

CONSERVATION EASEMENT

THIS CONSERVATION EASEMENT AGREEMENT (hereinafter "Conservation Easement") is between **Rouse Properties, LLC**, a Kentucky limited liability company, with a mailing address of 2201 Regency Road, Suite 602, Lexington, Kentucky 40503, and its permitted successors and assigns (hereinafter collectively referred to as "Grantor"), and **Bluegrass Land Conservancy, Inc.**, a nonprofit charitable corporation incorporated, in good standing, and qualified to do business under the laws of the Commonwealth of Kentucky, and its permitted successors and assigns (hereinafter collectively referred to as "Grantee") with a mailing address of Dudley Square, 380 South Mill Street, Suite 205, Lexington, Kentucky 40508,. The in-care of tax mailing address for the current tax year is c/o W. L. Rouse, III, Rouse Properties, LLC, 2201 Regency Road, Suite 602, Lexington, Kentucky 40503.

WHEREAS:

- A. Grantor is the record owner in fee simple of unencumbered real property (the "Property") consisting of approximately two hundred forty-five and five hundred forty-seven thousandths (245.547) acres, more or less, comprised of one (1) parcel, located in Scott County, Kentucky, more particularly described in Exhibit A and shown on Exhibit B, both of which are attached hereto and incorporated herein by this reference.
- B. The Property possesses open space, scenic, and agricultural values (collectively the "Conservation Values") of great importance to the people of Scott County, the Commonwealth of Kentucky, and the nation; the preservation of which will provide a significant public benefit. The Conservation Values are further described below:
 - (1) Open Space. Protection of the Property is for the scenic enjoyment of the general public, is supported by several clearly delineated governmental conservation policies, and will yield a significant public benefit:
 - i. Scenic enjoyment. Development of the Property would impair the scenic character of the local rural landscape and would interfere with a scenic panorama that can be enjoyed from several roads, a waterbody, and public elementary school, which is documented in the Baseline Documentation Report (as further identified below), and such area and transportation ways are open to, and utilized by, the public. Protection of the Property is for the scenic enjoyment of the general public and will yield a significant public benefit (as set forth below), and therefore will meet the requirements of Section 170(h)(4)(A)(iii)(I) of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder (the "Code"), as detailed below.
 - a. The Property is located directly on Wrights Lane, a public road, containing 1,536 feet of frontage, and contains portions of a prominent ridgeline that are visible from US

HWY 25, KY HWY 620 (Burton Pike), and Interstate-75, all well-traveled public roads, as further identified in the Baseline Documentation Report;

- b. An area of particular significance has been identified as the Viewshed Protection Area (“VPA”), and mapped as shown on Exhibit B, attached to this Conservation Easement, within which development is very restricted, including a prohibition of new Structures (as hereinafter defined). The VPA consists of ridgeline most visible to the public which is the area on the Property within 500 linear feet from any point along the northern-western boundary of the Property. This area will remain largely intact and be subject to minimal impacts thereby preserving, in general, the Property’s scenic viewshed, open space, function, and integrity;
 - c. Maintaining the Property's scenic beauty and its agricultural uses, and, in particular, maintaining the Property free from new residential and commercial structures that would substantially interfere with its scenic, open rural character, woodlands, watersheds, streams, and permitting only appropriate uses and limited development compatible with the scenic beauty of the Property, are critical to the protection of this land as well as the protection of the open and scenic character of the general area. The conservation of the Property, subject to the terms of this Conservation Easement, will yield significant benefits to the public by protecting the scenic beauty, agricultural resources, and watersheds of the Property in addition to buffering nearby farms from incompatible development; and
 - d. The Property is located directly adjacent to Mallard Point Subdivision, the largest neighborhood in Scott County by population, number of homes, and square miles covered (information provided from Mallard Point Subdivision website), and has approximately nine thousand and four hundred (9,400) linear feet of shoreline along Mallard Point Lake, a man-made lake, that impounds just over one-half billion gallons of water and is balanced by marine biologists to encourage a successful marine habitat.
- ii. Clearly delineated governmental conservation policies. Several state and local programs and laws have been implemented to recognize and encourage the protection of lands, like the Property, which contain significant open, scenic, agricultural, and natural lands. Protection of the Property will preserve open space pursuant to clearly delineated federal, state, and local governmental conservation policies and will meet the requirements of Section 170(h)(4)(A)(iii)(II) of the Code, as detailed below.
- a. The grant of this Conservation Easement will serve the clearly delineated governmental conservation policies of the Farmland Protection Policy Act, P.L. 97-98, 7 U.S.C. § 4201 et seq., the purpose of which is “to minimize the extent to which the federal programs contribute to the irreversible conversion of farmland to nonagricultural purposes;”

- b. The Commonwealth of Kentucky, by Kentucky Revised Statutes (“KRS”) §§ 382.800 to 382.860, effective July 15, 1988, has authorized the use of conservation easements “the purposes of which include retaining or protecting natural, scenic or open space values of real property, assuring its availability for agricultural, forest, recreational, or open space use, protecting natural resources, maintaining or enhancing air or water quality, or preserving the historical, architectural, archaeological, or cultural aspects of real property” and has authorized Grantee, as a “charitable corporation,” to hold such conservation easements;
- c. It is the policy of the Commonwealth of Kentucky, as stated in KRS §§ 262.900 to 262.920, effective July 15, 1994, “to retain agriculture and enhance the contribution that agriculture makes to its economy,” and to that end “[a] program to retain and enhance agriculture is in the economic best interest of the Commonwealth and consequently, constitutes a public benefit that contributes to the health, safety, and general welfare of the residents of the Commonwealth and the nation;”
- d. It is the policy of the Commonwealth of Kentucky, as stated in KRS § 262.850, effective July 14, 2000, “to conserve, protect and encourage development and improvement of its agricultural lands for the production of food and other agricultural products,” “to conserve and protect its agricultural land base as a valuable natural resource which is both fragile and finite,” and “to provide a means by which agricultural land may be protected and enhanced as a viable segment of the state’s economy and as an important resource;”
- e. The Governor’s Office of Agricultural Policy created Kentucky’s Long-Term Plan for Agricultural Development (the “Plan”) in 2000 in order to sustain rural prosperity in Kentucky. The Plan sets forth three principles of sustainable development: “1) Adding value to local agricultural products, exploiting market niches for pure and wholesome foods and promoting the rural landscape of Kentucky. 2) Retaining the present scale and individual ownership of Kentucky agriculture by preserving working farms on Commonwealth farmland maintains our rural towns and communities. 3) Minimizing the burdens on natural resources and rewarding good land stewards with a decent living will enhance the Kentucky environment;”¹
- f. The 2010-2014 Kentucky State Historic Preservation Plan created by the Kentucky Heritage Council-State Historic Preservation Office recognizes the importance of preserving rural lands to preserve Kentucky’s cultural identity in their vision statement, stating, “Kentucky’s cultural places are irreplaceable resources essential

¹ KY. AGRIC. DEV. BD., CULTIVATING RURAL PROSPERITY: KENTUCKY’S LONG-TERM PLAN FOR AGRICULTURAL DEVELOPMENT 3 (2000).

to the economic, environmental, social, and cultural sustainability of our communities;”²

- g. The Scott County Comprehensive Plan, adopted in 1991 and amended through April 12, 2007, sets forth fundamental principles, which include the following: “manage growth so as to conserve, protect, and enhance our fiscal, historic, and environmental resources” and “balance between needs of development associated with community growth, and the continuing need to preserve and protect Scott County’s rural, agricultural, and historical assets for the benefit of the community as a whole;”
- h. The Scott County Comprehensive Plan, adopted in 1991 and updated in 2011, sets forth rural land use goals and objectives, which include the following: “Open space within Scott County is protected in order to provide habitat essential to the conservation of plants, animals, and their associated ecosystems for the general benefit of the citizens;” “... seek the cooperation and assistance of...conservation organizations...in the development and implementation of programs to protect and preserve local and regional open space;” “Open space is used as a primary tool to provide the County and its incorporated areas with a well-defined edge, establish community separators, direct growth, and preserve community character;” “Promote the purchase of open space, conservation easements, and/or development rights and use other tools such as development regulations and planning for the purpose of defining and protecting community edges;” “A comprehensive countywide farmland preservation program exists and is maintained for currency;” “The economic well-being of all rural property owners is actively encouraged and promoted through land uses that enable financial gain via agricultural activities;” “protect prime farmland soils e.g., Ashton, Huntington, Maury, Nicolson, and Lowell B;” and “Develop a cultural resource plan that protects environmental aesthetics and the historic character of the rural landscape;”
- i. The Scott County Fiscal Court in Ordinance No. 08-08 (as amended), approved on December 12, 2008 the Scott County Rural Land Management Board to preserve and manage agricultural, rural, and natural lands through the use of conservation easements. The ordinance specifically states, “This program will protect the health, safety and well-being of present and future residents of Scott County by preserving and managing sixty thousand (60,000) acres of eligible agricultural, rural, and natural lands in the Rural Service Area as a viable sector of the county’s economy and as an environmental resource of major importance, while at the same time allowing for properly controlled and designed urban growth;” and

² Wendy Wheatcraft, et. al, *The 2010-2014 Kentucky State Historic Preservation Plan*, KENTUCKY HERITAGE COUNCIL (2010), <http://heritage.ky.gov/nr/rdonlyres/73f23545-0298-4714-9d62-d70c1c31c852/0/20102014kystatehpplan.pdf>.

- j. The Scott County Zoning Ordinance, adopted in June 1994 and amended through December 2012, identifies more than 200 acres of the Property as located within the Residential (R- 1A) and the Residential (R-1B) Zones, residential zoning designations which allow for three (3) single family residences per acre and other conditional uses, and the remainder of the acreage is located within the Agricultural Rural (A-1) Zone which was established “in order to conserve agricultural lands for continued farm use and to minimize urban-type development in rural areas until urban-type services and utilities can be efficiently provided,” and is not specifically restricted to limit its development under the foregoing comprehensive plan or referenced zoning ordinance, except as to permitted residential density, which is currently a 5-acre lot size minimum, in the event of subdivision, so that the enumerated goals and objectives are met by virtue of the restrictions set forth in this Conservation Easement by voluntary private act of the Grantors instead of by legislative act or restrictions made by the Scott County Government or by public expenditures.
- iii. Significant public benefit. The protection of the Property meets the significant public benefit requirement of Section 170(h)(4)(A)(iii) of the Code. Significant public benefit is more clearly described in the U.S. Treasury Regulations at Section 1.170A-14(d)(4)(iv), and the Property’s unique scenic and agricultural characteristics relative to significant public benefit are described below.
 - a. There is a foreseeable trend of intense development in the vicinity of the Property in the near future. The Property is situated proximate to major growth corridors, and increasing development pressures in the area have resulted in a rapid recent influx of new homes situated on small lots, and a concomitant disruption and diminishment of existing farming practices and irrigation patterns, coupled with the division of prime, irrigated farmland into non-productive, non-agricultural uses such as subdivisions. There is a strong likelihood that, if the Property were to be developed instead of preserved, such development would contribute to the degradation of the scenic and natural character of the area. Preservation of the Property will continue to provide an opportunity for the general public to appreciate the area’s scenic values from public vantage points;
 - b. The Property is located in the Kentucky Division of Water designated Groundwater Sensitivity Region 2. Kentucky groundwater recharges water for streams, lakes, ponds, rivers, and wetlands, and the public uses these water resources for recreation, fishing, and drinking water sources, and the groundwater quality will be protected from higher levels of pollution by this Conservation Easement;
 - c. The Property’s wooded areas, and stream corridors are rich in biodiversity and provide habitat for a variety of terrestrial and amphibious species;
 - d. The Property is visible from publicly traveled Wright’s Lane, US HWY 25, KY HWY 620 (Burton Pike), Interstate-75, and Mallard Lake and preservation of the Property will continue to provide an opportunity for the general public to appreciate

its scenic values as more than 50,000 vehicles have visual access to portions of this Property, daily, according to the 2016 Kentucky Department of Highways.

