RESERVED PERMANENT EASEMENT AND EASEMENT AGREEMENT

Now on this day of June, 2004, come William H. McGaughey, as

Trustee of the William H. McGaughey Trust dated the 23rd day of May, 2000; K.

Bobette McGaughey, as Trustee of the K. Bobette McGaughey Trust dated May

23, 2000; William H. McGaughey, individually; K. Bobette McGaughey, a.k.a.

(William H. McGaughey & K. Bobette McGaughey are Karen B. McGaughey, individually; hereinafter referred to collectively as "First husband and wife," hereinafter referred to as "Second Parties" and enter into the following reserved easement and easement agreement in favor of property owned by First Party that is adjacent to the west and north of the described tracts herein, and for their heirs and assigns.

WHEREAS, the parties have entered into a Contract for Sale of Real Estate wherein the Second Parties are purchasing the following described tracts of real property from the First Parties:

The Northwest Quarter of the Southwest Quarter (NW ¼ SW ¼) of Section Eleven (11), Township Eleven (11) South, Range Eight (8) East of the 6th P.M., in Riley County, Kansas;

A tract of land in the Northeast Quarter of the Southwest Quarter of Section Eleven (11), Township Eleven (11) South, Range Eight (8) East of the 6th P.M., in Riley County, Kansas, more particularly described as follows: Beginning at the Southwest corner of the Northeast Quarter of the Southwest Quarter of said Section 11, thence proceed North along the West line of the Northeast Quarter of the Southwest Quarter of Section 11 a distance of 316.6 feet to a point; thence proceed East to a point on the centerline of Riley County Road No. 911; thence proceed in a southwesterly direction along the centerline of said Riley County Road No. 911 to a point on the South line of the Northeast Quarter of the Southwest Quarter of Section 11, thence proceed South 89°52'4" West a distance of 104.20 feet to the point of beginning, TOGETHER WITH travel easement granted from Charles W. King and Patricia L. King, to William H. McGaughey and Karen B. McGaughey, husband and wife, filed May 1, 1987, and recorded in Book 518, Page 369, in the office of the Register of Deeds of Riley County, Kansas.

The North Half of the Southeast Quarter (N ½ SE ¼) of Section Ten (10), Township Eleven (11) South, Range Eight (8) East of the 6th P.M., in Riley County, Kanas.

Such tracts of real property shall hereinafter be referred to, collectively, as the "Shanklin Tract."

M. Charlotte Shawver
Register of Deeds
Riley County, Kansas
Book: 814 Page:
Receipt #: 26458
Pages Recorded: 5

Total Fees: \$24.00

3788

Date Recorded: 7/2/2004 1:45:19 PM

WHEREAS, the First Parties are retaining a tract of real estate that adjoins the Shanklin Tract, which tract is legally described as follows:

The Northwest Quarter and the North Half of the Southwest Quarter of Section Ten (10), Township Eleven (11) South, Range Eight (8) in Riley County, Kansas

Such real property shall hereinafter be referred to as the "McGaughey Tract."

WHEREAS, the parties desire to create a permanent easement on and across the Shanklin Tract for the purpose of benefiting the McGaughey Tract.

The easement is legally described as follows:

See Exhbit A

Such permanent easement shall hereinafter be referred to as the "Easement."

WHEREAS, the purpose of the Easement shall be for general purposes, including, but not limited to: travel to and from the favored tracts of land, access for the delivery and return of livestock, farm machinery and equipment, materials, supplies, and general utility easement, whether it be above or below ground.

WHEREAS, the parties also desire to create an additional permanent utility easement on and across the Shanklin Tract for the purpose of benefiting the McGaughey Tract.

NOW THEREFORE, in consideration of the mutual promises and covenant contained herein, the parties do hereby agree as follows:

- The Parties do hereby create, grant and assign the Easement, for use of and by the First Parties and the Second Parties.
- 2. The Easement shall be a permanent easement in favor of First Parties, for the benefit of the McGaughey Tract, and shall run with the real property. The purpose of the easement shall be general purposes, including, but not limited to: travel to and from the favored tracts of land, access for the delivery and return of livestock, farm machinery and equipment, materials, supplies, and general utility easement, whether it be above or below ground.
- 3. By agreement of the parties contained with the Sale for Contract of Real Estate, a roadway has been constructed within the Easement. Such roadway is not intended to meet county road standards, however, it has

been constructed to permit reasonable and safe ingress and egress to the McGaughey Tract. To ensure continued maintenance of the roadway, the parties agree to be equally responsible for future costs of grading, graveling and general maintenance of the easement, including the roadway.

