

DEED OF CONSERVATION EASEMENT

Part I. Parties, Property and Purposes

A. Parties. THIS GRANT DEED OF CONSERVATION EASEMENT is made this 20th day of December, 2007, by James F. Hoy and Catherine J. Hoy, husband and wife, with an address of 938 Road 130, Emporia, Kansas, 66801 (“Grantors”) and by James F. Hoy and Catherine J. Hoy as Trustees of the Hoy Family Revocable Trust dated October 17, 2007, in favor of Kansas Livestock Association Ranchland Trust, Inc. (“Grantee”), a nonprofit Kansas corporation qualified to do business in Kansas, at 6031 SW 37th Street, Topeka, Kansas 66614 for the purpose of conserving the open spaces and natural ecosystems of Kansas farm and ranch land on the Property. For and in consideration of the facts recited below and of the mutual covenants, terms, conditions, and restrictions herein contained and pursuant to the laws of the State of Kansas and in particular Kansas Statutes Annotated 58-3810 et seq., Grantors hereby grant and convey unto the Grantee, its successors and assigns forever a Conservation Easement in perpetuity over the property described below consisting of the terms and conditions described in this Deed of Conservation Easement.

B. Property. Grantors are the sole owners in fee simple of certain real property in Butler County, Kansas (hereinafter referred to as “Property”), which is legally described in Exhibit A and shown in map form in Exhibit B, which are attached hereto and incorporated by reference herein.

In particular, the Property consists of approximately 655.5 taxable acres within the Flint Hills ecosystem, and includes, as components of its natural values, scenic pastoral views and native and reseeded tallgrass prairie.

The agricultural, open spaces, and natural ecosystem characteristics of the Property, its current use and state of improvement, are described in a Baseline Inventory prepared by Grantors with the cooperation of Grantee, which report describes the relevant features and conditions of the property. The report will be used by Grantee to monitor future uses of the property and to assure that any future changes in the use of the Property will be consistent with the terms of this easement. Both parties have certified the Baseline Inventory as an accurate representation of the condition of the property as of the date of this grant, as required under Treasury Regulations Section 1.170A-14. The Baseline Inventory is incorporated by reference herein.

C. Qualified Organization. As of the date of execution of this agreement, Grantee is a publicly supported, tax-exempt nonprofit organization, qualified under the laws and regulations of the United States, whose primary purpose is to acquire, receive, and administer conservation easements from land owners who wish to preserve working farm and ranchland and open spaces. Grantee also seeks to sustain ecosystem conservation and the protection of natural areas. Grantee is an organization qualified under Section 170(h) of the Internal Revenue Code, as that section may be amended from time to time, and in the regulations promulgated thereunder, to receive qualified conservation contributions.

D. Purposes and Conservation Values. Grantors intend to make and hereby transfer a charitable gift of the property interest conveyed by this easement to Grantee for the exclusive purpose of assuring that, under Grantee's perpetual stewardship, the open spaces and natural ecosystems of Kansas farm and ranch land on the Property will be conserved and maintained forever, and that uses of the land that are inconsistent with these conservation purposes will be prevented or corrected. The parties agree, however, that the current agricultural use of, and improvements to, the Property are consistent with the conservation purposes of this easement.

The Property, in its present state, has significant natural, aesthetic, scientific, and educational values as a "relatively natural habitat of fish, wildlife, or plants or similar ecosystem," as that phrase is used in Section 170(h)(4)(A)(ii) of the Internal Revenue Code as that section may be amended from time to time, and in the regulations promulgated thereunder (collectively, "Conservation Values"). This easement is established exclusively for conservation purposes consistent with the provisions of Kansas law and the Internal Revenue Code.

In particular, the Property lies within the Flint Hills landscape and includes, as components of its natural values, soils of statewide importance, native tallgrass prairie, and grassland birds and other fauna associated with tallgrass prairie habitats. The Flint Hills landscape is a diverse and productive landscape of tallgrass prairie on gently-sloping limestone and chert hills, and an area of biological and agricultural significance. Of the 142 million acres of tallgrass prairie that once covered the American heartland, less than 5 percent is left. The Flint Hills encompasses the single largest tallgrass prairie landscape remaining in North America, with more tallgrass prairie remaining in the Flint Hills than in all the other prairie states and provinces combined. Moreover, the Flint Hills supports dozens of rural communities and hundreds of working ranches. The KLA Ranchland Trust and other conservation organizations (including The Nature Conservancy) have identified this unique landscape as a priority conservation area.

Nearly 90 native grass species are found in the Flint Hills, with big bluestem, little bluestem, Indian grass, switchgrass, eastern gama, and sideoats grama being some of the characteristic species. Approximately 500 native broadleaf prairie plant species (herbaceous forbs) documented from the Flint Hills are important for maintaining the ecological health of the prairie's natural communities.

The Flint Hills is the most extensive lekking area for the Greater Prairie Chicken in North America. Since prairie chickens are sensitive to fragmentation, preserving the Flint Hills as an intact landscape is critical for the long-term survival of this species. The Flint Hills is important for other resident grassland bird species, including the eastern meadowlark, upland sandpiper, Henslow's sparrow, and grasshopper sparrow and also serves as an important migration corridor for the American golden plover.

While the majority of the Property consists of tallgrass prairie, it also contains woodlands where it is crossed by the Walnut River and two tributary creeks, thus providing habitat for fauna, such species as bobwhite quail, wild turkey, deer, bobcat, raccoon, opossum, and cottontail rabbit.

Grantee agrees by accepting this grant to honor the intentions of Grantors stated herein and to preserve and protect in perpetuity the conservation values of the Property for the benefit of this generation and generations to come.