- e. The Property is visible from Northern Elementary School, a public school, wherein which 400 children from the community attend school daily;
- g. The Property is located within the Outer Bluegrass Regions, part of an ecological system of gently rolling hills, caves, streams, and extremely fertile soils underlain mostly by the Lexington Limestone Formation and “encompassing approximately 2,400 square miles, occurring in portions of fourteen counties (Davis 1927). Its occurrence is determined by the outcrop of Middle Ordovician limestones deposited about 400 million years ago, the oldest in the state.”³ Most importantly, Kentucky’s world famous bluegrass pastures exist because of the underlain limestone, and although “these formations in Kentucky are similar to others laid down in Middle Ordovician seas, ... one significant difference is a much higher phosphate content, a feature that makes this area outstandingly adapted for livestock production.”⁴ This limestone, contributing to the Karst topography of the region, is also highly susceptible to sinkholes and groundwater pollution should the Property be improvidently developed;
- h. The World Monument Fund’s independent panel of international experts noted that “the Bluegrass Region is one of America’s most distinctive landscapes . . . named for the color of its calcium- and phosphate-enriched grass”⁵ and placed the Bluegrass Cultural Landscape of Kentucky on its 2006 Watch List as one of the world’s 100 most endangered sites due to the increasing amount of acreage lost to development yearly; and
- i. There is a strong likelihood that, if the Property were to be developed instead of preserved, it would contribute to the degradation of the prime and statewide important soils present on the Property and by limiting development of the Property to levels that will not adversely impact the Conservation Values, this Conservation Easement will provide a more extensive and permanent buffer to the Property’s fields, woodlands, and watersheds.

(2) Prime Farmland. Protection of the Property will ensure that the natural features of the Property which make it ideal for farming will remain intact and protected from

³ MARY E. WHARTON & ROGER W. BARBOUR, BLUEGRASS LAND & LIFE, LAND CHARACTER PLANTS & ANIMALS OF THE INNER BLUEGRASS REGION OF KENTUCKY 5 (Univ. Press of Ky., 1991) (quoting DARRELL HAUG DAVIS, THE GEOGRAPHY OF THE BLUE GRASS REGION OF KENTUCKY: A RECONNAISSANCE STUDY OF THE DISTRIBUTION AND ACTIVITIES OF MAN IN THE AREA OF ORDOVICIAN OUTCROP EMBRACED BY THE COMMONWEALTH (Ky. Geological Survey, 1927).

⁴ See *id.* at 12.

⁵ *Bluegrass Cultural Landscape of Kentucky*, WORLD MONUMENTS FUND (Dec. 2010), <https://www.wmf.org/project/bluegrass-cultural-landscape-kentucky>.

development which would be inconsistent with the continuation of farming on the Property. Approximately 10% [or 24.5 acres] of the Property contains “prime farmland” as determined by the United States Department of Agriculture and Natural Resources Conservation Service (NRCS).

- C. The Conservation Values are more fully described in the Baseline Documentation Report (as hereinafter defined and described in Section 2.5). By its execution of this Conservation Easement, Grantee acknowledges that Grantor's present uses of the Property are compatible with the Purpose (as hereinafter defined) of this Conservation Easement. In order to evidence the present condition of the Property (including both natural and man-made features) and to facilitate future monitoring and enforcement of this Conservation Easement, a Baseline Documentation Report describing such condition as of December 2017 has been prepared and subscribed to by both parties, and both parties have confirmed that the Baseline Documentation Report accurately represents the condition of the Property as of the Effective Date of this Conservation Easement. The Baseline Documentation Report is incorporated herein by this reference, and a copy thereof has been delivered to Grantor and the original is in the custody of the Grantee;
- D. The parties have a mutual desire and goal to foster landscape-scale conservation, reduce land fragmentation, establish potential habitat corridors, and provide blocks of protected land that may allow for agriculture in perpetuity;
- E. Pursuant to the Purpose (as hereinafter defined) and the preservation of the Conservation Values, the parties desire to conserve the Property by entering into this Conservation Easement pursuant to the provisions of KRS §§ 382.800 to 382.860 of the Commonwealth of Kentucky; and Section 170(h), 2055(f), and 2031(c) of the Code; and
- F. Grantor has received independent legal and financial advice regarding this Conservation Easement to the extent that Grantor has deemed necessary. Grantor represents and warrants that it has the full authority to enter into this Conservation Easement and that it freely and voluntarily conveys this Conservation Easement to Grantee in order to accomplish the Purpose and preserve the Conservation Values as set forth herein.

NOW, THEREFORE, for good and valuable consideration, which includes the mutual covenants, promises, and restrictions set forth herein, the sufficiency of which is hereby acknowledged, the parties state as follows:

1. General Provisions.

- 1.1 Grantee's Representation. Grantee represents and warrants that Grantee has received a determination letter dated February 23, 2001, from the Internal Revenue Service, on file at the offices of Grantee and a copy of which has been provided to Grantor, to the effect that Grantee is a tax exempt and qualified organization within the meaning of Sections 501(c)(3), 509(a)(1), and 170(b)(1)(A)(vi) of the Code, and Grantee meets the requirements of a “qualified organization” to accept, purchase, and hold Conservation

Easements under Section 170(h) of the Code and pursuant to provisions of KRS §§ 382.800 to 382.860 of the Commonwealth of Kentucky. In furtherance of, consistent with, and subject to the foregoing, Grantee's particular purpose is to act as a community-supported, nonprofit, accredited land trust to protect the agricultural viability, natural habitat, rural heritage, and scenic open space of the counties in and adjacent to the Bluegrass Region of Kentucky through land conservation for the public benefit. Grantee represents that it has the commitment and the resources to enforce, and will enforce, this Conservation Easement in perpetuity.

1.2 Grant of Conservation Easement. Grantor voluntarily, unconditionally, and absolutely grants and conveys to Grantee, and Grantee voluntarily accepts, this Conservation Easement to run with the land in perpetuity as defined by Section 170(h) of the Code and KRS §§ 382.800 to 382.860 for the Purpose outlined below.

1.3 Purpose. Grantor and Grantee acknowledge that the primary and secondary purposes of this Conservation Easement are as follows (hereinafter, collectively the "Purpose"):

1.3(a) The primary purpose of this Conservation Easement is to preserve the Property's open space characteristics, by preserving the Property's scenic and open character for the enjoyment of the general public, as well as to assure that the Property will remain available for Agroforestry, Conservation Forestry, and/or as farmland for Agricultural Activities or livestock production in perpetuity by preserving and protecting its agricultural soils, agricultural viability, and productivity, and to prevent any use of the Property that will impair or interfere with the Conservation Values of the Property and, in consideration of the contribution agricultural production and farming make to the economy and communities of the region and the Commonwealth, to encourage the long-term, professional management of those resources, and to facilitate the economically sustainable protection of agricultural resources of the Property. Any use or activity not reserved herein which is inconsistent with the Purpose of this Conservation Easement or which significantly impairs the Conservation Values of this Conservation Easement is prohibited.

1.3(b) The secondary purposes of this Conservation Easement are to conserve natural resources, to protect the cultural landscape that is our community symbol internationally recognized as rolling hills, landscapes, and contributions to thoroughbred racing and equine competition throughout the world, to protect the natural habitat of fish, wildlife, plants, and similar ecosystems, and to protect Kentucky's significant watersheds; provided, however, that the secondary purposes stated herein shall be consistent with the primary purpose stated above and, to the extent that any activity on or use of the Property in furtherance of the secondary purposes is inconsistent with said primary purpose, said secondary activity or use is prohibited.

1.4 Implementation. This Conservation Easement shall be implemented by limiting and restricting the development and use of the Property in accordance with the provisions described herein.

2. Definitions. When used in this Conservation Easement, the following terms shall be defined as follows:

- 2.1 Accessory Structures. A Structure (as defined herein), the use of which is customarily incidental and subordinate to a Residence (as defined herein). Accessory Structures include, but are not limited to, Subordinate Living Quarters (as defined herein), Recreational Structures (as defined herein), detached garages, tool sheds, storage sheds, cabanas, swimming pools, tennis courts, decks, and other structures customarily incidental to a Residence.
- 2.2 Agricultural Activities. Agricultural Activities include conducting farm operations for personal, non-commercial purposes and/or for commercial “agricultural production” purposes as defined in KRS § 262.900, as amended or any successor law to the extent such amendment or successor law is not more restrictive, which includes, but is not limited to, producing crops, crop products, livestock, and livestock products; raising, pasturing, and grazing of livestock; establishing, reestablishing, maintaining, and using cultivated fields, orchards, and pastures; animal husbandry; equestrian activities, including, but not limited to the stabling, breeding, boarding, training, raising, pasturing, and grazing of horses; planting, raising, harvesting, and producing tobacco, row crops, hay and pasture crops, floral and greenhouse products, bees and apiary products, agricultural, silvicultural, vinicultural, aquacultural, horticultural, and forestry crops and products of every nature and description, and the primary processing, storage, and sale, including direct retail sale to the public of crops and products harvested and produced principally on the Property.
- 2.3 Agricultural Structures. A Structure (as defined herein) used for Agricultural Activities, farm operations and on-farm production, preparation, and storage for personal, non-commercial purposes or for “agricultural production” purposes as defined in KRS § 262.900, as amended, or any successor law. Agricultural Structures include, but are not limited to, barns, farm offices, garages for farm use, greenhouses, enclosed feed storage areas, bunker silos, grain drying facilities, pole barns, riding rings, equestrian facilities, equipment sheds, tack rooms, and other similar agricultural facilities as are customary to other comparable agricultural operations in the vicinity of the Property.
- 2.4 Agroforestry. Agroforestry intentionally combines agriculture and forestry to create integrated and sustainable land use systems, taking advantage of the interactive benefits from combining trees and shrubs with crops and/or livestock. Agroforestry practices include such options as alley cropping (the cultivation of food, forage, or specialty crops between rows of trees or shrubs), growing gourmet mushrooms, combining forest management with livestock grazing, and selling specialty wood items. For purposes of this Conservation Easement, timber harvest is not included in this definition; see “Conservation Forestry,” below.

