money upon the execution of this contract to Scott County Abstract & Title Co., Inc., escrow agent, to be held by said agent and applied as provided herein.

b. The balance of the purchase price in the sum of \$197,500.00- shall be paid in cash or certified funds on the closing date of this contract as hereinafter provided.

**2. Real Estate Taxes.** Seller shall pay all real estate taxes for all years. This contract is for the purchase of the water, water rights, use of water, and appropriation rights arising from the use of water upon the subject real estate. Seller shall pay all real estate taxes from and after closing. Buyer shall pay for any increase in valuation of real estate where the water is to be used, if there is any increase attributed to this contract.

**3. Well Testing.** The parties agree that Buyer may, at its option, hire appropriate persons to test the two (2) irrigation wells presently located on

Water Resources  
Received  
NOV 19 2018



the subject real estate. It shall be at Buyers discretion to continue this contract if such wells are not capable of producing sufficient water to use the same under the certified water right and to deliver and produce sufficient water to the level of the certified water right. If, at the discretion of Buyer, it is determined by test that the wells are insufficient in capacity to deliver the acre feet at the presently authorized rate and total amount, Buyer may declare this contract void and at an end and receive a refund of its earnest money. Buyer shall choose the person or persons to test the wells and be responsible for the payment for the cost thereof.

**4. Risk of Loss.** It is agreed by the parties that Seller shall maintain insurance on the property herein to be sold and conveyed until the date of closing hereof, and that all risk of loss shall remain Seller's until closing.

**5. Deed.** Upon the execution of this agreement, Seller shall execute a General Warranty Deed in favor of Buyer for the interest to be purchased herein, and said deed shall be delivered to the closing agent hereinafter named to be delivered to Buyer at closing.

**6. Title Insurance.** Since the interest to be sold is appurtenant to real estate, Seller shall pay for and furnish to Buyer a title insurance commitment to the real estate showing Seller to have merchantable title under the Kansas Marketable Title Act and the Seller shall pay the expense of said title policy. In the event of requirements under said commitment, Seller shall have a reasonable time to satisfy said requirements. In the event that Seller is unable to cure said requirements within a reasonable time, all the funds previously paid under the terms hereof by Buyer shall be returned to Buyer and this contract shall become null and void. Buyer shall pay the cost of their own mortgage title policy, if required. Upon delivery of the title commitment to Buyer, Buyer shall have (14) fourteen days within which to object to any exceptions thereto or the same shall be waived and the parties shall proceed immediately to closing if all other conditions of this contract have been met. Any liens which may be paid from the proceeds of this contract shall not render title unmarketable.

**7. Possession.** Possession of the property, under this contract, shall be granted to Buyer upon closing.

**8. Condition of Premises.** Seller shall deliver the subject interest and all fixtures and appurtenances thereto, in the same condition as of the date of this contract, reasonable and ordinary wear and tear excepted.

**9. Remedies.** All parties hereto shall have all remedies provided at law or in equity.

**10. Closing.** Scott County Abstract & Title Co., Inc. is designated to prepare the closing documents and file all appropriate 1099s. If Buyer

Water Resources

Received

NOV 19 2018

performs all covenants set forth herein, Seller hereby authorizes escrow to deliver to Buyer the General Warranty Deed and apply the \$2,500.00 earnest money to the purchase price herein. In the event of default by either party, upon seven (7) days' notice given to the other party hereto, the designated agent may act upon the request of the other unless an objection is received by said counsel to the request of the parties hereto. Each party hereto hereby releases and disclaims any claims against the closing agent in the discharge of their escrow and closing duties herein which are done in good faith pursuant to the instructions set forth herein. Each party shall pay their own counsel's fees and expenses.

**11. Owner's Affidavit.** Seller shall provide to Buyer upon execution hereof, a Seller's Lien Affidavit which is attached hereto and marked Exhibit "A." Such lien affidavit may be relied upon by any financial institution or closing agent herein.

**12. No Warranty.** The parties hereto agree that Seller will transfer the subject property, where is, and as is, without warranty of any kind, except as to title as expressly set forth above. Buyer has, prior to execution of this agreement, made or has had the opportunity to make a thorough inspection and examination of the property. No warranty is made by Sellers in any regard regarding the water right, the right to transfer the same subject to governmental approval, appropriation or use right and or any other moving or nonmoving element of the property. Buyers expressly waive Sellers from any and all claims regarding the intended use of the subject property or the condition of the same, as of the signing of this contract.

**13. Closing.** Closing shall occur as soon as possible but not later than ten (10) days following regulatory approval of the change in use and place of use of the water rights.