Part II. Obligations of the Grantors

A. Reservation of Rights of Grantors. The Grantors reserve for themselves, their heirs, successors and assigns, all rights as owners of the Property to use the Property for all purposes that are not expressly prohibited in this easement and that are not inconsistent with this easement and with the preservation of the conservation values of the Property.

Grantors have the right to sell or otherwise transfer the Property to anyone Grantors may choose. Nothing in this easement shall give or grant to the public a right to enter upon or use the Property or any portion thereof where no such right existed in the public immediately prior to the execution of this easement.

B. Conservation Practices. Grantors recognize the importance of good resource management and stewardship to present and future generations. To this end, all agricultural uses of the Property shall be conducted using standard stewardship and management practices, which shall include compliance with governmental or invasive species noxious weed control regulations.

C. Upkeep and Maintenance. Grantors shall continue to be solely responsible for the upkeep and maintenance of the Property. Grantee shall have no obligation for the upkeep or maintenance of the Property. The dumping or accumulation of any kind of trash or refuse on the Property, other than farm-related trash and refuse produced on the Property, is strictly prohibited. However, this shall not prevent the storage of agricultural products and by-products on the Property in accordance with all applicable government laws and regulations.

D. Taxes. Grantors shall continue to be solely responsible for payment of all taxes and assessments levied against the Property. If Grantee is ever required to pay any taxes or assessments on its interest in the Property, Grantors will reimburse Grantee for same.

E. Liability and Indemnification. If Grantee is ever required by a court to pay damages, costs, or expenses resulting from personal injury or property damage that occurs on the Property, Grantors shall indemnify, defend, hold harmless and reimburse Grantee for any such liabilities, costs, damages, or expenses, as well as for reasonable attorneys' fees and other expenses of defending itself, unless Grantee or any of its agents have committed a negligent or deliberate act that is determined by a court to be the sole cause of the injury or damage. In addition, Grantors warrant that Grantee is and will continue to be an additional insured on Grantors' liability insurance policy covering the Property.

F. Prohibited Acts. Grantors shall not perform, nor knowingly allow others to perform, any act on or affecting the Property that is inconsistent with the provisions of this easement. Grantors hereby authorize Grantee to enforce these provisions in the manner described herein. However, unless otherwise specified, nothing in the easement shall require Grantors to take any action to restore the condition of the Property after any fire, Act of God, or other event over which Grantors had no control. Grantors understand that nothing in this easement relieves them of any obligation or restriction on the use of the Property imposed by law.

G. Prohibited Uses. Any activity on or use of the Property inconsistent with the purpose of this easement is prohibited except as provided herein. Prohibitions include, but are not limited to the following:

1. Construction of Agricultural Structures and Improvements. All existing agricultural buildings and agricultural structures may continue to be used for agricultural purposes and be repaired, reasonably enlarged, and replaced, consistent with the provisions of this easement at their current location without further permission of Grantee.

a. Loafing sheds, corrals, water lines, water tanks, ponds, water wells, and other minor agricultural structures and improvements may be constructed anywhere on the Property consistent with easement purposes. Grantors will notify Grantee prior to construction, so Grantee can update its records. No construction of any other new agricultural buildings or improvements other than those covered by the preceding sentences shall be permitted.

b. Construction and Maintenance of Fences. Existing fences may be repaired and replaced as needed without the prior approval of Grantee so long as they are of the same design or a design that is typical of fences of the area and so long as they are in the same location. Grantors must seek and receive the prior approval of Grantee before construction of a new permanent fence on the Property. The design of any new fence shall be typical of the area. Grantee shall not unreasonably delay approval of such requests.

2. Construction of Buildings and Other Structures and Improvements. The construction of any building or other structure, except those existing on the date of this easement or those approved by Grantee subsequent to the date hereof but prior to construction, is prohibited except as provided. Before undertaking any construction that requires advance permission, Grantors shall notify Grantee of such request.

3. Subdivision. The Property may not be divided, partitioned, subdivided, or conveyed except in its current configuration as a single unit; except that the original grantors of this easement may subdivide the property into not more than three separate lots, each of not less than one hundred forty (140) acres, all of which are subject to the terms of this easement. In the event of such a division, any remaining rights to divide shall remain with the original grantors. Subsequent owners of the Property or any portion thereof shall not have any right to subdivide the Property.

4. Paving and Road Construction. There shall be no building of new roads or other rights of ways except for unpaved paths and trails consistent with the preservation of the Property. Existing unpaved roads may be maintained but shall not be widened or improved, except as permitted below.

In order to prevent erosion and soil loss, or to provide access to new structures allowed under Paragraph II.G.1.a., Grantors may relocate existing unimproved pasture roads/trails on the Property, provided their total cumulative length does not increase and the disturbance to soils is minimized. Existing pasture roads/trails are identified in the Baseline Inventory. Abandoned roads shall be returned to native vegetation cover, either by letting natural succession occur or by replanting with appropriate, native species (based on soil type) using local ecotypes.

5. Cultivation. There shall be no tilling or plowing of the Property. The Grantors may, with written approval of the Grantee, reseed previously cultivated areas to native grasses and/or forbs, as identified on Exhibit D attached hereto, for the purposes of enhancing the native plant community.

6. Animal Confinement. There shall be no commercial confinement facilities for livestock (including, but not limited to cattle, swine, or poultry) on the Property. Commercial kennels and other non-grazing animal operations are also prohibited on the Property.