- 2.5 Baseline Documentation Report. The document entitled “Baseline Documentation Report,” incorporated by reference herein, a copy of which has been provided to Grantor and the original of which is in the custody of Grantee, includes photographs, maps, and supporting text, and describes the condition of the Property, including Structures and Improvements, driveways, Limited Building Areas as defined in Section 5, and the VPA as defined in Section 2.21, located on the Property as of the Effective Date of this Conservation Easement, as agreed upon and certified herein and in the Baseline Documentation Report by both the Grantor and Grantee.
- 2.6 Commercial. Any use or activity for which a financial benefit is sought or for which money is charged, whether or not the activity or use is profitable.
- 2.7 Conservation Forestry. The removal of forest products (such as, but not limited to, trees, logs, poles, posts, pulpwood, firewood, chips, seeds, pine straw, stumps, shrubs, and lesser vegetation) for Commercial purposes that perpetuate the forest resources on the Property as a sustainable working forest, encourage long-term, professional management of the forest resources, and facilitate the biologically and economically sustainable production of forest resources, while minimizing the impacts on soil productivity, water quality, wetlands, riparian zones, and the scenic character of the Property.
- 2.8 Grantee. The term “Grantee” includes the original Grantee and its successors and assigns.
- 2.9 Grantor. The term “Grantor” includes the original Grantor, Grantor’s heirs, successors, and assigns, and all future owners of all or any portion of the Property.
- 2.10 Gross Living Area. The Gross Living Area is the total area of finished, above-grade, habitable residential space calculated by measuring the outside perimeter of a Structure, not including finished or unfinished attics, below-ground basements, porches or decks, whether covered or uncovered.
- 2.11 Hazardous Substances. For purposes of this Conservation Easement, Hazardous Substances shall be defined as: (a) any hazardous waste as defined by the Resource Conservation and Recovery Act of 1976 (RCRA) . as amended;⁶ (b) any hazardous substance as defined by the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (CERCLA) as amended;⁷ (c) any substance regulated by the Toxic Substances Control Act (TSCA) as amended;⁸ (d) any substance regulated by the Federal Insecticide, Fungicide and Rodenticide Act (FIFRA).) as amended;⁹ (e) any

⁶ Resource Conservation and Recovery Act of 1976, 42 U.S.C. § 6901 (2016).

⁷ Comprehensive Environmental Response, Compensation, and Liability Act of 1980, 42 U.S.C. § 103 (2016).

⁸ Toxic Substances Control Act, 15 U.S.C. § 2601 (2016).

⁹ Federal Insecticide, Fungicide and Rodenticide Act, 7 U.S.C. § 136 (2016).

pollutant as defined by the Water Pollution Control Act as amended;¹⁰ (f) any air pollutant as defined by the Clean Air Act as amended;¹¹ (g) any hazardous waste as defined by KRS §§ 224.01-010 et seq. and regulations promulgated thereunder;¹² (h) friable asbestos or asbestos-containing material of any kind or character; (i) polychlorinated biphenyls; (j) any substances regulated under the provisions of Subtitle I of RCRA relating to underground storage tanks; or (k) any other substance, pollutant or contaminant subject to any form of environmental law or regulation by any Federal, state, or local governmental authority.

- 2.12 Home Occupations and Rural Enterprises. Home Occupations and Rural Enterprises may include, but are not limited to, farm stands, lawful home occupations, professional home offices, bed and breakfasts, restaurants, antique shops, campgrounds, schooling, day care, and other low impact commercial or educational programs that shall only take place within permitted or existing Structures.
- 2.13 Improvements. Improvements shall include anything that is constructed, installed, or placed in or upon the ground that is not a Structure (as defined herein), and includes but is not limited to, driveways, farm roads, parking areas, gardens, ponds, wells, septic systems, drainage ways, utility lines, solar panels, fences, stone walls, and signs.
- 2.14 Incidental Agricultural Structures. A Structure (as defined herein) used for, and subordinate to, farm operations including, but not limited to, pump houses, irrigation equipment, associated pumps and pipes, “run-in” sheds, sheds, bridges, and stream crossings.
- 2.15 Recreational Structures. A Structure (as defined herein) used for non-commercial recreational activities that does not include and is not served by any permanent utilities, and/or septic systems. Recreational Structures may include, but are not limited to, gazebos, studios, tree houses, and hunting cabins not serviced by permanent utilities and may only be located in areas outside the VPA.
- 2.16 Residence. A single-family detached Structure that contains at a minimum, permanently installed cooking facilities, indoor sanitation facilities, and a sleeping area. Residences include, but are not limited to, main residences and tenant houses, but do not include trailers or mobile homes, which are not permitted for residential purposes on the Property. A Residence may only be located in a Limited Building Area as defined below in Section 5.
- 2.17 Residential Unit. A living area, within a Structure typically not used for living space, which is designed for single-family dwelling (including associated electricity, well or water source, and septic system) with, at a minimum, permanently installed cooking

¹⁰ Clean Water Act, 33 U.S.C. § 1251 (2016).

¹¹ Clean Air Act, 42 U.S.C. § 7401 (2016).

¹² KY. REV. STAT. § 224.01-010 (2015).

and indoor sanitation facilities. Residential Units may include garage apartments or an apartment within an Agricultural Structure and shall not exceed 750 square feet of Gross Living Area.

- 2.18 Structures. A building or object constructed, installed or placed upon the ground, whether temporary or permanent. Structures may include, but are not limited to, existing and future Agricultural Structures, Residences, Residential Units, Subordinate Living Quarters, garages, sheds, pool houses, cabanas, greenhouses, barns, animal “run-in” shelters, farm markets/stands, silos, grain drying facilities, equestrian facilities, observation towers, deer stands, studios, tree houses, hunting cabins, moveable buildings such as trailers and mobile homes, and garden features such as arbors, pergolas, and gazebos.
- 2.19 Subdivision. The division, subdivision, or partitioning of any portion of the Property into more than one ownership, by any legal or physical means, including, but not limited to, recording of a subdivision plat, dividing, re-dividing, or partitioning of any of the tracts or parcels that comprise the Property into more than one parcel, any other attempt to divide any of said tracts or parcels into two or more parcels such as changes in existing lot lines, or the conveyance of a portion, parcel, or tract of the Property separately from the others, for the purpose, whether immediate or future, of partition, transfer of ownership, or development. (See Section 4.2, below, “Subdivision”).
- 2.20 Subordinate Living Quarters. A detached pool house, guest quarters, and/or any associated subordinate living quarters for temporary lodging of guests of Grantor, excluding garages, and must be located within 500 feet of the associated Residence, and within a Limited Building Area as defined below in Section 5.
- 2.21 Viewshed Protection Area (VPA). The area, as delineated and described in Exhibit B, in which new Structures (as defined herein) may not be placed. The VPA is any area shown on Exhibit B, attached hereto. Any existing Structure located within the VPA as of the Effective Date of the Conservation Easement is documented in the Baseline Documentation Report and as such, may be replaced within substantially the same footprint within the VPA. Currently, a dirt farm road exists within the VPA and may be paved in the future and used to access the Limited Building Areas defined below in Section 5.
3. Reserved Rights of Grantor. Grantor reserves for Grantor and Grantor’s successors in interest with respect to the Property, all rights with respect to the Property, including those rights in Sections 3.1 and 3.2, Section 4, and Section 5, but subject to the restrictions provided in Section 4 and Section 5 below.
- 3.1 Use. Grantor reserves for Grantor and Grantor’s successors in interest with respect to the Property, the right of exclusive use, possession, and quiet enjoyment of the Property; the right to sell, transfer, lease, mortgage, or otherwise encumber the Property, subject to the

restrictions and covenants set forth in this Conservation Easement; and the right to engage in all acts or uses not expressly prohibited herein that are not inconsistent with the Purpose of this Conservation Easement and that do not materially impair the Conservation Values. Agricultural Activities and livestock production are permitted on the Property, as are Conservation Forestry, Agroforestry, environmental management, educational programs, and outdoor recreational activities, including, without limitation, hiking, horseback riding, hunting, fishing, canine field trials, equestrian field trials, and horse shows, which are permitted even if a de minimis fee is charged in connection with such activities so long as they are not inconsistent with the Purpose, terms, and intent of this Conservation Easement and do not negatively impact the Conservation Values protected by this Conservation Easement. Home Occupations, Rural Enterprises, and educational uses are permitted as specified below, but only to the extent such permitted uses are consistent with protection of the Conservation Values of the Property and Purpose of this Conservation Easement, do not interfere with Agroforestry, Conservation Forestry, Agricultural Activities and/or livestock production capabilities on the Property, and are located within an existing or permitted future Agricultural Structure or Residences.

- 3.2 No Public Access. Nothing contained in Section 1.2 or elsewhere in this Conservation Easement shall be construed as a grant to the general public or to any other person or entity of any right to enter upon any part of the Property, except with respect to Grantee's right of access for inspection as provided for in Section 6.1(b) of this Conservation Easement.
4. Restrictions Applicable to the Property. In order to accomplish, safeguard, and promote the Purpose of this Conservation Easement and preserve the Conservation Values, the following restrictions apply to the Property, on, over, under, or in connection with the Property, and Grantor's use of the Property:
- 4.1 Use. The Property shall not be used for residential, industrial, or Commercial purposes except as permitted within this Conservation Easement, including the provisions of Section 3.1 above and the permitted uses which include, but are not limited to Commercial Agricultural Activities, Agroforestry, Conservation Forestry, and de minimis recreational activities unless specifically prohibited herein. The Property must remain available for Agroforestry, Conservation Forestry, Agricultural Activities or livestock production in perpetuity and the Property is protected from any use that would interfere with these uses. For purposes of clarification, golf courses are not permitted under the terms of this Conservation Easement.
- 4.2 Subdivision. The Property is currently comprised of one (1) parcel and/or tracts, all of which are owned by Grantor and consolidated by the terms of this Conservation Easement, meaning that all parcels and/or tracts are considered, as a whole, in a unified title. The legal or de facto Subdivision into more than one parcel of the whole, as defined in Section 2.19 above, division, or partitioning of the Property is prohibited, except as specifically set forth below, and Grantor shall maintain all of the tracts and parcels comprising the whole Property, and all interests therein, under common

ownership, as though they constitute a single parcel in a unified title, effectively consolidating any and all existing parcels, and their parcels and tracts therein, as legally defined in Exhibit A attached hereto, so that a tract or parcel may not be sold separately from one another, except and only as specifically set forth below.

To minimize land fragmentation, and to facilitate effective stewardship of the Property, the Property may be Subdivided into not more than a total of three (3) parcels or lots (hereinafter known as a "Subdivided Parcel"). No Subdivided Parcel may be created and/or conveyed, except with Grantee's prior written approval as provided in Section 6 herein, and upon compliance with the following conditions:

- 4.2(a) Each future Subdivided Parcel should be substantially similar to the future division lines as identified on Exhibit B, attached hereto, and may not consist of less than fifty (50) contiguous acres and Grantor and Grantee must agree that Grantor's exercise of the right to divide the Property will not interfere with the scenic quality of the Property or the governmental conservation policies referenced herein that are being furthered by this Conservation Easement.
- 4.2(b) Each Subdivided Parcel shall remain subject to the terms and conditions set forth in this Conservation Easement. Any remaining subdivision rights or remaining future Residences provided for in this Conservation Easement shall be allocated at the time of the proposed Subdivision or conveyance, using the form attached hereto as Exhibit C, by filing said form in the Scott County Clerk's office upon Subdivision of the Property, in a manner to be reviewed and approved by Grantee, and shall be set forth in the deed of each new Subdivided Parcel for consistency with the provisions of this Section 4.2(b).
- 4.2(c) The deed(s) of conveyance of any Subdivided Parcel shall contain a metes and bounds description of the Subdivided Parcel(s) prepared by a licensed professional land surveyor at Grantor's cost, which description shall have been reviewed and approved by Grantee prior to conveyance of the Subdivided Parcel(s).
- 4.2(d) Grantor further understands and agrees that should Grantor elect to subdivide the Property and create a new Subdivided Parcel as permitted pursuant to this Section 4.2, each Subdivision and/or conveyance of a permitted Subdivided Parcel of the Property will give rise to separate and distinct annual and ongoing conservation easement administration and stewardship expenses and will therefore require an additional "Subdivision Stewardship Fee" to pay for the cost of stewarding each permitted subdivided parcel.