**14. Inspection Contingency.** During the period commencing on the date of this agreement and ending sixty (60) days thereafter (the "review period"), upon reasonable prior notice to Seller, Buyer, or Buyer's agents, may inspect the property for any environmental concerns or any other defects in the property which are material to the intended use of the subject property, at mutually convenient times and conduct investigations of the property. If such inspections or investigations reveal any fact or condition unacceptable to Buyer, Buyer may terminate this agreement by written notice to Seller during the review period, in which event the earnest money will be returned to Buyer, and neither party shall have any further rights, duties or obligations hereunder, except for those provisions which specifically survive, termination. In the event Buyer does not give such written notification to Seller by the last day of the review period, Buyer shall be deemed to have waived the right to terminate this agreement pursuant to this section. Buyer shall pay and be solely liable for all costs incurred for inspections.

NOV 19 2018

KS Dept Of Agriculture

**15. Regulatory Application(s) and Approval.** The parties agree that the present use of the water rights under file No. 16715 and 4261 is agricultural use and that the parties shall make a joint application to the appropriate governmental authority to change the place of use to property designated by Buyer and to change the authorized use of the water or water rights from agricultural irrigation to feedlot stock watering on a commercial feedlot as defined by the rules and regulations of the Division of Water Resources of the State of Kansas. Each party hereto specifically agrees that this contract is contingent upon the Division of Water Resources, or any other authorized governmental agency, approving and making a final order for the change in place and kind of use of the water right in an authorized amount of not less than a total of 256 acre feet per year at an authorized rate from the described wells at a rate of not less than 500 gallons per minute. The approved points of diversion will be determined and stated on Exhibit "B" hereto and the priority date of the water rights are set as to file no. 16715 with a priority date of 9/15/69 and file no. 4261 with a priority date of 9/20/55 as stated and reflected in File No. 16715 and 4261 with the Division of Water Resources. In the event that the regulatory approval as specifically required (256 acre feet per year at an authorized rate from the described wells at a rate of not less than 500 gallons per minute) is not made within 150 days of the date of application for the intended changes as set forth in this contract, Buyer may declare the contract void, and receive a refund of its earnest money. Each party hereto shall exercise due diligence in compliance with all regulatory procedures and requests to utilize good faith efforts to successfully acquire the regulatory approval of the changes in the place of use and kind of use made of the water rights.

**16. Easement.** As part of the closing of this transaction, Sellers shall

East Half (E/2) of Section Two (2), Township Twenty (20), Range Thirty-Four (34) West of the 6<sup>th</sup> P.M., Scott County, Kansas,

for the purposes of maintaining the wells, pipe line and utilities to be constructed and to use so much of the surface as is reasonably necessary to carry on such operations including the construction of any water shed, structures or other facilities to utilize the wells, provide for appropriate utilities or any replacements thereof. The cost of providing any utilities to the wells for use by the Buyer shall be at Buyer's expense. The cost for maintenance of any wells, water lines, pumps, utilities or other improvements made by Buyer, shall be at Buyer's expense. The cost of the easement is included in the purchase price herein.

**17. Water Line Easement from GBCM Farms, LLC.** This contract is expressly conditioned upon the Buyer receiving an appropriate permanent license or easement, from GBCM, LLC., for the construction of a water line from the western to the eastern border of

Water Resources  
Received

NOV 19 2018

KS Dept Of Agriculture

The North West Quarter (NW/4) of Section One (1), Township, Twenty (20), Range Thirty-Four (34) West of the 6<sup>th</sup> P.M. and

The South West Quarter (NW/4) of Section Thirty-Three (36), Township, Nineteen (19), Range Thirty-Four (34) West of the 6<sup>th</sup> P.M.,

for the construction of an appropriate water line from Sellers property to Buyers. The cost of the water line easement or license shall be the sole expense of Buyer.

18. Water Line Easement from Scott County, Kansas. This contract is expressly conditioned upon the Buyer receiving an appropriate permanent license or easement, from Scott County, Kansas, for the construction of a water line within the boundary of public roads for the construction of an appropriate water line from the east border of:

The South East Quarter (SE/4) Thirty-Six (36), Township Nineteen (19), Range Thirty-Four (34) West of the 6<sup>th</sup> P.M., and

The South West Quarter (SW/4) of Section Thirty-One (31), Township Nineteen (19), Range Thirty-Three (33) West of the 6<sup>th</sup> P.M.,

to Buyers property. The cost of the water line easement or license shall be the sole expense of Buyer.

19. Permission or permit to Cross the Tallgrass Energy Gas Line: This contract is expressly conditioned upon the Buyer receiving all appropriate permanent permission or permit to Cross the Tallgrass Energy Pipeline Easement, from Tallgrass, for construction of an appropriate water line across

The South East Quarter (SE/4) of Section Thirty-Six (36), Township Nineteen (19), Range Thirty-four (34) West of the 6<sup>th</sup> P.M.

The cost of the permanent permission or permit to cross said pipeline shall be the sole expense of Buyer.