7. Spraying. There shall be no indiscriminant broadcast spraying of herbicides or pesticides. Herbicides and pesticides may be used by spot applications (including by gun or boom nozzles) of government approved chemicals to control state-designated noxious weeds, invasive woody species or pest insect infestations, provided their use is designed to minimize the impact on the Conservation Values of the Property. Broadcast spraying of herbicides or pesticides, including aerial applications, may be permitted with prior written approval by the Grantee, provided that, at a minimum, the following conditions are met: (a) spot treatment is not practical because of the severity of the infestation; (b) timing of application is scheduled to minimize damage to non-target species; and (c) type of herbicide or pesticide used has the least impact to non-target species while still being effective in controlling target species. The Grantee shall have sole discretion in granting or denying broadcast spraying of herbicides or pesticides. Herbicides and pesticides shall be used only in those amounts and with a frequency of application that reasonably constitute the minimum necessary for control and shall be used in compliance with all applicable governmental regulations.

8. Topography. There shall be no ditching, trenching, draining, diking, filling, excavating, removal of topsoil, sand, gravel, rock or other materials (including the removal of substratum from streambeds), or any change in the topography of the land in any manner, except as otherwise permitted in Paragraph II.G.1-4., and except in conjunction with activities otherwise specifically authorized herein and in accordance with federal, state, and local regulations.

9. Commercial and Recreational Uses. There shall be no industrial, commercial, or commercial recreational activity undertaken or allowed on the property. No right of passage shall be granted or retained across or upon the property if that right of passage is

used in conjunction with such prohibited activities. Notwithstanding the foregoing, Grantors, Grantors' invitees, licensees, and lessees may hunt and fish for native or naturalized species on the Protected Property in compliance with all state and federal laws and regulations. Additionally, nature-based and ranching heritage-based commercial tourism/recreational activities shall not constitute commercial recreational activities, and are allowed, provided such activities are specifically approved in writing by the Grantee and maintain/promote the Conservation Values of the Property. Non-commercial recreational uses may be allowed on the Property to the extent such uses do not impair or diminish the conservation value of the Property.

10. Mining. There shall be no mining, drilling, exploring for or removal of minerals from the Protected Property.

H. Water Rights. Grantors shall retain and reserve the right to use the water rights for use in present and future agricultural production on the Property, and shall not transfer, lease, sell, or otherwise separate the Water Rights from title to the Property itself.

Part III. Rights of Grantee. To accomplish the purpose of this easement the following rights are conveyed to Grantee by this easement:

A. Grantee reserves the right to preserve and protect the conservation values of the Property.

B. Grantee is authorized to enter upon the Property at least annually at reasonable times for the purposes of inspecting the property to determine if the Grantors, or Grantors' heirs, successors, or assigns, are complying with the provisions of this easement. Except in cases where Grantee determines that immediate entry is required to prevent, terminate, or mitigate a violation of the easement, such entry shall be upon prior reasonable notice to Grantors, and Grantee shall not in any case unreasonably interfere with Grantors' use and quiet enjoyment of the Property; and

C. Grantee is authorized to take actions necessary to prevent any activity on or use of the Property that is inconsistent with the purpose of this easement and to require the restoration of such areas or features of the Property that may be damaged by any inconsistent activity or use, pursuant to the remedies set forth in this agreement.

D. Grantee shall have the right to enforce by proceedings at law or in equity the provisions of this easement including, but not limited to, the right to require the restoration of the Property to its condition at the date of this easement, subject to the reserved rights of the Grantors set forth herein. Nothing herein shall be construed to entitle Grantee to institute any enforcement proceeding against Grantors for any changes to the Property due to causes beyond the Grantors' control, such as changes caused by fire, flood, storm, infestations, natural deterioration, the acts of third parties legally authorized to act by recorded document or other legally established rights or the unauthorized wrongful acts of third persons; provided, however, that the Grantors shall notify Grantee of any occurrence that would adversely affect or interfere with the conservation purpose of the easement, whether caused by the acts or omissions of the Grantors or third parties.

Part IV. General Provisions

A. Successors in Interest. The covenants, terms, conditions, and restrictions of this easement shall be binding upon Grantors and their personal representatives, heirs, successors, and assigns, and inure to the benefit of the Grantee and its successors and assigns, and shall continue as a servitude running in perpetuity with the Property. The terms “Grantors” and “Grantee,” wherever used herein, and any pronouns used in place thereof, shall include, respectively, the above-named Grantors and their personal representatives, heirs, successors, and assigns, and the above-named Grantee and its successors and assigns.

B. Responsibilities of Grantors and Grantee Not Affected. Other than as specified herein, this easement is not intended to impose any legal or other responsibility on Grantee, or in any way to affect any existing obligation of Grantors as owner of the Property.

C. Mediation. If a dispute arises between the parties concerning the consistency of any proposed use or activity with the purpose of this easement, either party may refer the dispute to mediation by request made in writing to the other. Upon such a request by Grantee, Grantors agree that, pending resolution of the dispute, Grantors shall not proceed with the planned activity. Within ten (10) days of the receipt of such a request, the parties shall select a single trained and impartial mediator. If the parties are unable to agree on the selection of a single mediator, then the parties shall, within fifteen (15) days of receipt of the initial request, each appoint a person as a mediator. These two persons shall select a third person, and that person shall mediate the dispute subject to the following guidelines:

1. Purpose. The purpose of the mediation is to: (i) promote discussion between the parties; (ii) assist the parties to develop and exchange pertinent information concerning the issues in dispute; and (iii) assist the parties to develop proposals that will enable them to arrive at a mutually acceptable resolution of the controversy. The mediation shall not result in any express or de facto modification or amendment of the terms, conditions, or restriction of this easement; and

2. Participation. The mediator may meet with the parties and their counsel jointly or individually. The parties agree that they will participate in the mediation process in good faith and expeditiously, attending all sessions scheduled by the mediator. Representatives of the parties with settlement authority will attend mediation sessions as requested by the mediator; and

3. Confidentiality. All information presented to the mediator shall be deemed confidential and shall be disclosed by the mediator only with the consent of the parties or their respective counsel. The mediator shall not be subject to subpoena by any party. No statements made or documents prepared for mediation sessions shall be disclosed in any subsequent proceeding or construed as an admission of a party; and

4. Time Period. Neither party shall be obligated to continue the mediation process beyond a period of ninety (90) days from the date of receipt of the initial request or if the mediator concludes there is no reasonable likelihood that continuing mediation will result in a mutually agreeable resolution of the dispute; and

5. Costs. The cost of the mediator shall be borne equally by Grantors and Grantee; the parties shall bear their own expenses, including attorneys' fees, individually.