At such time as Grantor records the conveyance of a Subdivided Parcel or evidence giving effect to such permitted Subdivision in the Office of the Clerk of Scott County, whether by deed or plat or otherwise, Grantor shall pay to

Grantee a Subdivision Stewardship Fee. The amount of such Subdivision Stewardship Fee shall be determined as follows: For any Subdivided Parcel conveyed on or before December 31, 2026, Grantor shall pay to Grantee the amount of \$10,000 for each Subdivided Parcel being conveyed. For any Subdivided Parcel conveyed on or subsequent to January 1, 2027, Grantor agrees to pay the greater of (1) the applicable fee described above, adjusted for inflation based on the increase in the consumer price index from December 31, 2026 to the date of the conveyance; or (2) such an amount determined by Grantee in its sole and absolute discretion, that Grantee would request of a conservation easement Grantor at the time of subdivision using Grantee's standard formula then in effect for determining stewardship contributions for a conservation easement of like acreage and restrictions. The payment of each Subdivision Stewardship Fee shall be a one-time payment and shall not be required for the subsequent transfer of such Subdivided Parcel.

4.3 Structures. No permanent or temporary Structure shall hereafter be constructed on the Property, except those used primarily for residential living, agriculture, or livestock production purposes known as Agricultural Structures or Residences. The location and number of these permitted Structures is clearly established in Section 5 below.

4.4 Improvements. No new Improvements may be located or constructed on the Property, except those that are reasonably necessary to service the Property and its permitted uses and Structures, such as permitted Agricultural Activities and permitted Agricultural Structures and Residences, including, but not limited to, farm roads, utility lines, and solar panels to service the Property, provided they are not inconsistent with the Purpose, terms, and intent of this Conservation Easement, are subject to the impervious surface limitations set forth in Section 4.17, and the notice requirements of Section 7 below. All permitted Improvements must be located, constructed, and maintained so as to minimize their potential negative impacts on the Property's Conservation Values. Notwithstanding any other provisions in this Conservation Easement that may be construed to the contrary, transmission lines and interstate pipelines are prohibited on the Property, unless the Property is already subject to an easement for the foregoing or unless approved by Grantee, in its sole discretion.

No new driveways or roads, including farm roads, may be constructed to access or service other lands or properties, except with Grantee's prior approval as provided in Section 7. Grantee shall give such approval only if Grantee finds that use of such driveways and roads on the Property is consistent with the Purpose of this Conservation Easement and that such use will not enable development of the other lands for purposes other than scenic, open space, agricultural, historic, or non-commercial recreational uses beyond what would have been possible without such access.

4.5. Home Occupations and Rural Enterprises. Home Occupations and Rural Enterprises as defined herein and as permitted by local laws, are permitted, so long as Home

Occupations and Rural Enterprises are conducted within existing or permitted Structures as described in this Conservation Easement. In no event shall any Structure be constructed whose primary purpose is not related to permitted residential, agricultural, or non-commercial, seasonal, recreational activities and not supportive of and subordinate to activities that are consistent with the Purpose of this Conservation Easement. A Structure may not be constructed for the primary purpose of Home Occupation or Rural Enterprises. Enterprises which market petroleum, such as a gas or fuel station, are prohibited. The construction of golf courses and other holed activities that significantly alter the terrain and soil profile and that adversely affect the open space and natural qualities of the Property are expressly prohibited on the Property.

- 4.6 Fences and Signs. Existing fences and stone walls as included in the Baseline Documentation Report may be repaired, relocated, and replaced anywhere on the Property. New fences, gates, stone walls, and signs as are normal and customary for the uses permitted in this Conservation Easement, such as fencing to create paddocks for the grazing of horses and other livestock, may be erected anywhere on the Property, provided that any fences or stone walls are constructed, insofar as practicable, to blend with the natural landscape and do not impinge materially on views of the Property from public roads and which are not inconsistent with the Purpose, terms, and intent of this Conservation Easement.
- 4.7 Planting, Cutting, and Clearing of Trees; Removal of Invasive Plant Species. Without prior notice to Grantee, trees may be removed anywhere on the Property that endanger public safety and animal welfare, are diseased, damaged, or fallen, or need to be removed to ensure the health or productivity of other trees or ecological attributes of the Property, or in connection with the construction of permitted Structures. Trees may also be removed to maintain existing views, as shown in the Baseline Documentation Report, paths, utility lines, roads, trails, driveways, or open space, and for cutting firewood for use on the Property. New clearing is permitted in connection with landscaping, agriculture, agroforestry, and permitted uses as established herein and as defined as Conservation Forestry in Section 2.7 herein. The land consists mostly of forested areas and those forested areas contribute to the scenic views.
- 4.8 Mineral Extraction. There shall be no exploration, development, production, extraction, or transportation of oil, gas, or other mineral substances (whether such other mineral substances be part of the mineral estate or part of the surface estate) on, from, or across the Property ("Mineral Activities"), except for limited agricultural or residential use on the Property.
- 4.9 Limitation on Agricultural Activities. In connection with any agricultural activity on the Property, including but not limited to noxious weed control, the use of chemical fertilizers, herbicides, pesticides, fungicides, and natural controls will be permitted only if such use is in compliance with all applicable federal, state, and local statutes and

regulations and only to the extent such use does not have a demonstrable detrimental effect on the Conservation Values.

- 4.10 Dumping, Waste, Vehicles, Equipment and Storage. No dumping, burying, storing, applying, or releasing of waste, sewage, garbage, construction debris, vehicles, or appliances, or any toxic, hazardous, or offensive materials shall be allowed on the Property, except: (i) appropriate routine storage of garbage and wastes from permitted uses of the Property pending transport for proper disposal; (ii) temporary storage of garbage and wastes which flow into a septic or other appropriate waste disposal systems that comply with applicable local, state, and federal laws and regulations; (iii) temporary storage of materials, such as gasoline and diesel fuel, for use in vehicles which serve the permitted uses of the Property and are properly stored (in accordance with applicable local, state, and federal laws and regulations) pending such use; (iv) vehicles and farm equipment as necessary for permitted uses on the Property; (v) pesticides, such as herbicides and insecticides, that are stored and disposed of in accordance with applicable local, state, and federal laws and regulations; (vi) biodegradable materials generated, utilized, and/or processed on the Property to further the permitted uses of the Property while maintaining the Purpose described herein; and (vii) temporary storage of vegetative debris deposited by storm damage or other such similar event. Notwithstanding the foregoing, and with the exception of (vii) of this section, the above activities are not permitted within the VPA, unless existing on the date of this Conservation Easement, and so identified in the Baseline Documentation Report.

- 4.11 Waterways and Wetlands. Waterways, waterbodies, or wetlands located on the Property shall not be diverted, dammed, or otherwise materially altered by Grantor, except with Grantee's prior approval as provided in Section 7. Grantee shall grant such approval so long as Grantee determines that the waterway, waterbody, and/or wetland alteration proposed by Grantor will enhance the conservation goals of this Conservation Easement by, for example, increasing the size of the wetlands or waterway, increasing habitat diversity, or assisting in the removal of exotic species. Grantee shall also grant approval if the purpose of the proposed waterway and/or wetland alteration is to restore or remediate the natural course of the waterway due to a naturally occurring alteration (such as those caused by beaver, floods, or other similar natural events). Any such approvals given by Grantee shall not relieve Grantor from complying with any and all applicable federal, state, and local laws and regulations relating to the alteration of waterways or wetlands.

Naturally occurring alterations (such as those caused by beaver, floods, or other similar natural causes) or alterations caused by third parties that enhance the conservation goals and Purpose of this Conservation Easement are permitted without approval from Grantee, subject to applicable local, state, and federal laws and regulations.

Notwithstanding the foregoing, significant pollution or degradation of surface or subsurface waters by the Grantor is prohibited.

- 4.12 Health and Safety Measures. Notwithstanding any other restriction contained in this Conservation Easement, Grantor may take such actions with respect to the Property as are necessary to protect the health and safety of the public and the persons using the Property; provided, however, that if any such action is contrary to a restriction contained herein, the action shall be limited to the minimum variation necessary to afford the required protection. If notice to Grantee would be required under this Conservation Easement to undertake such action, or if the action would otherwise violate any restriction contained herein, notice of the action shall be given to Grantee as soon as practicable, but the required action may be taken whether or not such notice has been given.
- 4.13 Extinguishment of Development Rights. Except as specifically reserved in this Conservation Easement (including, without limitation, the right to construct certain additional Structures heretofore set forth in Section 5), Grantor grants to Grantee all development rights that are now or hereafter allocated to, implied, reserved, or inherent in the Property, and the parties hereby agree that, subject to such reservations, such development rights are terminated and extinguished by this Conservation Easement, and may not be used or transferred to any portion of the Property as it is now or hereafter may be described, or to any other property, whether adjacent or otherwise, or used for the purpose of calculating permissible lot yield or building density of the Property or any other property.
- 4.14 Excavation. Except as permitted in connection with an activity or construction permitted herein, and then only to the minimum extent necessary to carry out the permitted activity, no excavating, quarrying, dredging, or removing from the Property of soil, loam, peat, gravel, sand, or rocks is permitted.
- 4.15 Commercial Feedlots. No commercial feedlots are permitted on the Property except with Grantee's prior approval as provided in Section 7 herein. A commercial feedlot, which is defined for purposes of this Conservation Easement as a confined area or facility within which land is not grazed or cropped at least annually and which is used to receive livestock that has been raised on or off the Property for feeding and fattening for market.

Grantor and Grantee agree that the establishment or maintenance of any Animal Feeding Operation (AFO) or Concentrated Feeding Operation (CAFO) is prohibited. As used herein, AFO means an area where livestock are confined for at least forty-five (45) days in a twelve-month period and where no grass or other vegetation is grown in the confinement area during a normal growing season (whether in the form of a feedlot or pen, or in an enclosed facility). A CAFO is defined as an AFO that meets the criteria of the U.S. Environmental Protection Agency for Large, Medium, or Small Concentrated Animal Feeding Operation, or is so designated by regulations of the Commonwealth of Kentucky's Environmental Protection Agency Division of Water.