THIS CONTRACT contains the entire agreement between the parties and no statement, promises or other inducements made by either party or agent of either party that is not contained in this written contract shall be valid or binding, and this contract may not be enlarged, modified, or altered except in writing and endorsed hereon. This contract shall be governed by the laws of the State of Kansas. It is mutually agreed that all covenants and agreements herein contained shall extend to and be obligatory upon the heirs, executors, administrators and assigns of the respective parties.

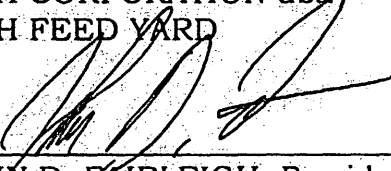
Water Resources  
Received


NOV 19 2018

KS Dept Of Agriculture

IN WITNESS WHEREOF, the parties' hereto have set their hands on the day and year first above written.

FAIRLEIGH CORPORATION dba  
FAIRLEIGH FEED YARD

By:   
JOHN D. FAIRLEIGH, President  
Buyer

  
GARY G. SCHMIDT  
Seller

  
SAUNDRA S. SCHMIDT  
Seller

Water Resources  
Received

NOV 19 2018

KS Dept Of Agriculture

## EASEMENT

KNOW ALL MEN BY THESE PRESENTS, that, GARY G. SCHMIDT and SAUNDRA S. SCHMIDT, Husband and Wife, herein referred to as Grantor, without further consideration other than that provided for in the Contract for Water Purchase dated July 16, 2018, between Grantor and Grantee, receipt of which is hereby acknowledged, does hereby grant to FAIRLEIGH CORPORATION, a Kansas Corporation, herein referred to as Grantee, a perpetual easement and ingress and egress over, under and through the following described real estate, in Scott County, Kansas:

A strip of land forty foot wide in the East Half (E/2) of Section Two (2), Township Twenty (20) South Range Thirty-Four (34) West of the 6th P.M., in the general area of the route lines shown on Exhibit "A" attached hereto and made a part hereof for the sole purpose of construction, maintenance, repairing and operating one (1) underground waterline, not to exceed eight inches (8") in diameter, for the transportation of water.

THIS EASEMENT IS SUBJECT TO THE FOLLOWING TERMS AND CONDITIONS:

This Easement prohibits and does not grant any right to Grantee or its successors or assigns to construct or install any above ground or surface appurtenances, structures, facilities, taps, valves or otherwise.

1. There are no more than one (1) waterline authorized by this easement.
2. The waterline shall not exceed eight inches (8") in diameter.
3. The waterline shall be buried to a depth of at least forty-eight inches (48").
4. All waterlines shall be constructed and installed subject to all applicable rules and regulations of the appropriate governmental authorities including but not limited to Kansas Ground Water Management and Grantee shall indemnify and hold harmless the Grantor from any and all damages or penalties assessed by reason of said waterlines.
5. All waterlines shall comply with all local, state, and federal environmental laws. Grantee shall indemnify and hold harmless the Grantor from any and all environmental damages caused by the pipeline or its operation. Grantee shall pay the costs of the pipeline or its operation. Grantee shall pay the costs of the pipeline or its operation.

NOV 19 2018

KS Dept Of Agriculture

environmental remediation.


6. Damage to the surface occasioned by the installation, maintenance, repair or in removing said waterlines, shall be paid by Grantee to Grantor within 60 days after the damage is done. Said damages, if not mutually agreed upon, to be ascertained and determined by three disinterested persons, one to be appointed by the Grantor, one to be appointed by the Grantee; and the third to be chosen by the two so appointed. The written award of such three persons shall be final and conclusive.
7. Should any alterations of the land surface contours be caused by the waterlines or their operation, Grantee, or its assigns, shall restore all surface contours to their former condition as nearly as is practical.
8. Grantee shall at the time of any excavation, drilling or grading is made, cause the top soil be placed separately from the subsoil and replaced into its original position relative to the subsoil, so that the ground will be restored to its original condition as nearly as possible upon completion.
9. Any waterline ditch for installation or for maintenance and repairs across the premises shall be backfilled, and so leveled so as to restore the surface to its original condition and topography.
10. Grantee shall indemnify, and hold harmless, Grantor, its successors and assigns from and against any damage or loss to Grantor's property or livestock or injury, liability, loss or damage to any person, company entity or property resulting from, arising out of or caused by the construction, operation, maintenance, or presence of said waterlines within the easement.
11. Grantee or its assigns further agree to pay for any and all litigation expenses incurred by Grantor, concerning litigation instituted by third parties, for the enforcement of the easement conditions and terms.
12. Grantee shall not have the right to assign this easement to any party without the prior written consent of Grantor or its assigns.
13. Grantee shall properly maintain the waterlines and repair and correct all damages, sinkholes, changes in land surface contours, leaks or hazards within 30 days of discovery.
14. Grantee is required to acquire and pay the cost of an "as built" survey of the waterline location and construction within six (6) months of the signing of this agreement. The parties are agreeing to delay


NOV 19 2018

completion of the survey to facilitate the immediate installation of the waterlines. Grantee shall provide Grantor a copy of said survey and upon approval Grantee shall at their cost file said survey with the Scott County Register of Deeds with reference to the already filed Easement Agreement.