D. Grantee's Remedies.

1. Notice of Violation; Corrective Action. If Grantee determines that a violation of the terms of this easement has occurred or is threatened, Grantee shall give written notice to Grantors of such violation and demand corrective action sufficient to cure the violation and, where the violation involves injury to the Property resulting from any use or activity inconsistent with the purpose of this easement, to restore the portion of the Property so injured to its prior condition in accordance with a plan approved by Grantee.

2. Injunctive Relief. If Grantors fail to cure the violation within thirty (30) days after receipt of notice thereof from Grantee, or under circumstances where the violation cannot reasonably be cured within a thirty (30) day period, fail to begin curing such violation until finally cured, Grantee may bring an action at law or in equity in a court of competent jurisdiction to enforce the terms of this easement, to enjoin the violation, by temporary or permanent injunction (ex parte as necessary), and to require the restoration of the Property to the condition that existed prior to any such injury.

3. Damages. Grantee shall be entitled to recover damages for violation of the terms of this easement or injury to any conservation values protected by the easement, including, without limitation, damages for the loss of scenic, aesthetic, or environmental values. Without limiting Grantors' liability therefore, Grantee, in its sole discretion, may apply any damages recovered to the cost of undertaking any corrective action on the Property.

4. Emergency Enforcement. If Grantee, in its sole discretion, determines that circumstances require immediate action to prevent or mitigate significant damage to the conservation values of the Property, Grantee may pursue its remedies under this agreement without prior notice to Grantors or without waiting for the period provided for cure to expire.

5. Scope of Relief. Grantee's rights apply equally in the event of either actual or threatened violations of the terms of this easement. Grantors agree that Grantee's remedies at law for any violation of the terms of this easement are inadequate and that Grantee shall be entitled to the injunctive relief described in this agreement, both prohibitive and mandatory, in addition to such other relief to which Grantee may be entitled, including specific performance of the terms of this easement, without the necessity of proving either actual damages or the inadequacy of otherwise available legal remedies. Grantee's remedies shall be cumulative and shall be in addition to all remedies now or hereafter existing at law or in equity.

6. Cost of Enforcement. All reasonable costs incurred by Grantee in enforcing the terms of this easement against Grantors, including, without limitation, costs and expenses of litigation, including expert witness fees and reasonable attorneys' fees, and any costs of restoration necessitated by Grantors' violation of the terms of this easement shall be borne by Grantors, provided, however, that if Grantors ultimately prevail in a judicial enforcement action each party shall bear its own costs.

7. Forbearance. Forbearance by Grantee to exercise its rights under this easement in the event of any breach of any term of this easement by Grantors shall not be deemed or construed to be a waiver by Grantee of such term or of any subsequent breach of the same or any other term of this easement or of any of Grantee's rights under this easement. No delay or omission by Grantee in the exercise of any right or remedy upon any breach by Grantors shall impair such right or remedy or be construed as a waiver.

8. Acts Beyond Grantors' Control. Nothing contained in this easement shall be construed to entitle Grantee to bring any action against Grantors for any injury to or change in the Property resulting from causes beyond Grantors' control, including, without limitation, fire, flood, storm, and earth movement, or from any prudent action taken by Grantors under emergency conditions to prevent, abate, or mitigate significant injury to the Property resulting from such causes. Before taking such emergency action, however, Grantors shall notify Grantee by the best means practicable.

E. Transfer of Property Interests. Grantors agree to incorporate the terms of this easement by reference in any deed or other legal instrument by which they divest themselves of any interest in all or a portion of the Property, including, without limitation, a leasehold interest. Grantors further agree to give written notice to Grantee of the transfer of any interest at least twenty (20) days prior to the date of such transfer. For the purpose of notification, Grantors agree to provide Grantee with the names, address, and other pertinent contact information of the party to which the land is transferred. Grantors agree to pay Grantee \$250.00 transfer fee upon the execution of the transfer, except no transfer fee is required when the divestiture of interest is through a grazing or haying lease. The failure of Grantors to perform any act required by this paragraph shall not impair the validity of this easement or limit its enforceability in any way. The transferee or assignee will be required to carry out in perpetuity the conservation purposes that this easement was originally intended to advance.

F. Amendment. If circumstances arise under which an amendment to or modification of this easement would be appropriate, Grantors and Grantee are free to jointly amend this easement; provided that no amendment shall be allowed that will affect the qualification of this easement or the status of Grantee under any applicable state or federal laws, and any amendment shall be consistent with the purpose of this easement, and shall not affect its perpetual duration. Any such amendment shall be recorded in the official records of Butler County, Kansas.

G. Interpretation. This easement shall be interpreted under the law of the State of Kansas, resolving any ambiguities and questions of the validity of specific provisions so as to preserve the conservation values and give maximum effect to its conservation purposes.

H. Perpetual Duration. The easement created by this instrument shall be a servitude running with the land in perpetuity. Every provision of this easement that applies to Grantors or Grantee shall also apply to their respective agents, heirs, executors, administrators, assigns, and all other successors as their interests may appear. A party's rights and obligations under this easement terminate upon transfer of the party's interest in the easement or the Property, except that liability for acts or omissions occurring prior to transfer shall survive transfer.