- 4.16 Events. Events, including, but not limited to, weddings and/or festivals, even if a fee is charged, are permitted recreational activities on the Property, provided that they do not entail the use of Structures that are prohibited under Section 4.3 and do not materially harm the Conservation Values, occur only occasionally, or no more than five (5) times per year, and may not be the primary use of the Property. Temporary structures such as a tent and/or portable toilets are allowed, so long as those structures are not located on the property for longer than five (5) consecutive days. A waiver may be granted by Grantee, with prior written approval, to minimally extend the number of events and the time allowed for temporary structures, but is entirely at the discretion of the Grantee, and must not impair the conservation values or purpose of this Conservation Easement.
- 4.17 Impervious Surface Limitations. Impervious surfaces, which include Improvements, Structures, roads, and paved areas, whether existing on the Effective Date of the Conservation Easement or added construction thereafter shall not exceed two (2) percent of the total Conservation Easement acreage and shall not impair or have an adverse impact on the Conservation Values as stated herein. A waiver for a minor increase in impervious surface limitations may be provided at Grantee's sole discretion, but a waiver which is inconsistent with the Purpose of this Conservation Easement or which impairs the Conservation Values of this Conservation Easement is prohibited.
- 4.18 Unanticipated Use or Activity. Any unanticipated use or activity on or at the Property which would impair Conservation Values is prohibited, but if a use or activity is necessary for the protection of the Conservation Values that are the subject of this Conservation Easement, such use or activity shall be subject to the approval of Grantee pursuant to the provisions of Section 7 below. Subject to Grantee's written approval pursuant to the provisions of Section 7, which approval shall not be unreasonably withheld, Grantor may engage in an unanticipated use or activity on or at the Property so long as such use or activity is necessary for the protection of the Conservation Values, or is not inconsistent with the protection of the Conservation Values, but is not clearly provided for herein.
5. Limited Building Areas; VPA; and Location of Permitted Structures. All new Structures and their Improvements must be constructed within the Limited Building Areas as defined below, with the exception of Agricultural Structures, Incidental Agricultural Structures, Recreational Structures, and Improvements customary and necessary for each, which may be constructed anywhere on the Property outside the VPA as defined in Section 2.21. All construction, expansion, replacement, removal, and existence of Structures and Improvements are subject to the impervious surface limitations in Section 4.17 above and the notice requirements in Section 7 below.
- 5.1 Agricultural Structures and Improvements. Grantor has the right to all manner of access to and use and enjoyment of the Agricultural Structures on the Property and the right to repair, remodel, expand, demolish, and replace the existing Agricultural Structures thereon within substantially the same footprint and for the same uses as documented in

the Baseline Documentation Report, including such Agricultural Structures located within the VPA as of the Effective Date of this Conservation Easement and documented in the Baseline Documentation Report as such, provided such actions are not inconsistent with the Purpose of this Conservation Easement. To protect significant Conservation Values of the Property, future Agricultural Structures are limited to construction outside the VPA and are subject to the impervious surface limitations as described in Section 4.17 above. Grantor may construct one Residential Unit within an existing or permitted Agricultural Structure, outside the VPA.

- 5.2 Limited Building Area A. Within Limited Building Area A, as identified as “Limited Building Area A” on the map attached hereto as Exhibit B, and incorporated herein by this reference (the “Map”), Grantor reserves the right to construct, repair, remodel, expand, remove, and replace one Residence along with reasonable Accessory Structures, including one Subordinate Living Quarters, and Improvements. The total Gross Living Area of the Residence and the Subordinate Living Quarters, combined, may not exceed 6,000 square feet, but may be distributed between the two Structures in a reasonable manner. Any expanded or replacement Residence and Subordinate Living Quarters must be constructed substantially within the location of the existing Residence and Subordinate Living Quarters and the combined Gross Living Area shall not exceed 6,000 square feet.
- 5.3 Limited Building Area B. Within Limited Building Area B, as identified as “Limited Building Area B” on the Map, Grantor reserves the right to construct, repair, remodel, expand, remove, and replace one Residence along with reasonable Accessory Structures, including one Subordinate Living Quarters, and Improvements. The total Gross Living Area of the Residence and the Subordinate Living Quarters, combined, may not exceed 6,000 square feet, but may be distributed between the two Structures in a reasonable manner. Any expanded or replacement Residence and Subordinate Living Quarters must be constructed substantially within the location of the existing Residence and Subordinate Living Quarters and the combined Gross Living Area shall not exceed 6,000 square feet.
- 5.4 Limited Building Area C. Within Limited Building Area C consisting of approximately two acres, as identified as “Limited Building Area C” on the Map, Grantor reserves the right to construct, repair, remodel, expand, remove, and replace one Residence along with reasonable Accessory Structures, including one Subordinate Living Quarters, and Improvements. The total Gross Living Area of the Residence and the Subordinate Living Quarters, combined, may not exceed 6,000 square feet, but may be distributed between the two Structures in a reasonable manner. Any expanded or replacement Residence and Subordinate Living Quarters must be constructed substantially within the location of the existing Residence and Subordinate Living Quarters and the combined Gross Living Area shall not exceed 6,000 square feet.
- 5.6 Well and Septic System. Grantor reserves the right to construct, repair, remodel,

expand and replace, as reasonably necessary, a well and septic system for each permitted Residence on the Property, and a well for agricultural or forestry purposes. If it is not possible to locate any of the permitted wells or septic systems within the Limited Building Areas A, B, or C, such wells or septic systems may be outside the Limited Building Areas so as to accommodate the requirements of applicable zoning and regulatory land use controls and in a manner that causes the least possible disturbance to the Conservation Values.

- 5.7 Improvements and Access to Residences. Notwithstanding any other provision of this Conservation Easement, Grantor reserves the right to provide roads, utilities, and rights-of-way to the Residences and Accessory Structures and Improvements on the Property, and to cut trees, grass, and other vegetation in order to carry out the activities permitted hereunder. Improvements made under the provisions of this Section 5.7 shall be done in a manner so as to create the least possible disturbance to the Conservation Values (for example, by creating access along unpaved roads), and in no event shall such Improvements be greater than those imposed or permitted by governmental requirements and/or consents.

6. Rights and Remedies of Grantee; Grantee's Obligations.

- 6.1 Affirmative Rights of Grantee. Grantor hereby grants the following rights to Grantee, which rights shall be in addition to, and not in limitation of, any other rights and remedies available to Grantee:

6.1(a) To prevent Grantor or third persons (whether or not claiming by, through, or under Grantor) from using or permitting any use of the Property that violates this Conservation Easement, and to require of Grantor or third persons the restoration to the Property's condition immediately prior to such use of such areas or features of the Property that may be damaged by any such use;

6.1(b) To enter the Property (but not within building interiors) in order to monitor Grantor's compliance with the terms of this Conservation Easement, with notice of such inspection to be delivered to Grantor, Grantor's designees, or agents at least forty-eight (48) hours prior to such inspection or sooner if otherwise agreed to by Grantor and Grantee, to be performed at such reasonable times and in such reasonable manner as Grantor and Grantee shall reasonably agree, and without unreasonably interfering with Grantor's use and quiet enjoyment of the Property, provided that in any event in the absence of evidence which gives Grantee a reasonable basis to believe there has been a violation of this Conservation Easement (which evidence shall be made available to Grantor, in advance and in writing, followed by an opportunity for Grantor to reply thereto prior to Grantee's further action), such monitoring events may at Grantee's discretion occur twice in any twelve-month period but shall not occur more often than twice in any twelve-month period, and provided further that if Grantee is in receipt of evidence which gives Grantee a reasonable basis to believe there has been a

violation of this Conservation Easement, Grantee may enter upon the Property for the purpose of monitoring Grantor's compliance with this Conservation Easement and investigating the suspected violation, without regard to the frequency and prior notice limitations set forth above, but conditioned upon Grantee concurrently making such evidence available to Grantor for review and comment;

6.1(c) To seek injunctive and other equitable relief against any violation of this Conservation Easement, including without limitation relief requiring removal of offending structures, encroachments, and vegetation, and other restoration of the Property to a condition substantially similar to that which existed immediately prior to any such violation (it being agreed that Grantee will have no adequate remedy at law); and

6.1(d) After providing Grantor with written notice pursuant to the provisions of Section 7.3 below, and after a reasonable opportunity to Cure, as set forth in Section 6.2(a) below, to enforce this Conservation Easement in the case of breaches by Grantor or by third persons (whether or not claiming by, through, or under Grantor) by appropriate legal proceedings.

6.2 Cure; Grantee's Remedies.

6.2(a) In the event that Grantee becomes aware of a material violation of the terms of this Conservation Easement, Grantee shall give notice to Grantor pursuant to Section 7.3 and request corrective action sufficient to abate such violation (a "Cure") and restore the Property to a condition substantially similar to that which existed immediately prior to such violation. Grantor shall have the right to Cure as provided herein.

6.2(b) Failure by Grantor within 30 days after receipt of such notice to Cure (i) to begin good faith efforts to Cure where completion of such action cannot be reasonably accomplished within 30 days, (ii) to initiate such other corrective action to such violation as appropriate in the circumstances and as may be reasonably requested by Grantee, or (iii) failure by Grantor to diligently pursue a Cure once commenced, shall entitle Grantee to: (I) bring an action at law or in equity in a court of competent jurisdiction to enforce this Conservation Easement; (II) require actions to be taken in order to effect the restoration of the Property to a condition substantially similar to that which existed immediately prior to such violation; (III) seek to enjoin any violation by temporary or permanent injunction; and (IV) recover reasonable damages, including attorney's fees, arising from such violation.

6.2(c) If Grantee, in its sole discretion reasonably exercised, determines that emergency circumstances require immediate action to prevent or mitigate significant damage to the Conservation Values, Grantee may pursue its remedies under this Section 6.2 with concurrent oral and written notice to Grantor and without waiting for the period for

Cure to expire, provided, however, that any such remedy pursued shall be a remedy solely and directly related to the damage which has occurred. Grantee shall give concurrent oral and written notice for all such actions and shall provide Grantor with written notice of all actions taken by it pursuant to this Section 6.2(c) immediately (or as soon as possible) thereafter.

- 6.3 Forbearance Not a Waiver. Any forbearance by Grantee to exercise its rights under this Conservation Easement in the event of any violation of this Conservation Easement shall not be deemed or construed to be a waiver by Grantee of such violation of this Conservation Easement or of any of Grantee's rights under this Conservation Easement. No delay or omission by Grantee in the exercise of any right or remedy upon any breach shall impair such right or remedy or be construed as a waiver.
- 6.4 Acts Beyond Grantor's Control. Nothing contained in this Conservation Easement shall be construed to entitle Grantee to bring any action against Grantor for any injury to or change in the Property resulting from causes beyond Grantor's control, including, without limitation, acts of trespassers or the unauthorized, negligent, or wrongful acts of third persons, fire, flood, storm, earth movement, and major tree or plant disease, or from any prudent action taken by Grantor intended to mitigate injury to the Property resulting from such causes. Notwithstanding the foregoing, nothing herein shall preclude Grantor's and Grantee's rights to pursue any third party for damages to the Property from vandalism, trespass, or any other violation of this Conservation Easement. Grantor and Grantee agree that in the event of damage to the Property from acts beyond Grantor's control, if Grantor and Grantee agree that it is desirable that the Property be restored, Grantor and Grantee will cooperate in attempting to restore the Property if feasible.
- 6.5 Grantee's Obligations. To the extent that Grantee by action or inaction does not perform or fulfill any affirmative, non-discretionary obligation required of Grantee pursuant to the terms of this Conservation Easement, then Grantor shall give notice pursuant to Section 7.3 of such obligation to Grantee and the parties shall cooperate and act in good faith to reach a resolution with respect to such obligation.
- 6.6 Costs. Grantor and Grantee shall each be responsible for their respective costs of enforcement and costs of suit, including, without limitation, reasonable attorney's fees, incurred in the enforcement of this Easement, unless (i) either Grantor or Grantee admits fault, or (ii) a court of competent jurisdiction determines that one of the parties is at fault, in which case the party at fault agrees to reimburse the other party for all reasonable costs and expenses, including reasonable attorney's fees, incurred in connection with the contested matter. Notwithstanding the foregoing, in any case pursuant to the provisions of Section 7 below, in which Grantor gives notice of an action or Grantor requests and Grantee denies approval for an action, and Grantor contests such denial in a court of competent jurisdiction, Grantor shall be responsible for paying Grantee's reasonable costs and expenses of suit, unless (i) Grantee admits it

acted in bad faith in making such determination, or (ii) such court determines that Grantee acted in bad faith in making such determination, in which case Grantee agrees to reimburse Grantor for all reasonable costs and expenses (including, without limitation, reasonable attorney's fees) incurred in connection with the contested matter.