15. THIS EASEMENT constitutes the entire agreement between the parties and there are no representations, warranties, conditions or agreements, other than those expressly set forth. The terms of this Easement shall supersede and replace the terms and conditions of any previous agreements entered into between the parties. The terms of this Easement shall extend to and become binding upon the heirs, executors, administrators and assigns of the respective parties hereto.

IN WITNESS WHEREOF this Easement is executed this 16<sup>th</sup> day of November, 2018.

  
GARY G. SCHMIDT  
Grantor

  
SAUNDRA S. SCHMIDT  
Grantor

FAIRLEIGH CORPORATION

By:   
GREG GLUNZ, CEO  
Grantee

STATE OF KANSAS ) SS  
COUNTY OF SCOTT )

BE IT REMEMBERED, That on this 16<sup>th</sup> day of November, 2018, before me, the undersigned, a Notary Public in and for the County and State aforesaid, came, Gary G. Schmidt and Saundra S. Schmidt, husband and wife, who are personally known to me to be the same persons who executed the within instrument of writing and such persons duly acknowledged the execution of the same.

Water Resources  
Received

NOV 19 2018

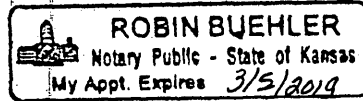


IN TESTIMONY WHEREOF, I have hereunto subscribed my name and affixed my seal, the day and year last above written.

*Robin Buehler*

Notary Public

My Commission Expires: 3/5/2019



STATE OF KANSAS ) SS  
COUNTY OF SCOTT )

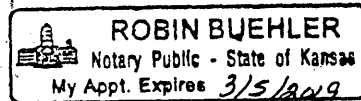
BE IT REMEMBERED, That on this 16<sup>th</sup> day of November, 2018, before me, the undersigned, a Notary Public in and for the County and State aforesaid, came Greg Glunz, CEO of Fairleigh Corporation, existing under and by virtue of the laws of Kansas, who is personally known to me to be such CEO, and 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 TESTIMONY WHEREOF, I have hereunto subscribed my name and affixed my seal, the day and year last above written.

*Robin Buehler*

Notary Public

My Commission Expires: 3/5/2019



Water Resources  
Received

NOV 19 2018

KS Dept Of Agriculture

## EASEMENT

KNOW ALL MEN BY THESE PRESENTS, that, GBCM FARMS, LLC, a Kansas Limited Liability Company, herein referred to as Grantor, without further consideration other than that provided for in the Contract for Water Purchase dated July 16, 2018, between GARY G. SCHMIDT and SAUNDRA S. SCHMIDT and Grantee, receipt of which is hereby acknowledged, does hereby grant to FAIRLEIGH CORPORATION, a Kansas Corporation, herein referred to as Grantee, a perpetual easement and ingress and egress over, under and through the following described real estate, in Scott County, Kansas:

A strip of land forty foot wide in the Northwest Quarter (NW/4) of Section One (1), Township Twenty (20), Range Thirty-Four West of the 6th P.M. and the Southwest Quarter (SW/4) of Section Thirty-Six (36), Township Nineteen (19), Range Thirty-Four (34) West of the 6th P.M., in the general area of the route lines shown on Exhibit "A" attached hereto and made a part hereof for the sole purpose of construction, maintenance, repairing and operating one (1) underground waterline, not to exceed eight inches (8") in diameter, for the transportation of water.

THIS EASEMENT IS SUBJECT TO THE FOLLOWING TERMS AND CONDITIONS:

This Easement prohibits and does not grant any right to Grantee or its successors or assigns to construct or install any above ground or surface appurtenances, structures, facilities, taps, valves or otherwise.

1. There are no more than one (1) waterline authorized by this easement.
2. The waterline shall not exceed eight inches (8") in diameter.
3. The waterline shall be buried to a depth of at least forty-eight inches (48").
4. All waterlines shall be constructed and installed subject to all applicable rules and regulations of the appropriate governmental authorities including but not limited to Kansas Ground Water Management and Grantee shall indemnify and hold harmless the Resources Grantor from any and all damages or penalties assessed by reason of received said waterlines.