I. Notices. Grantors agree to notify Grantee prior to undertaking any activity or exercising any reserved right that may have a material adverse effect on the conservation purposes of this grant, as required in Treasury Regulations Section 1.170A-14, as amended, and as specifically required in this easement. Any notices required by this easement shall be in writing and shall be delivered to Grantors and Grantee respectively at the following address, unless a party has been notified by the other of a change of address.

To Grantor: James F. and/or Catherine J. Hoy
938 Road 130
Emporia, Kansas 66801

To Grantee: Kansas Livestock Association Ranchland Trust, Inc.
6031 SW 37th Street
Topeka, KS 66614

J. Representation and Warranties. Grantors represent and warrant that, after reasonable investigation and to the best of their knowledge:

1. No substance defined, listed, or otherwise classified pursuant to any environmental act as solid, hazardous, toxic, polluting, or other waste contaminating to the air, water, or soil, or in any way harmful or threatening to human health or the environment exists or has been released, generated, treated, stored, used, disposed of, deposited, abandoned, or transported in, on, from, or across the Property. Notwithstanding the foregoing, chemicals common for agricultural use (such as herbicides for controlling invasive species) have been stored and used on the premises according to law and label directions and in appropriate amounts; and
2. There are not now any underground storage tanks located on the Property, whether currently in service or closed, abandoned, or decommissioned, and no underground storage tanks have been removed from the Property; and
3. Grantors and Property are in compliance with all federal, state, and local laws, regulations, and requirements applicable to the Property and its uses; and
4. There is no pending or threatened litigation in any way affecting, involving, or relating to the Property; and
5. No civil or criminal proceedings or investigations have been instigated or are pending, and no notices, claims, demands, or orders have been received, arising out of any violation or alleged violation of, or failure to comply with, any federal, state, or local law, regulation, or requirement applicable to the Property or its use, nor do there exist any facts or circumstances that Grantors might reasonably expect to form the basis of any such proceeding, investigations, notices, claims, demands, or orders.

6. Grantors hereby warrant and represent that the Grantors are seized of the Property in fee simple and have good right to grant and convey this easement, that the Property is free and clear of any and all encumbrances and that Grantee and its successors and assigns shall have the use of and enjoy all of the benefits derived from and arising out of this easement.

7. Grantors further warrant and represent that the Hoy Family Revocable Trust dated October 17, 2007, is in full force and effect and has not been amended or revoked and that the conveyance of this easement is within their authority as Trustees.

K. Control. Nothing in this easement shall be construed as giving rise, in the absence of a judicial decree, to any right or ability in Grantee to exercise physical or managerial control over the day-to-day operations of the Property, or any of the Grantors' activities on the Property, or otherwise to become an operator with respect to the Property within the meaning of any environmental act.

L. Hold Harmless. Grantors hereby release and agree to hold harmless, indemnify, and defend Grantee and its members, directors, officers, employees, agents, and contractors and the heirs, personal representatives, successors, and assigns of each of them (collectively "Indemnified Parties") from and against any and all liabilities, penalties, fines, charges, costs, losses, damages, expenses, causes of action, claims, demands, orders, judgments, or administrative actions, including, without limitation, costs and expenses of litigation, including expert witness' fees and reasonable attorneys' fees, arising from or in any way connected with: (a) injury to or the death of any person, or physical damage to any property, resulting from any act, omission, condition, or other matter related to or occurring on or about the Property, unless due solely to the negligence or intentional action of any of the Indemnified Parties; (b) the violation or alleged violation of, or other failure to comply with, any environmental act, in any way affecting, involving, or relating to the Property; (c) the release, threatened release, or presence in, on, from, or about the Property, at any time, or any substance now or hereafter defined, listed or otherwise classified pursuant to any environmental act as solid, hazardous, toxic, polluting, or other waste contaminating to the air, water, or soil, or in any way harmful or threatening to human health or the environment; (d) the obligations, covenants, representations, and warranties provided in this agreement and (e) enforcement of this indemnity clause by the Grantee in an action in which the Grantee prevails.

M. "Environmental Act" Defined. As used in this agreement, the term "environmental act" includes, but is not limited to, the Comprehensive Response, Compensation and Liability Act (CERCLA), the Resource, Conservation and Recovery Act (RCRA), or successor statutes to either, their state or local counterparts or any federal, state, or local enactment or regulation relating to the clean up, disposal, or control of waste, or any federal, state, or local enactment or regulations or regulation relating to the clean up, disposal, or control of waste, or any other federal, state, or local enactment or regulations relating to the protection of the environment, or the protection of natural resources such as air, water, or soil or relating to the protection of human health and welfare. The term also includes any rule of common law, including but not limited to nuisance, relating to any of the above.

N. Prior Liens; Subsequent Liens on the Property. Grantors represent that as of the date of this grant, there are no liens or mortgages outstanding against the property, except any listed in Exhibit C that are subordinated to the Grantee's rights under this easement, as required under Treasury Regulations Section 1.170A-14. No provisions of this easement should be construed as impairing the ability of Grantors to use this Property as collateral for subsequent borrowing, provided that any mortgage or lien arising from such a borrowing will be subordinated to this easement. Under no circumstances may Grantee's rights be extinguished or otherwise affected by the recording, foreclosure, or any other action taken concerning any subsequent lien or other interest in the property.

O. Acceptance. As attested by the signature of its President affixed hereto, Grantee hereby accepts, without reservation, the rights and responsibilities conveyed by this easement.

P. Extinguishment. The Grantors agree that this donation of a perpetual Easement gives rise to a property right, immediately vested in the Grantee. If subsequent unexpected changes in the conditions of or surrounding the Property render the purpose of this easement impossible to accomplish, this easement can only be terminated or extinguished, whether in whole or in part, by judicial proceedings in a court of competent jurisdiction. Grantors and Grantee agree that the terms of this easement shall survive any merger of the fee and easement interests in the Property. The amount of the proceeds to which Grantee shall be entitled, after the satisfaction of prior claims, from any sale, exchange, or involuntary conversion of all or any portion of the Property subsequent to such termination or extinguishment, shall be determined according to the Grantee's proportional interest in the property, as determined and as required under Treasury Regulations Section 1.170A-14(g)(6)(ii). Grantee will use such proceeds for its conservation purposes.