7. Approval by Grantee; Notice; Breach.

- 7.1 Approval by Grantee. To exercise any of the following reserved rights, or any others herein requiring approval, Grantor must submit to Grantee a request for approval for such proposed activity and its proposed location on the Property: to subdivide the Property in accordance with Section 4.2 herein; to construct Improvements for access to lands other than the Property as described in Section 4.4 herein; to alter or create waterways and wetlands in accordance with Section 4.11 herein; to construct a commercial feedlot in accordance with Section 4.15 herein; to waive, at Grantee's sole discretion, the impervious service limitations as described in Section 4.17; the exercise of any right to engage in any activity permitted by Section 4.18. Grantor shall request such approval in writing and shall include therewith information identifying the nature of the proposed reserved right and requested location with reasonable specificity, evidencing conformity with the requirements of the applicable sections under which the right is reserved hereunder, and, when applicable, evidencing conformity with existing land use regulations. Grantee's approval, which shall not be unreasonably withheld, shall take into account the following criteria:

- (a) the extent to which use of the site for the proposed activity would impair the scenic qualities of the Property that are visible from public roads;
- (b) the extent to which use of the site for the proposed activity would destroy an important habitat or would have a material adverse effect on the movement of wildlife;
- (c) the extent to which use of the site for the proposed activity would impair water quality;
- (d) in the case of siting of Improvements, specifically energy generation facilities permitted under the provisions of Section 4.4, the feasibility of other locations that might have a lesser impact on the Conservation Values; and
- (e) the extent to which the proposed activity or use of the site for the proposed activity would otherwise significantly impair the Conservation Values.

Grantor and Grantee shall cooperate and shall act in good faith to arrive at an agreement on suitable sites and activities in connection with any determinations that are necessary to be made by them (either separately or jointly) under this Section 7.1. Notwithstanding the foregoing, Grantee's approval of a proposed site or activity shall be withheld if the site for the proposed activity or the proposed activity itself would interfere with the Conservation Values and/or essential scenic quality of the Property.

When Grantee's approval is required, Grantee shall grant or withhold its approval in

writing within sixty (60) days of receipt of Grantor's written request therefore. In the case of withholding of approval, Grantee shall notify Grantor in writing with reasonable specificity of the reasons for withholding of approval, and the conditions, if any, on which approval might otherwise be given. Failure of Grantee to respond in writing within such sixty (60) days shall be deemed to constitute denial by Grantee of any request submitted for approval.

- 7.2 Notice to Grantee. Not less than thirty (30) days prior to the commencement of any use or activity requiring notice, such as, but not limited to, the construction, removal, or substantial modification or expansion of a Structure or Improvement specifically permitted herein, Grantor agrees to notify Grantee in writing, in compliance with Section 7.3 below, of the intention to exercise such right. The notice shall describe the nature, scope, location, timetable, and any other material aspect of the proposed activity in sufficient detail to permit Grantee to evaluate the proposed activity in relation to the criteria listed in Section 7.1 above, and to monitor such construction or activity. When such information was not provided to Grantee under the requirements of Section 7.1, the notice shall also include information evidencing the conformity of such activity with the requirements of the applicable sections under which the right is reserved hereunder, and, when applicable, evidencing conformity with existing land use regulations. At Grantee's sole discretion, Grantee may permit commencement of the activity less than thirty (30) days after receiving Grantor's written notice. See also Section 8.2, with respect to Grantor's written notice to Grantee concerning a transfer of any interest in all or a portion of the Property.
- 7.3 Notice and Approval Requests, Responses, in Writing. Any written notice or approval request required or desired to be given under this Conservation Easement by Grantor, except as required in Section 6.2(c) of this Conservation Easement, and any subsequent response from Grantee, shall be in writing and shall be deemed given when received on the date of manual delivery, if delivered personally, or three (3) days after mailing by first class mail, postage prepaid, or upon delivery if by Federal Express, or a similar public or private courier service which provides receipt of delivery, except as mutually agreed upon by both parties, and properly addressed as follows: (a) if to Grantee, at the address set forth in the first Section of this Conservation Easement; (b) if to Grantor, at the address set forth in the first paragraph of this Conservation Easement; and (c) if to any subsequent owner, at the address of the Property. Any party can change the address to which notices are to be sent to him, her, or it by giving notice pursuant to this Section 7.3.
- 7.4 Breach. Failure to secure such approval or give such notice as may be required by this Section 7 shall be a material breach of this Conservation Easement notwithstanding any other provision of this Conservation Easement and shall entitle Grantee to such rights or remedies as may be available under Section 6.
- 7.5 Compliance Certificates. Upon request by Grantor, Grantee shall within thirty (30) days execute and deliver to Grantor any document that may be requested by Grantor,

including an estoppel certificate or compliance certificate, to certify to the best of Grantee's knowledge Grantor's compliance with any obligation of Grantor contained in this Conservation Easement or otherwise to evidence the status of this Conservation Easement and Grantor shall reimburse Grantee for all expenses, including staff time and reasonable attorneys' fees, incurred in evaluating, preparing, and delivering that request.

8. Additional Covenants and Provisions.

8.1 Representations and Warranties. The Grantor represents and warrants that, after reasonable investigation or inquiry, and to the best of Grantor's knowledge:

8.1(a) No substance defined, listed, or otherwise classified pursuant to any federal, state, or local law, regulation, or requirement as hazardous, toxic, polluting, or otherwise contaminating to the air, water, or soil, or in any way harmful or threatening to human health or the environment, other than licensed agricultural chemicals, exists or has been released, generated, treated, stored, used, disposed of, deposited, abandoned, or transported in, on, from, or across the Property, except as necessary for disposal purposes in accordance with applicable rules, regulations, or laws;

8.1(b) There are not now any underground storage tanks located on the Property, whether presently in service or closed, abandoned, or decommissioned, and no underground storage tanks have been removed from the Property in a manner not in compliance with applicable federal, state, and local laws, regulations, and requirements;

8.1(c) Grantor and the Property are in compliance with all federal, state, and local laws, regulations, and requirements applicable to the Property and its use;

8.1(d) There is no pending or threatened litigation in any way affecting, involving, or relating to the Property or Grantor's use of the Property;

8.1(e) No civil or criminal proceedings or investigations have been instigated at any time or are now 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 the Grantor might reasonably expect to form the basis for any such proceedings, investigations, notices, claims, demands, or orders;

8.1(f) There are no outstanding surface or subsurface mineral rights associated with the Property; and

8.1(g) That as the owner of the Property in fee simple, Grantor has access to the Property and has the right to convey to Grantee this Conservation Easement, and

Grantee shall have the use of and enjoy all the benefits derived from and arising out of this Conservation Easement.

If, at any time, there occurs, or has occurred, a release in, on, or about the Property of any substance now or hereafter defined, listed, or otherwise classified pursuant to any federal, state, or local law, regulation, or requirement as hazardous, toxic, polluting, or otherwise contaminating to the air, water, or soil, or in any way harmful or threatening to human health or the environment, Grantor agrees to take all steps necessary to assure its containment and remediation at Grantor's expense, including any cleanup that may be required, unless the release was caused by Grantee, in which case Grantee shall be responsible therefore.

Nothing in this Conservation Easement shall be construed as giving rise, in the absence of a judicial decree, to any right or ability in the Grantee to exercise physical or managerial control over the day-to-day operations of the Property, or any of Grantor's activities on the Property, or otherwise to become an owner or operator with respect to the Property within the meaning of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 ("CERCLA"), and KRS §§ 224.01-010 et seq.

- 8.2 Notices of Property Conveyance, Lease, or Transfer. Grantor shall give Grantee notice and pay Grantee a \$150 notice fee for any subsequent conveyance, including, without limitation, transfer, lease, or mortgage of the Property, and any deed or other instrument evidencing or effecting such conveyance shall contain language substantially as follows: "This [conveyance, lease, mortgage, easement, etc.] is subject to a Conservation Easement which runs with the land in perpetuity and which was granted to Bluegrass Land Conservancy, Inc., by instrument dated December __, 2017, and recorded in the office of the Scott County Clerk's Office at Deed Book__ Page __." The failure to include such language in any deed or instrument shall not affect the validity of this Conservation Easement or its applicability to such Property. Said notice fee shall be waived by Grantee if Grantor gives notice to Grantee within 30 days prior to the conveyance, transfer, mortgage, or easement.
- 8.3 Taxes and Assessments. Grantor shall pay all taxes, levies, and assessments and other governmental or municipal charges, which may become a lien on the Property, including any taxes or levies imposed to make those payments. If Grantor fails to make such payments, Grantee is authorized to make such payments (but shall have no obligation to do so) upon ten (10) days prior notice to Grantor, according to any bill, statement, or estimate procured from the appropriate public office without inquiry into the accuracy thereof. The payment, if made by Grantee, shall become a lien on the Property of the same priority as the item if not paid would have become, and shall bear interest until paid by Grantor at two percentage points over the prime rate of interest from time to time charged by Citibank, N.A. or its corporate successor.