NOV 19 2018

KS Dept Of Agriculture

5. All waterlines shall comply with all local, state, and federal environmental laws. Grantee shall indemnify and hold harmless the Grantor from any and all environmental damages caused by the pipeline or its operation. Grantee shall pay the costs of all environmental remediation.
6. Damage to the surface occasioned by the installation, maintenance, repair or in removing said waterlines, shall be paid by Grantee to Grantor within 60 days after the damage is done. Said damages, if not mutually agreed upon, to be ascertained and determined by three disinterested persons, one to be appointed by the Grantor, one to be appointed by the Grantee; and the third to be chosen by the two so appointed. The written award of such three persons shall be final and conclusive.
7. Should any alterations of the land surface contours be caused by the waterlines or their operation, Grantee, or its assigns, shall restore all surface contours to their former condition as nearly as is practical.
8. Grantee shall at the time of any excavation, drilling or grading is made, cause the top soil be placed separately from the subsoil and replaced into its original position relative to the subsoil, so that the ground will be restored to its original condition as nearly as possible upon completion.
9. Any waterline ditch for installation or for maintenance and repairs across the premises shall be backfilled, and so leveled so as to restore the surface to its original condition and topography.
10. Grantee shall indemnify, and hold harmless, Grantor, its successors and assigns from and against any damage or loss to Grantor's property or livestock or injury, liability, loss or damage to any person, company entity or property resulting from, arising out of or caused by the construction, operation, maintenance, or presence of said waterlines within the easement.
11. Grantee or its assigns further agree to pay for any and all litigation expenses incurred by Grantor, concerning litigation instituted by third parties, for the enforcement of the easement conditions and terms,
12. Grantee shall not have the right to assign this easement to any party without the prior written consent of Grantor or its assigns.
13. Grantee shall properly maintain the waterlines and repair and correct all damages, sinkholes, changes in land surface contours,

Water Resources  
Received

NOV 19 2018

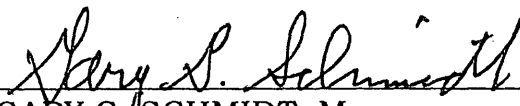
leaks or hazards within 30 days of discovery.

14. Grantee is required to acquire and pay the cost of an "as built" survey of the waterline location and construction within six (6) months of the signing of this agreement. The parties are agreeing to delay completion of the survey to facilitate the immediate installation of the waterlines. Grantee shall provide Grantor a copy of said survey and upon approval Grantee shall at their cost file said survey with the Scott County Register of Deeds with reference to the already filed Easement Agreement.

15. THIS EASEMENT constitutes the entire agreement between the parties and there are no representations, warranties, conditions or agreements, other than those expressly set forth. The terms of this Easement shall supersede and replace the terms and conditions of any previous agreements entered into between the parties. The terms of this Easement shall extend to and become binding upon the heirs, executors, administrators and assigns of the respective parties hereto.

IN WITNESS WHEREOF this Easement is executed this 16<sup>th</sup> day of November, 2018.

GBCM FARMS, LLC

  
GARY G. SCHMIDT, Manager  
Grantor

FAIRLEIGH CORPORATION

By:   
GREG GLUNZ, CEO  
Grantee

Water Resources  
Received

NOV 19 2018


KS Dept Of Agriculture

STATE OF KANSAS ) SS  
COUNTY OF SCOTT )

BE IT REMEMBERED, That on this 16<sup>th</sup> day of November, 2018, before me, the undersigned, a Notary Public in and for the County and State aforesaid, came, Gary G. Schmidt, Manager of GBCM FARMS, LLC., existing

under and by virtue of the laws of Kansas, who is personally known to me to be such Manger, who 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 TESTIMONY WHEREOF, I have hereunto subscribed my name and affixed my seal, the day and year last above written.

  
Notary Public

My Commission Expires: 3/5/2019



STATE OF KANSAS ) SS  
COUNTY OF SCOTT )

BE IT REMEMBERED, That on this 16<sup>th</sup> day of November, 2018, before me, the undersigned, a Notary Public in and for the County and State aforesaid, came Greg Glunz, CEO of Fairleigh Corporation, existing under and by virtue of the laws of Kansas, who is personally known to me to be such CEO, and 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 TESTIMONY WHEREOF, I have hereunto subscribed my name and affixed my seal, the day and year last above written.