Q. No Merger. Grantors and Grantee agree that the terms of this easement shall survive any merger of the fee and easement interests in the Property.

R. Further Assurances. Each party covenants that at any time, and from time to time, after the date of execution of this agreement, they will execute such additional instruments and take such actions as may be reasonably requested by the other parties to confirm or perfect or otherwise carry out the intent and purposes of this agreement, including, but not limited to, executing and acknowledging Internal Revenue Service Form 8283 - Noncash Charitable Contributions once all conditions for such execution have been satisfied.

S. Condemnation. If all or any part of the Property is taken by exercise of the power of eminent domain or acquired by purchase in lieu of condemnation, whether by public, corporate, or other authority, so as to terminate this easement, in whole or in part, Grantors and Grantee shall act jointly to recover the full value of the interests in the Property subject to the taking in lieu of purchase and all direct or incidental damages resulting therefrom. All expenses reasonably incurred by Grantors and Grantee in connection with the taking or in lieu of purchase shall be paid out of the amount recovered. Grantee shall use any proceeds received through condemnation proceedings in a manner consistent with its conservation purposes.

T. Executory Limitation. If Grantee shall cease to exist or to be a qualified organization under the laws of the United States, or to be authorized to acquire and hold conservation easements under Kansas statutes, then Grantee's rights and obligations under this easement shall be transferred or assigned to The Nature Conservancy. If The Nature Conservancy ceases to exist or to be a qualified organization under the laws of the United States, or to be authorized to acquire and hold conservation easements under Kansas statutes, or if it shall refuse such rights and obligations, then Grantee's rights and obligations under this easement shall vest in an organization mutually agreed upon by Grantors and Grantee that qualifies as an exempt organization under the laws of the United States and the state of Kansas and that qualifies according to that organization's Articles of Incorporation, or in such organization as a court of competent jurisdiction shall direct pursuant to applicable Kansas law and consistent with the requirements for an assignment pursuant to this agreement.

U. Transfer of Easement. With the prior written consent of Grantors, Grantee shall have the right to transfer the easement created by this easement to any private nonprofit organization that, at the time of transfer, is a similarly qualified charitable organization under the laws of the United States as the Grantee and only if the organization expressly agrees to assume the responsibility imposed on Grantee by this easement. This easement shall not be transferred by Grantee to any governmental entity or public agency without the consent of the Grantors, which consent shall be in Grantors' sole discretion. If Grantee desires to transfer this easement to a qualified organization having similar purposes as Grantee, but Grantors unreasonably refuse to approve the transfer or, if Grantee ever ceases to exist or no longer qualifies under the laws of the United States or applicable state law, a court with jurisdiction shall transfer this easement to another qualified organization having similar purposes and mission as Grantee and that agrees to assume the responsibility of enforcing this easement, provided that Grantors receive notice of and an opportunity to participate in the court proceedings. Grantee agrees to provide the name, address, and other pertinent contact information to Grantors for purposes of notification.

V. Estoppel Certificates. Upon request by Grantors, Grantee shall within twenty (20) days execute and deliver to Grantors, or to any party designated by Grantors, any document, including an estoppel certificate, which certifies, to the best of the Grantee's knowledge, Grantors' compliance with any obligation of Grantors contained in the easement or otherwise shows the status of this easement. Such certification shall be limited to the condition of the Property as of Grantee's most recent inspection. If Grantors request more current documentation, Grantee shall conduct an inspection, at Grantors' expense, within thirty (30) days of receipt of Grantors' written request therefore.

W. Recordation. Grantee shall record this instrument in timely fashion in the official records of Butler County, Kansas, and may re-record it at any time as may be required to preserve its rights in this easement.

X. Liberal Construction. Any general rule of construction to the contrary notwithstanding, this easement shall be liberally construed in favor of the grant and to effect the purpose of this easement and the policy and purpose of Kansas Statutes Annotated 58-3810 et seq. If any provision in this instrument is found to be ambiguous, an interpretation consistent with the purpose of this easement that would render the provision valid shall be favored over any interpretation that would render it invalid.

Y. Severability. If any provision of this easement, or the application thereof to any person or circumstance, is found to be invalid, the remainder of the provisions of this easement, or the application of such provision to persons or circumstances other than those as to which it is found to be invalid, as the case may be, shall not be affected thereby.

Z. Entire Agreement. This instrument sets forth the entire agreement of the parties with respect to this easement and supersedes all prior discussions, negotiations, understandings, or agreements relating to the easement, all of which are merged herein. No alteration or variation of this instrument shall be valid or binding unless contained in an amendment that complies with this agreement.

AA. No Forfeiture. Nothing contained herein will result in a forfeiture or reversion of Grantors' title in any respect.

BB. Termination of Rights and Obligations. A party's rights and obligations under this easement terminate upon transfer of the party's interest in this easement or Property, except that liability for acts or omission occurring prior to transfer shall survive transfer.

CC. Captions. The captions in this instrument have been inserted solely for convenience of reference and are not a part of this instrument and shall have no effect upon construction or interpretation.

DD. Counterparts. The parties may execute this instrument in two or more counterparts, which shall, in the aggregate, be signed by both parties; each counterpart shall be deemed an original instrument as against any party who has signed it. In the event of any disparity between the counterparts produced, the recorded counterpart shall be controlling.

TO HAVE AND TO HOLD unto Grantee, its successors, and assigns forever.