- 4. The parties herein specifically agree that initially the parties shall be solely responsible for the costs of reasonable maintenance and repair of the easement, including the roadway, however, if either party further subdivides or sells tracts or parcels of their respective tracts of land, then each individual tract or assigned parcel shall then be responsible for an equal share of the cost of maintenance, reconstruction, repair and graveling of such roadway and maintenance of the easement. A majority of the owners of the tracts shall determine the necessary costs and care associated with such repair and maintenance of the easement. If only one half agree to such necessary maintenance, to include grading and additional gravel, then such shall be accommodated, but shall not be more frequently done than every three years at a total expense of \$3,000.00. Notwithstanding, the above-stated framework for allocating costs, any person desiring to improve the Easement beyond the minimum standards set forth herein, is authorized to make such improvements at their own expense, and without the authorization of other beneficiaries of the Easement.
- 5. The parties further create, grant, reserve and assign a permanent general utility easement across the Shanklin Tract for the use and benefit of the McGaughey Tract. The utility easement shall be a permanent easement in favor of First Parties, for the benefit of the McGaughey Tract, and shall run with the real property. Such utility easement may generally be located anywhere within the Shanklin Tract, so long as it does not unreasonably interfere with the use of the Shanklin Tract by its owners. This utility easement is in addition to the Easement above-referenced.

- 6. First Parties, as owners of the Shanklin Tract have previously constructed cattle chutes, catch pens, corrals and adjacent service roads located in the Southeast corner of such tract. The parties agree that First Parties shall continue to have the right to use such existing catch pens, chutes, corrals and adjacent service roads for the loading and unloading of livestock to be pastured on the McGaughey Tract. First Party shall reasonably maintain said facilities.
- 7. There is an existing travel easement granted to First Parties and their heirs and assigns as recorded in Book 518 at page 369, in Riley County Register of Deeds Office, which is a benefit to First and Second Parties herein. The parties herein agree to utilize that existing easement to the extent and duration most favorable to both parties reserving future development and use of the Easement, above-described, to a date and time in the future when use, utilization and travel on the existing easement in favor of the property is no longer deemed appropriate or in the best interests of First Parties. First and Second Parties agree to be equally liable for the cost of maintenance of said easement and each may assign part of their liability as either may divide or assign their interest in said real estate.
- 8. The parties herein specifically agree that First Parties, their heirs and assigns, may utilize the Shanklin Tract in addition for which the easements are granted to move livestock from the corral, pens and chutes, as described hereinbefore and they may have open access across the Shanklin Tract for such ingress and egress of livestock. First Parties shall utilize good husbandry practices in maintaining minimum impact on moving livestock to and from and on the Shanklin Tract.
- 9. This agreement shall be binding on the respective heirs, successors and assigns of the parties.

In witness whereof, First Parties and Second Parties have hereunto set their hands the day and year first above written.

First Parties

William H. McGaughey, Trustee
of the William H. McGaughey Trust
dated May 23, 2000

K. Bobette McGaughey, Trustee
of the K. Bobette McGaughey Trust
dated May 23, 2000

William H. McGaughey
William H. McGaughey

William H. McGaughey

William H. McGaughey

K. Bobette McGaughey

K. Bobette McGaughey

K. Bobette McGaughey

K. Bobette McGaughey, a Ka. Karen B. McGaughey

STATE OF KANSAS, RILEY COUNTY, SS:

BE IT REMEMBERED, That on this 1st day of July, 2004, before me, the undersigned, a Notary Public in and for the County and State aforesaid, came William H. McGaughey, Trustee of the William H. McGaughey Trust dated May 23, 2000; K. Bobette McGaughey, Trustee of the K. Bobette McGaughey Trust dated May 23, 2000; William H. McGaughey and K. Bobette McGaughey a/k/a Karen B. McGaughey, husband and wife, individually; Larry D. Shanklin and Carol W. Shanklin, husband and wife, who are personally known to me to be the same persons who executed the foregoing instrument of writing, and duly acknowledged the execution of the same.