  
Notary Public

My Commission Expires: 3/5/2019

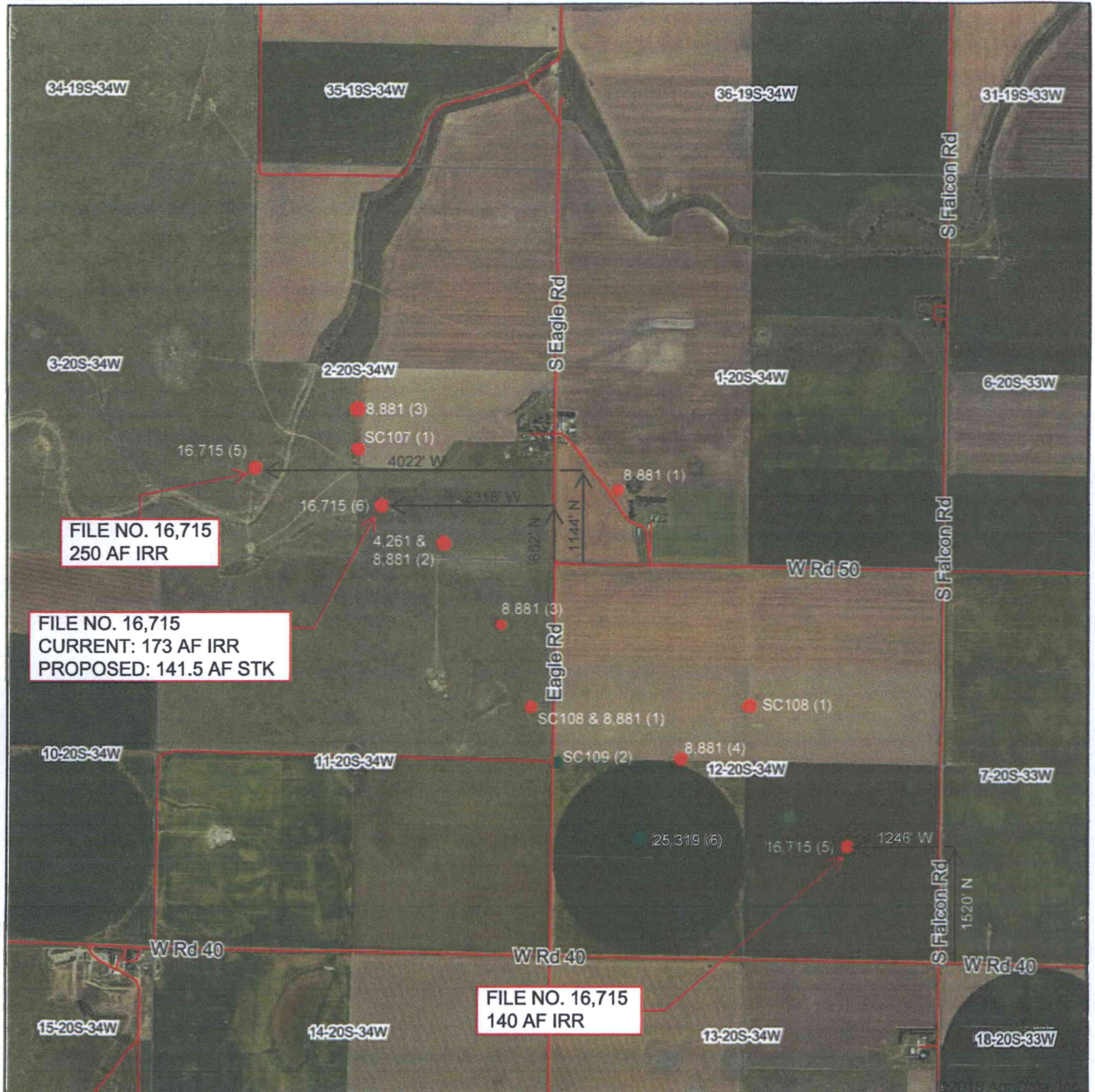


Water Resources  
Received

NOV 19 2018

KS Dept Of Agriculture

# Well Location Map



Map Center: 38° 20' 15.42, -101° 2' 5.46  
 Map Scale: 1: 24000

0ft 2087ft 4173ft

- Point of Diversion (STK) ●
- Point of Diversion (IRR) ●
- Point of Diversion (Neighbor) ●