IN WITNESS WHEREOF Grantors and Grantee have set their hands on the day and year first above written.

Grantors:

James F. Hoy

Catherine J. Hoy

HOY FAMILY REVOCABLE TRUST DATED OCTOBER 17, 2007

By : _____

James F. Hoy, Trustee

By: _____

Catherine J. Hoy, Trustee

STATE OF KANSAS, _____, COUNTY, ss

This instrument was acknowledged before me on December 20, 2007, by James F. Hoy, both individually and as Trustee of the Hoy Family Revocable Trust dated October 17, 2007.

My commission expires:

Notary Public

STATE OF _____, _____ COUNTY, ss:

This instrument was acknowledged before me on December 20, 2007, by Catherine J. Hoy, both individually and as Trustee of the Hoy Family Revocable Trust dated October 17, 2007.

My commission expires:

Notary Public

ACCEPTANCE

The foregoing Conservation Easement is hereby duly accepted by Kansas Ranchland Trust, Inc. this 20th day of December, 2007.

Grantee: Kansas Ranchland Trust, Inc.

By: _____
Dave Webb, Chairman of the Board

CORPORATE ACKNOWLEDGMENT

STATE OF KANSAS, _____ COUNTY, ss:

This instrument was acknowledged before me on _____, 2007, by Dave Webb, Chairman of the Board of Kansas Livestock Association Ranchland Trust, a nonprofit Kansas corporation and Dave Webb duly acknowledged the execution of the same as the act and deed of said corporation.

My commission expires:

Notary Public

SCHEDULE OF EXHIBITS

- A. Legal Description.
- B. Map of Property
- C. List of Subordinated Mortgages and/or Liens
- D. Map of previously cultivated fields

EXHIBIT A

Legal Description of Hoy Property

Parcel A

The Northwest Quarter (NW $\frac{1}{4}$) of Section 3, Township 23 South, Range 7 East, Butler County, Kansas;

EXCEPT a tract beginning at the SW corner of the NW $\frac{1}{4}$ of said Section 3; thence N.00°00'35"E. (basis of bearings) on the West line of said NW $\frac{1}{4}$ for a distance of 490.00 feet; thence S.89°39'34"E. parallel with the South line of said NW $\frac{1}{4}$ for a distance of 773.00 feet; thence S.00°00'35"W. parallel with the West line of said NW $\frac{1}{4}$ for a distance of 490.00 feet; thence N.89°39'34"W. on the South line of said NW $\frac{1}{4}$ for a distance of 773.00 feet to the point of beginning. Containing 8.70 acres and subject to road right of way along the West side thereof.

Parcel B

The Northeast Quarter (NE $\frac{1}{4}$) and the Northeast Quarter of the Southeast Quarter (NE $\frac{1}{4}$ of SE $\frac{1}{4}$) of Section 16, Township 23 South, Range 7 East, Butler County, Kansas;

EXCEPT a tract in the Northeast quarter of Section 16, Township 23 South, Range 7 East of the 6th P.M., Butler County, Kansas; being more particularly described as follows: Commencing at the Northeast corner of said NE $\frac{1}{4}$; thence S.00°15'24"E. (basis of bearings) on the East line of said NE $\frac{1}{4}$ for a distance of 870 feet to the True Point of Beginning; thence continuing S.00°15'24"E. on the East line of said NE $\frac{1}{4}$ for a distance of 466.70 feet; thence N.89°26'41"W. for a distance of 466.70 feet; thence N.00°15'24"W. parallel with the East line for a distance of 466.70 feet; thence S.89°26'41"E. for a distance of 466.70 feet to the point of beginning. Containing 5.00 acres and subject to road right of way along the East side thereof.

Parcel C

The West Half of the Southwest Quarter (W $\frac{1}{2}$ of SW $\frac{1}{4}$); the Northeast Quarter of the Northwest Quarter (NE $\frac{1}{4}$ of NW $\frac{1}{4}$); the Northwest Quarter of the Northeast Quarter (NW $\frac{1}{4}$ of NE $\frac{1}{4}$); the East Half of the Northeast Quarter (E $\frac{1}{2}$ of NE $\frac{1}{4}$); all that part of the Northeast Quarter of the Southeast Quarter (NE $\frac{1}{4}$ of SE $\frac{1}{4}$) lying Northwest of the west line of Kansas Turnpike Authority right of way; the Southeast Quarter of the Northwest Quarter (SE $\frac{1}{4}$ of NW $\frac{1}{4}$), except the North Thirty (30) acres thereof; the Southwest Quarter of the Northeast Quarter (SW $\frac{1}{4}$ of NE $\frac{1}{4}$), except the North Thirty (30) acres thereof; and the Northwest Quarter of the Southeast Quarter (NW $\frac{1}{4}$ of SE $\frac{1}{4}$); all in Section 15, Township 23 South, Range 7 East, Butler County, Kansas;

SUBJECT TO public roads and rights of way;

EXCEPT a tract in the Southwest quarter (SW¹/₄) of said Section 15 beginning at the Northwest corner of said SW¹/₄; thence S.00°27'12"E. (assumed bearings) on the West line of said SW¹/₄ for a distance of 480.00 feet; thence S.89°55'00"E. parallel with the North line of said SW¹/₄ for a distance of 406.00 feet; thence N.00°27'12"W. parallel with said West line for a distance of 480.00 feet; thence N.89°55'00"W. on the North line of said SW¹/₄ for a distance of 406.00 feet to the point of beginning. Containing 4.47 acres and subject to road right of way along the west side thereof;

AND EXCEPT a tract in the West Half of the Southwest Quarter (W¹/₂ of SW¹/₄) of said Section 15 beginning at the Southwest Corner of the Southwest Quarter (SW¹/₄) of said Section 15, thence North 445 feet; thence East 300 feet; thence South 445 feet, to the South line of said Southwest Quarter (SW¹/₄); thence West 300 feet to the place of beginning.