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

TAMMI STEWART
Notary Public - State of Kansas
My Appt. Expires

Notary Public

My commission expires:



LEGAL DESCRIPTION

A travel easement in the North Half of the Southeast Quarter of Section 10 and the Northwest Quarter of the Southwest Quarter of Section 11 and the Northeast Quarter of the Southwest Quarter of Section 11 lying West of Deep Creek Road, Riley County Road No. 911 all in Township 11 South, Range 8 East of the 6th Principal Meridian in Riley County, Kansas described as follows:

Beginning at the Southeast Corner of the North Half of the Southeast Quarter of said Section 10 that is South 00 degrees 13 minutes 51 seconds East (assumed bearing) for a distance of 1318.25 feet from the East Quarter Corner of said Section 10;

THENCE North 89 degrees 13 minutes 57 seconds West for a distance of 671.94 feet along the South line of the North Half of the Southeast Quarter of said Section 10;

THENCE North 05 degrees 47 minutes 31 seconds East for a distance of 165.96 feet;

THENCE along a curve to the left having a radius of 70.00 feet and an arc length of 82.99 feet, being subtended by a chord of North 28 degrees 10 minutes 20 seconds West for a distance of 78.21 feet;

THENCE North 62 degrees 08 minutes 11 seconds West for a distance of 166.12 feet;

THENCE along a curve to the right having a radius of 215.00 feet and an arc length of 254.35 feet, being subtended by a chord of North 28 degrees 14 minutes 43 seconds West for a distance of 239.78 feet;

THENCE North 05 degrees 38 minutes 46 seconds East for a distance of 201.78 feet;

THENCE North 07 degrees 54 minutes 52 seconds West for a distance of 248.02 feet;

THENCE along a curve to the left having a radius of 130.00 feet and an arc length of 188.07 feet, being subtended by a chord of North 49 degrees 21 minutes 31 seconds West for a distance of 172.09 feet;

THENCE South 89 degrees 11 minutes 50 seconds West for a distance of 28.30 feet;

THENCE along a curve to the right having a radius of 200.00 feet and an arc length of 209.47 feet, being subtended by a chord of North 60 degrees 47 minutes 51 seconds West for a distance of 200.03 feet;

THENCE North 30 degrees 47 minutes 33 seconds West for a distance of 111,29 feet;

THENCE along a curve to the left having a radius of 25.00 feet and an arc length of 53.45 feet, being subtended by a chord of South 87 degrees 57 minutes 29 seconds West for a distance of 43.84 feet;

THENCE South 26 degrees 42 minutes 31 seconds West for a distance of 126.67 feet;

THENCE along a curve to the right having a radius of 280.00 feet and an arc length of 432.33 feet, being subtended by a chord of South 70 degrees 56 minutes 30 seconds West for a distance of 390.64 feet;

THENCE North 64 degrees 49 minutes 30 seconds West for a distance of 94.14 feet;

THENCE South 65 degrees 43 minutes 26 seconds West for a distance of 122.20 feet;

THENCE North 89 degrees 54 minutes 35 seconds West for a distance of 259.25 feet;

THENCE along a curve to the right having a radius of 330.00 feet and an arc length of 236.33 feet, being subtended by a chord of North 69 degrees 23 minutes 37 seconds West for a distance of 231.31 feet;

THENCE North 48 degrees 52 minutes 40 seconds West for a distance of 210.39 feet to the West line of the North Half of the Southeast Quarter of said Section 10;

THENCE North 00 degrees 08 minutes 04 seconds East for a distance of 79.49 feet along the West line of the North Half of the Southeast Quarter of said Section 10 to a point that is South 00 degrees 08 minutes 04 seconds West for a distance of 25.45 feet from the Northwest Corner of the North Half of the Southeast Quarter of said Section 10;

THENCE South 48 degrees 52 minutes 40 seconds East for a distance of 262.53 feet;