## File No. 16,715 Change Application Scott County, Kansas

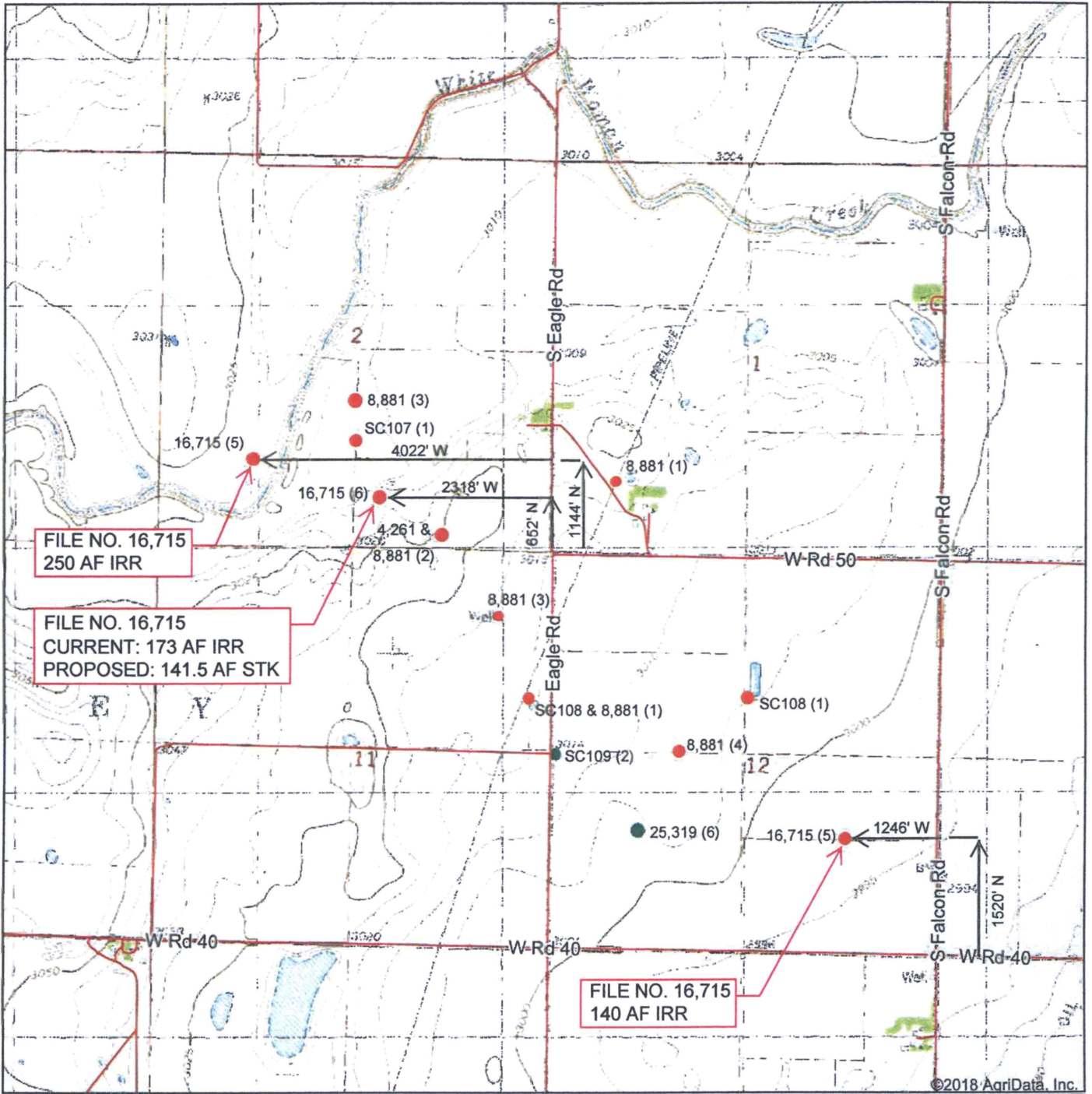


Water Resources  
 Received

NOV 19 2018

KS Dept Of Agriculture

# Well Location Map



FILE NO. 16,715  
250 AF IRR

FILE NO. 16,715  
CURRENT: 173 AF IRR  
PROPOSED: 141.5 AF STK

FILE NO. 16,715  
140 AF IRR

Map Center: 38° 20' 14.53, -101° 2' 6.03  
Map Scale: 1:24000



- Point of Diversion (STK) ●
- Point of Diversion (IRR) ●
- Point of Diversion (Neighbor) ●

**File No. 16,715 Change Application**  
**Scott County, Kansas**



Water Resources  
Received

**NOV 19 2018**

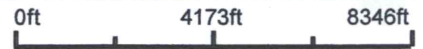
KS Dept Of Agriculture

# Aerial Map of Place of Use



©2018 AgriData, Inc.

Map Center: 38° 21' 7.23, -101° 1' 13.05  
Map Scale: 1:48000



- |                             |  |                               |  |
|-----------------------------|--|-------------------------------|--|
| Current Place of Use (IRR)  |  | Point of Diversion (STK)      |  |
| Current Place of Use (STK)  |  | Point of Diversion (IRR)      |  |
| Proposed Place of Use (IRR) |  | Point of Diversion (Neighbor) |  |
| Proposed Place of Use (STK) |  |                               |  |

**File No. 16,715 Change Application  
Scott County, Kansas**

Maps Provided By:



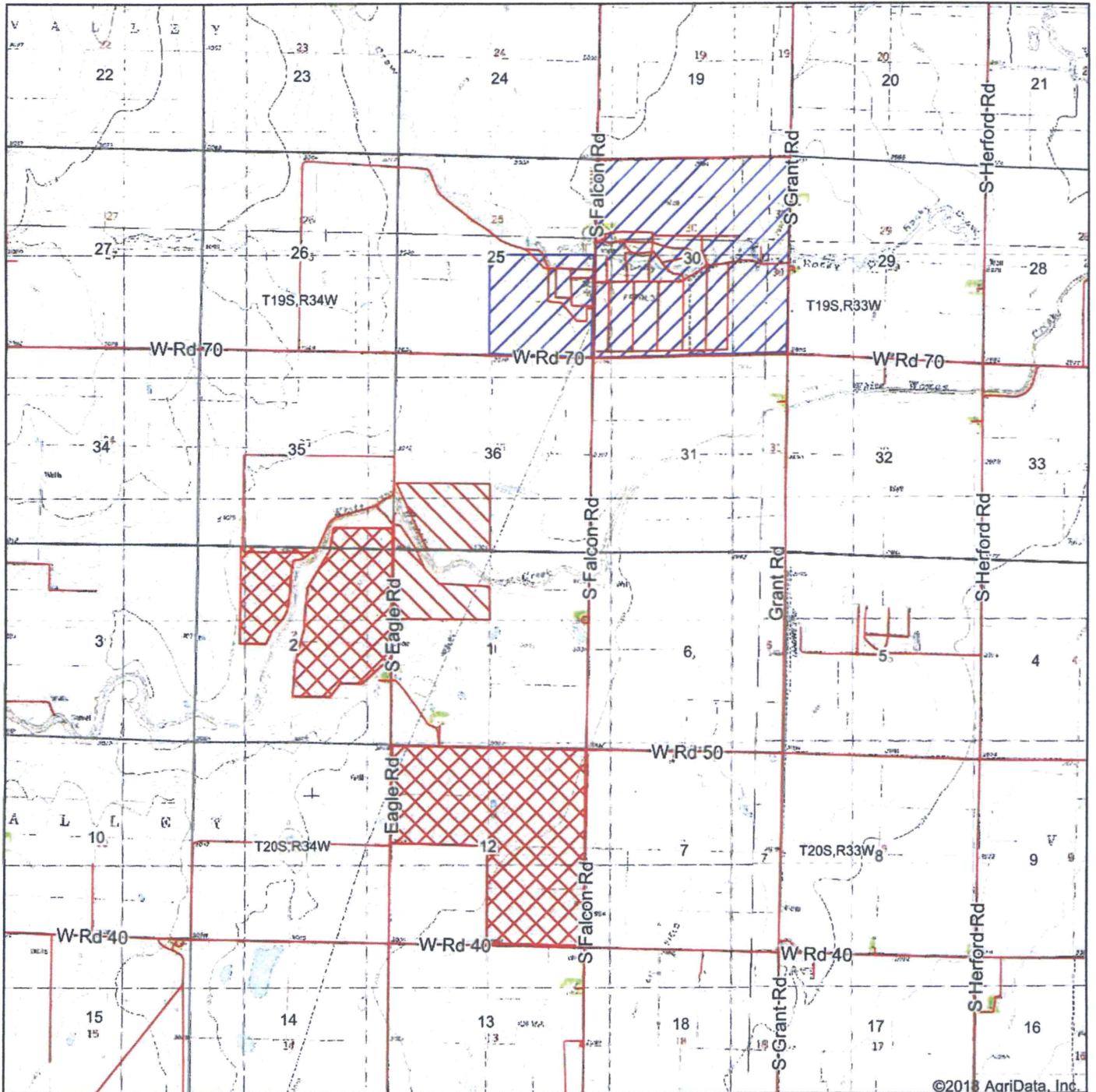
Water Resources  
Received

NOV 19 2018

KS Dept Of Agriculture

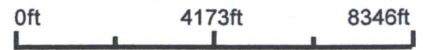


# USGS Topographic Map of Place of Use



©2018 AgriData, Inc.

Map Center: 38° 21' 6.92, -101° 1' 13.88  
Map Scale: 1:48000



- |                             |  |                               |  |
|-----------------------------|--|-------------------------------|--|
| Current Place of Use (IRR)  |  | Point of Diversion (STK)      |  |
| Current Place of Use (STK)  |  | Point of Diversion (IRR)      |  |
| Proposed Place of Use (IRR) |  | Point of Diversion (Neighbor) |  |
| Proposed Place of Use (STK) |  |                               |  |

**File No. 16,715 Change Application**  
**Scott County, Kansas**

Maps Provided By:  
  
 CUSTOMIZED ONLINE MAPPING  
 © AgriData, Inc. 2018 www.AgriDataInc.com

Water Resources  
 Received  
 NOV 19 2018  
 KS Dept of Agriculture

NATURAL GAS PIPELINE

PROPOSED PIPELINE

FFY West Well  
File No. 16,715

FFY East Well  
File No. 4,261

EXISTING 8-INCH PIPELINE

PIPELINE ROUTE FROM NEW STK  
WELLS TO FAIRLEIGH FEED YARD

KS Dept Of Agriculture  
Natural Resources  
received  
NOV 19 2018

Google Earth

© 2018 Google

1 mi