EXHIBIT B
Map of Hoy Property

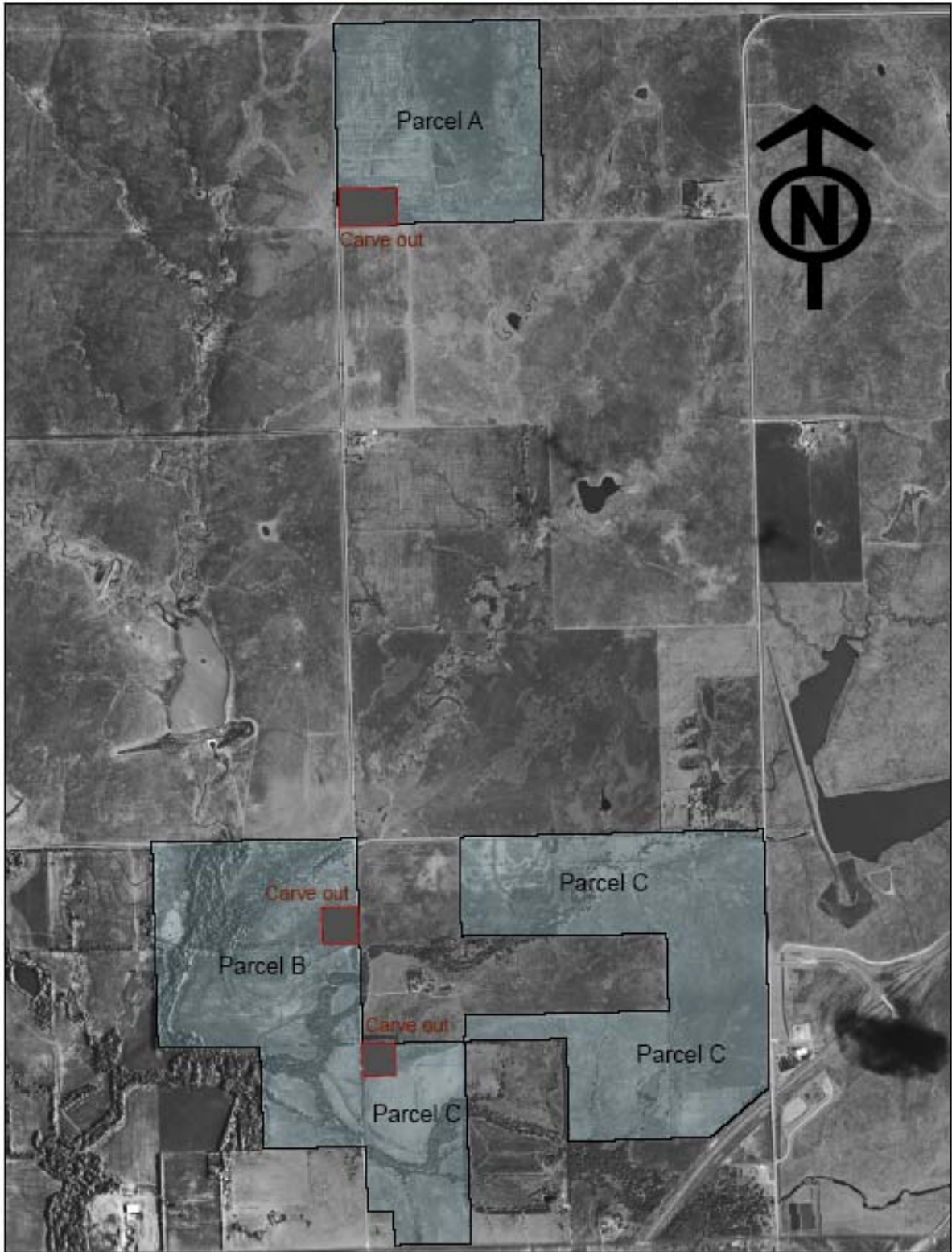


Exhibit C

Mortgage Subordination Agreement by Frontier Farm Credit

In consideration of a loan made by Lender (Frontier Farm Credit) to James F. and Catherine J. Hoy ("Borrowers"), the Borrowers entered into mortgage to secure such loan in favor of Lender dated December 29, 2005, filed on December 30, 2005, at El Dorado, in the Recorder's Office, Butler County, Kansas, and recorded in Book 1351 at page 2329 ("Mortgage").

The mortgage encumbers 147.2 taxable acres of the easement Property referenced as Parcel B. The legal description of the encumbered property is:

The NW¹/₄ of Section 3, Township 23 South, Range 7 East, Butler County, Kansas;
Except a tract (building site carve out) beginning at the SW corner of the NW¹/₄ of said Section 3; Thence N.00°00'35"E. (basis of bearings) on the West line of said NW¹/₄ for a distance of 490.00 feet; Thence S.89°39'34"E. parallel with the South line of said NW¹/₄ for a distance of 773.00 feet; Thence S.00°00'35"W. parallel with the West line of said NW¹/₄ for a distance of 490.00 feet; Thence N.89°39'34"W. on the South line of said NW¹/₄ for a distance of 773.00 feet to the point of beginning. Containing 8.70 acres and subject to road right of way along the West side thereof.

The Lender has provided a mortgage subordination agreement confirming, in the event of a foreclosure of the Mortgage or a transfer in lieu of foreclosure of any portion of the property subject to the Mortgage, the purchaser at any such foreclosure or the transferee under any such deed in lieu of foreclosure shall take title to the property so conveyed subject to all the terms and conditions of the Conservation Easement.

EXHIBIT D

Map of previously cultivated areas on Hoy Property