- 8.4 Severability; Liberal Construction. If any provision of this Conservation Easement or the application thereof to any person or circumstance is found to be invalid, the remainder of the provisions of this Conservation Easement shall not be affected thereby. If any provision in this instrument is found to be ambiguous, an interpretation consistent with the Purpose of this Conservation Easement and consistent with the perpetual protection of the Conservation Values shall be favored over any interpretation that would be inconsistent with the purpose of this Conservation Easement and/or with the perpetual protection of the Conservation Values. This Conservation Easement shall be construed and interpreted with the intention of conforming to the requirements of Sections 170(h) and 2055(f) of the Code. Neither this Conservation Easement nor any uncertainty or ambiguity herein shall be presumptively construed against Grantee, whether under any rule of construction or otherwise.
- 8.5 Binding Effect. The provisions of this Conservation Easement shall run with the Property in perpetuity and shall bind and be enforceable against Grantor, Grantor's heirs, successors, and assigns, all future owners, and any party entitled to possession or use of the Property or any portion thereof while such party is the owner or entitled to possession or use thereof. Notwithstanding the foregoing, upon any transfer of title, the transferor shall, with respect to the Property transferred, cease being a Grantor or owner with respect to such Property for purposes of this Conservation Easement and shall, with respect to the Property transferred, have no further responsibility, rights or liability hereunder for acts or conditions arising thereafter on or with respect to such Property, but the transferor shall remain liable for earlier acts and conditions occurring during the period of its ownership or conduct.
- 8.6 Indemnification. Grantee has no obligations relating to the maintenance of the Property. Grantee shall not be responsible for injuries or damage to persons or property in connection with Grantee's administration and/or enforcement of this Conservation Easement or otherwise with respect to the condition of the Property, provided that the foregoing shall not absolve Grantee of any liabilities it might otherwise have, for wrongfully and directly, without the participation or consent of the Grantor, causing any dangerous condition to come into existence on the Property. Except in the last-described instance, Grantor, Grantor's heirs, successors, and assigns, and each subsequent owner of the Property, hereby agrees to indemnify, defend and hold harmless the Grantee and its trustees/directors, officers, members, employees, agents, and contractors and the heirs, personal representatives, successors, and assigns of each of them (collectively "Indemnified Parties") from and against all liabilities, penalties, fines, charges, costs, losses, damages, expenses, causes of action, claims, demands, orders, judgments, or administrative actions, including, without limitation, reasonable attorneys' fees (collectively, "Losses"), whether past, present, or future, arising from or in any way connected with, unless due solely to the gross negligence of any of the Indemnified Parties: (1) injury to or the death of any person, or damage to any property or property interest, resulting from any act, omission, condition, or other matter related to or occurring on or about the Property, regardless of cause; (2) tax benefits or

consequences of any kind which result or do not result from entering into this Conservation Easement; (3) the violation or alleged violation of, or other failure to comply with, any federal, state, or local law, regulation, or requirement, including, without limitation, CERCLA and Chapter 224 of the Kentucky Revised Statutes by any third person in any way affecting, involving, or relating to the Property; (4) the presence or release, discharge, remediation, or removal of Hazardous Substances (as defined herein) on, under, from or about the Property; and (5) any other obligation, requirement, or liability related to or arising from the presence of Hazardous Substances on the Property. Notwithstanding anything to the contrary, nothing shall be construed as classifying Grantee as an owner for CERCLA, or Chapter 224 of the Kentucky Revised Statutes, or any other regulatory authority.

Grantor hereby releases and waives any rights, and covenants not to sue Grantee with respect to any Losses identified in this Section 8.6. Grantor's obligations to hold harmless, indemnify, and defend Grantee as specified in this Conservation Easement shall survive indefinitely and shall not be abrogated if Grantee transfers this Conservation Easement to another party. Grantee shall have no liability to Grantor, its heirs, successor, and/or assigns, or any other owner for Grantee's acts, taken in good faith, in connection with the administration of this Conservation Easement.

- 8.7 Further Acts. Each party shall perform any further acts and execute and deliver any documents, including amendments to this Conservation Easement, which may be reasonably necessary to (a) carry out the provisions of this Conservation Easement, (b) qualify this instrument as a conservation easement under KRS §§ 382.800 to 382.860 or any regulations promulgated pursuant thereto, and, if applicable, (c) carry out the Grantor's intent that as of the Effective Date hereof this Conservation Easement shall be deemed a transfer of a qualified real property interest that is a qualified conservation contribution for conservation purposes as defined by Section 170(h) of the Code.
- 8.8 Successors; Benefits and Burdens. All the covenants, terms, conditions, restrictions, easements, benefits, and burdens of this Conservation Easement shall be binding upon, and inure to the benefit of the parties hereto and their respective personal representatives, heirs, successors, and assigns and shall continue as a restriction running in perpetuity with the Property. The terms "Grantor" and "Grantee," wherever used herein, and any pronouns used in place thereof, shall include, respectively, the above-named Grantor and its heirs, successors, and assigns, and the above-named Grantee and its successors and assigns. A party's rights and obligations under this Conservation Easement terminate upon transfer of the party's interest in the Conservation Easement or Property, except that liability for acts or omissions occurring prior to transfer shall survive transfer. In the event of a breach of the terms hereof by the owner or owners of any divided portion if so permitted by the terms of this Conservation Easement, no owner or owners of any other portion of the Property shall be liable for such breach. Any of the rights herein reserved to Grantor may be exercised by any owner or owners, if not yet exercised, upon the Property.

- 8.9 Captions. The captions and/or headings 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.
- 8.10 Compliance with Laws. Nothing contained herein shall be interpreted to authorize or permit Grantor to violate any law, regulation, ordinance, code, or requirement relating to building materials, construction method, or use of the Property. In the event of any conflict between any such ordinance, code, or regulation and the terms hereof, Grantor shall promptly notify Grantee of such conflict and shall cooperate with Grantee and the applicable governmental entity to accommodate both the Purpose of this Conservation Easement and the purposes of such law, ordinance, code, or regulation.
- 8.11 Enforceability. This Conservation Easement is made pursuant to KRS §§ 382.800 to 382.860, but the invalidity of such statute or any part thereof shall not affect the validity and enforceability of this Conservation Easement according to its terms, it being the intent of the parties to agree and to bind themselves, their respective successors, heirs, and assigns in perpetuity to each term of this Conservation Easement whether this Conservation Easement is enforceable by reason of any statute, common law, or private agreement either in existence now or any item subsequent hereto. This Conservation Easement may be re-recorded at any time by any person if the effect of such rerecording is to make more certain the enforcement of this Conservation Easement or any part thereof.
- 8.12 Controlling Law. The interpretation and performance of this Conservation Easement shall be governed by the laws of the Commonwealth of Kentucky.
9. Qualified Conservation Contribution Covenants.
- 9.1 Assignment and Continuity. Grantee agrees that it will assign or transfer this Conservation Easement only to an assignee that (a) is a Qualified Organization as defined in Section 170(h) of the Code, (b) has the commitment and resources to enforce, and agrees to enforce, the terms of the Conservation Easement in perpetuity, and which (c) agrees to continue to carry out the Purpose of this Conservation Easement as defined under Section 170(h) of the Code and the regulations thereunder. No assignment shall be made which adversely affects the status or enforceability of this Conservation Easement under Section 170(h) of the Code. Any assignee must be an entity able to enforce this Conservation Easement, having purposes similar to those of Grantee that encompass those of this Conservation Easement. If Grantee ever ceases to exist or no longer qualifies under Section 170(h) of the Code or applicable state law, it will assign this Conservation Easement to a Qualified Organization in accordance with this Section 9.1. If it fails to do so, a court with jurisdiction may transfer this Conservation Easement to another qualified organization having similar purposes that agrees to assume the responsibility, in accordance with this Section 9.1.

- 9.2 Limitation on Extinguishment. Grantor and Grantee hereby recognize that circumstances may arise in the future that may make the Purpose of this Conservation Easement impossible to accomplish and therefore necessitate the extinguishment of this Conservation Easement pursuant to the provisions of the Code. In accordance therewith, Grantor agrees that the grant of this Conservation Easement gives rise to a property right, immediately vested in Grantee that entitles Grantee to compensation upon extinguishment of the Conservation Easement pursuant to the provisions of this Section 9.2. and Section 9.3 below. The fair market value of the property right is to be determined in accordance with the U.S. Treasury Regulations Section 1.170A-14(g)(6); i.e. it is at least equal to the proportionate value that the Conservation Easement as of the date of recording bears to the value of the Property as a whole as of the date of recording (the "Proportionate Value") and that proportionate value is determined under the provision of Section 9.3. If a sudden unexpected change in the conditions surrounding the Property can make the continued use of the Property impossible or impractical for Conservation Purposes, this Conservation Easement can only be terminated or extinguished, in whole or in part, by judicial proceedings in a court of competent jurisdiction and in accordance with state law. Unless otherwise required by applicable law at the time, upon the subsequent sale, exchange, or involuntary conversion of the Property after such termination or extinguishment, prior to the payment of any expenses reasonably incurred by the parties to this Conservation Easement in connection with such termination or extinguishment, Grantee shall receive the Proportionate Value to which it is entitled pursuant to this Section. Grantor shall bear responsibility for the satisfaction of any claims or liens against the Property. If Grantee does not receive the entirety of its Proportionate Value from the proceeds of such post-extinguishment sale, exchange, or involuntary conversion, then Grantee may recover such deficiency (including the right to record a lien to secure its recovery of such deficiency) from the owner of the Property in whom the Property is titled at the time of such post-extinguishment sale, exchange, or involuntary conversion. All such proceeds received by Grantee shall be used by Grantee in a manner consistent with the Purpose of this Conservation Easement. In the event of extinguishment, the provisions of this Section shall survive extinguishment.
- 9.3 Percentage Interests. Grantor and Grantee hereby confirm that the donation of this Conservation Easement gives rise to a property right immediately vested in Grantee, with a value for purposes of Section 9.2, Section 9.3, and Section 9.4 as follows. The parties hereto stipulate that as of the effective date of this grant of the Conservation Easement and the restricted fee interest in the Property, each represent a percentage interest in the fair market value of the Property (Grantee's percentage interest is referred to herein as Grantee's "Proportionate Value"). Said percentage interests shall be determined by the ratio of the value of the Conservation Easement on the effective date of this grant to the value of the Property, without deduction for the value of the Conservation Easement, on the effective date of this grant. The values on the effective date of this grant shall be those values used to calculate the deduction for federal income tax purposes allowable by reason of this grant, pursuant to Section 170(h) of the Code. The parties shall include the ratio

of those values on file at Grantee's offices and shall amend such values, if necessary, to reflect any final determination thereof by the Internal Revenue Service or court of competent jurisdiction in any appeal of the final determination by the Internal Revenue Service. For purposes of this Section 9.3, the ratio of the value of the Conservation Easement to the value of the Property encumbered by the Conservation Easement shall remain constant, and Grantee's Proportionate Value of the fair market value of the Property thereby determinable shall remain constant.

- 9.4 Condemnation. If all or any part of the Property is taken under the power of eminent domain by public, corporate, or other authority, or otherwise acquired by such authority through a purchase in lieu of a taking, Grantor and Grantee shall join in appropriate proceedings at the time of such taking to recover the full fair market value (without regard to any diminution in value attributable to the Conservation Easement) of the interests in the Property subject to the taking and all incidental or direct damages resulting from the taking. Prior to the payment of any expenses reasonably incurred by the parties to this Conservation Easement in connection with such taking, Grantee shall be entitled to its Proportionate Value from the recovered proceeds in conformity with the provisions of Section 9.3 above (with respect to the allocation of proceeds). The respective rights of Grantor and Grantee set forth in this Section 9.4 shall be in addition to, and not in limitation of, any rights they may have at common law. All such proceeds received by Grantee shall be used by Grantee in a manner consistent with the conservation purposes of this Conservation Easement as of the Effective Date of this grant.
- 9.5 No Extinguishment Through Merger. No deed, transfer, or assignment of any fee title interest in the Property to Bluegrass Land Conservancy or any successor Grantee of this Conservation Easement shall be effective if it will result in the merger of this Conservation Easement with the fee title interest in the Property. The provisions of this Section 9.5 are intended to prevent such merger. The provisions of this Section 9.5 shall apply, and shall be construed to apply, to Bluegrass Land Conservancy, as Grantee, and to any successor Grantee of this Conservation Easement.