THENCE along a curve to the left having a radius of 270.00 feet and an arc length of 193.36 feet, being subtended by a chord of South 69 degrees 23 minutes 37 seconds East for a distance of 189.25 feet;

THENCE South 89 degrees 54 minutes 35 seconds East for a distance of 246.29 feet;

THENCE North 65 degrees 43 minutes 26 seconds East for a distance of 136.87 feet;

THENCE South 64 degrees 49 minutes 30 seconds East for a distance of 121.76 feet;

THENCE along a curve to the left having a radius of 220.00 feet and an arc length of 339.69 feet, being subtended by a chord of North 70 degrees 56 minutes 30 seconds East for a distance of 306.94 feet;

THENCE North 26 degrees 42 minutes 31 seconds East for a distance of 126.67 feet;

THENCE along a curve to the right having a radius of 85.00 feet and an arc length of 39.20 feet, being subtended by a chord of North 39 degrees 55 minutes 13 seconds East for a distance of 38.85 feet to the North line of the North Half of the Southeast Quarter of said Section 10;

THENCE South 89 degrees 11 minutes 10 seconds East for a distance of 103.92 feet along the North line of the North Half of the Southeast Quarter of said Section 10;

THENCE along a curve to the right having a radius of 85.00 feet and an arc length of 30.73 feet, being subtended by a chord of South 41 degrees 08 minutes 53 seconds East for a distance of 30.56 feet;

THENCE South 30 degrees 47 minutes 33 seconds East for a distance of 111.29 feet;

THENCE along a curve to the left having a radius of 140.00 feet and an arc length of 146.63 feet, being subtended by a chord of South 60 degrees 47 minutes 51 seconds East for a distance of 140.02 feet;

THENCE North 89 degrees 11 minutes 50 seconds East for a distance of 28.30 feet;

THENCE along a curve to the right having a radius of 190.00 feet and an arc length of 274.87 feet, being subtended by a chord of South 49 degrees 21 minutes 31 seconds East for a distance of 251,52 feet;

THENCE South 07 degrees 54 minutes 52 seconds East for a distance of 255.15 feet;

THENCE South 05 degrees 38 minutes 46 seconds West for a distance of 208.92 feet;

THENCE along a curve to the left having a radius of 155,00 feet and an arc length of 183.37 feet, being subtended by a chord of South 28 degrees 14 minutes 43 seconds East for a distance of 172.86 feet;

THENCE South 62 degrees 08 minutes 11 seconds East for a distance of 166.12 feet;

THENCE along a curve to the right having a radius of 130.00 feet and an arc length of 154.12 feet, being subtended by a chord of South 28 degrees 10 minutes 20 seconds East for a distance of 145.26 feet;

THENCE South 05 degrees 47 minutes 31 seconds West for a distance of 100.45 feet to a point that is 60.00 feet distant from the South line of the North Half of the Southeast Quarter of said Section 10;

THENCE South 89 degrees 13 minutes 57 seconds East for a distance of 606.42 feet parallel to and 60.00 feet distant from the South line of the North Half of the Southeast Quarter of said Section 10;

THENCE South 89 degrees 15 minutes 05 seconds East for a distance of 1154.00 feet parallel to and 60.00 feet distant from the South line of the Northwest Quarter of the Southwest Quarter of said Section 11:

THENCE North 00 degrees 45 minutes 45 seconds East for a distance of 18.05 feet;

THENCE North 89 degrees 36 minutes 51 seconds East for a distance of 320.63 feet to the centerline of said Deep Creek Road;

THENCE South 11 degrees 15 minutes 44 seconds West for a distance of 86.31 feet along the centerline of said Deep Creek Road to the South line of the Northeast Quarter of the Southwest Quarter of said Section 11;

THENCE North 89 degrees 10 minutes 17 seconds West for a distance of 110.52 feet to the Southeast Corner of the Northwest Quarter of the Southwest Quarter of said Section 11;

THENCE North 89 degrees 14 minutes 17 seconds West for a distance of 1348.32 feet to the point of beginning.

TOGETHER WITH and subject to covenants, easements, and restrictions of record.

Said property contains 7.457 acres more or less.