9.5(a) In the event that Grantee becomes aware of any transaction under consideration, whether such transaction is by contract, operation of law, or otherwise, pursuant to which Grantee would acquire all or a portion of the fee interest in the Property, then prior to such acquisition and as a condition precedent thereto, (i) Grantee must before such acquisition assign all of its interests in this Conservation Easement to another Holder (as hereinafter defined) in conformity with the requirements of this Section 9.5, and 9.1, above, and (ii) such instrument of assignment of Grantee's interests hereunder shall be recorded in the Scott County Clerk's Office of Kentucky and shall refer to the provisions of this Section 9.5, and shall state that this Conservation Easement continues in full force and effect. For purposes of this Section 9.5, "Holder" means any organization that would be an eligible donee of this Conservation Easement under the provisions of Section 9.1, above.

9.5(b) If for any reason Grantee fails to comply with the provisions of Section 9.5(a) prior to acquiring a fee title interest in all or any portion of the Property, then (i) in view of the public interest in its continued effectiveness and enforcement, this Conservation Easement shall not be extinguished, in whole or in part, through the doctrine of merger, and Grantee shall be prohibited from asserting any claim or cause of action to the contrary in any administrative or judicial proceeding of any kind, nature, or description, (ii) Grantee as promptly as practicable shall assign all of its interests under this Conservation Easement to a Holder in conformity with the requirements of this Section 9.5 and Section 9.1, above, and (iii) at any time that Grantee, as successor in title to Grantor, holds all or a portion of the fee title interest in the Property, Grantee shall comply with, and be bound by, the obligations of Grantor and the restrictions imposed upon the Property by this Conservation Easement.

9.5(c) This Conservation Easement shall remain in full force and effect in perpetuity notwithstanding Grantee's failure to comply with the provisions of this Section 9.5.

- 9.6 Legal, Tax, and Other Advice. Pursuant to the provisions of Section 170(f)(8) of the Code, Grantee represents that Grantor has received no goods or services in exchange for this Conservation Easement and will provide Grantor with a separate letter or other consideration to that effect. Grantor warrants, represents, and agrees that it has not received and is not relying on tax advice, legal advice, or other advice from Grantee, and that it has and will continue to consult its own advisors. Grantee makes no warranty or representation relating to (a) the value of the Property or methodology or techniques used or useful in ascertaining or appraising the value of the Property (either before or after the granting of this Conservation Easement), (b) any entitlement to tax benefits by Grantor or the amount of any such benefits, or (c) whether the conveyance by Grantor of this Conservation Easement constitutes a "Qualified Conservation Contribution," as such term is defined in Section 170(h) of the Code.
- 9.7 Liens Subordinated. Grantor represents and warrants that as of the date of this grant, there are no liens or mortgages outstanding against the Property. Grantor has the right to use the Property as collateral to secure the repayment of debt, provided that any lien or other rights granted for such purpose, regardless of date, are subordinate to all of Grantee's rights under this Conservation 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; and provided further that, in the unlikely event this Conservation Easement is terminated under the circumstances described in Section 9.2. above, Grantee shall be entitled to compensation in accordance with the terms of Section 9.3.
- 9.8 Interpretation. This instrument is intended to create a "qualified real property interest" for "conservation purposes," as defined in KRS §§ 382.800 to 382.860 and Section 170(h) of the Code, and shall be interpreted in a manner consistent with such intention, and consistent with the preservation of Conservation Values defined herein. In the event any

provision has been omitted from this instrument necessary to qualify the interest hereby granted as such a "qualified real property interest" for "conservation purposes," such provision shall be deemed incorporated herein to the extent necessary to cause the interest hereby granted to be so qualified. If any provision of this Conservation Easement is deemed contrary to or inconsistent with the provisions of Section 170(h) of the Code, such provision shall be modified or excluded to the extent necessary to cause the interest hereby granted to be so qualified.

- 9.9 Perpetuation of Easement. The fact that any use of the Property that is expressly prohibited by the terms of this Conservation Easement may become greatly more economically valuable than uses permitted by the terms of the Conservation Easement, or that neighboring properties may, in the future, be put entirely to uses that are not permitted by this Conservation Easement, has been considered by Grantor in granting this Conservation Easement and by Grantee in accepting it. Grantor believes that any such changes in the use of neighboring properties will increase the benefit to the public of the continuation of this Conservation Easement, and Grantor and Grantee intend that any such changes shall not be deemed to be circumstances justifying the termination or extinguishment of this Conservation Easement. In addition, the inability of Grantor, Grantor's successors and assigns, to conduct or implement any or all of the uses permitted under the terms of this Conservation Easement, or the unprofitability of doing so, shall not impair the validity of this Conservation Easement or be considered grounds for its termination or extinguishment.
- 9.10 Entire Agreement. This instrument sets forth the entire agreement of the parties with respect to the Conservation Easement and supersedes all prior discussions, negotiations, understandings, or agreements relating to the Conservation Easement, all of which are merged herein.
- 9.11 Representation of Authority. Each signatory to this Conservation Easement represents and warrants that he or she is duly authorized to enter into and execute the terms and conditions of this Conservation Easement and to legally bind the party he or she represents.
- 9.12 Recording; Effective Date. Grantor and Grantee intend that the restrictions arising hereunder take effect on the day and year this Conservation Easement is delivered for recording to the aforesaid Clerk's Office of Scott County, Kentucky, after all required signatures have been affixed hereto. This Conservation Easement shall be timely recorded. Grantee may re-record this instrument or record any other instrument at any time as may be required to preserve its rights in this Conservation Easement. The burdens of this Conservation Easement will run with the Property and will be enforceable in perpetuity.

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

EXHIBIT "A"

BEING all of Lot No. #2A consisting of approximately 245.547 acres as shown on the Boundary Retracement Survey Mallard Point Tract #2A Wrights Lane, Scott County, Kentucky, of record in Plat Cabinet 11, Page 372, in the Scott County Clerk's Office.

Being the same property conveyed to Rouse Properties, LLC, a Kentucky limited liability company, by deed dated December 22, 2016 of record in Deed Book 383, page 733, in the Scott County Clerk's Office.

Exhibit B

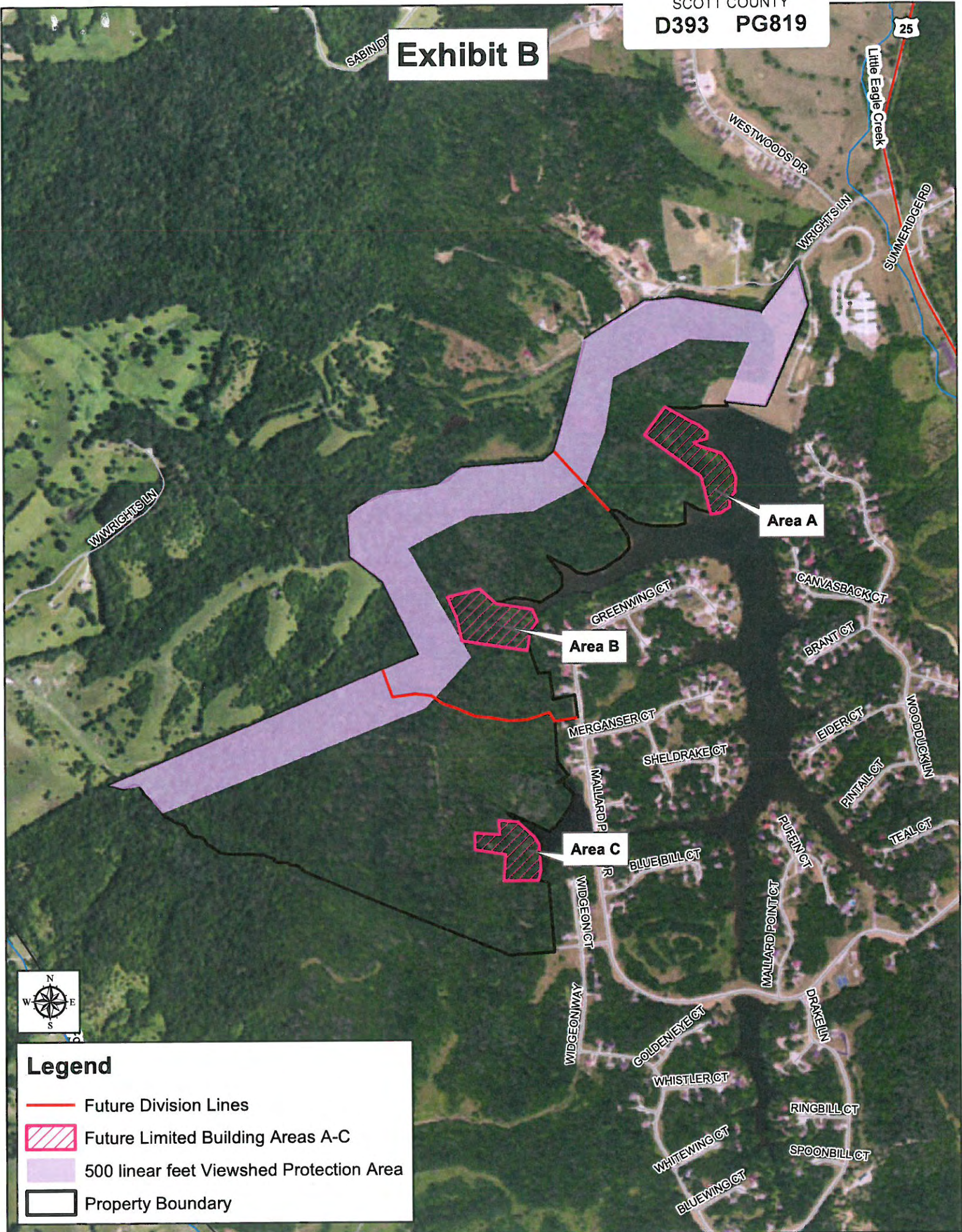


EXHIBIT C

SUBDIVISION ALLOCATION AGREEMENT

Pursuant to the terms of the Deed of Conservation Easement dated _____ and recorded on ____ [date of recording] _____, in the deed records of the Office of the Scott County Clerk, Deed Book ____ Page ____ (the "Conservation Easement"), the undersigned, _____ ("Landowner"), reserved [or acquired, if a second generation landowner] the right to subdivide the real property subject to the Conservation Easement (the "Property"), legally described as follows:

[insert legal description of real property]

into a maximum of three (3) parcels.

Landowner intends to exercise his/her/its rights to subdivide the Property into 3 parcels of land, hereafter referred to as Parcel 1 (Landowner's own parcel), Parcel 2, and Parcel 3 in a manner that conforms substantially to the boundaries shown on Exhibit B of the Conservation Easement and each Subdivided Parcel shall have a Limited Building Area as detailed on Exhibit B of the Conservation Easement.

The three newly created parcels 1, 2, and 3 may not be further subdivided in the future.

IN WITNESS WHEREOF, the parties have executed this instrument this ____ day of _____, 20__.

Landowner:

COMMONWEALTH OF KENTUCKY)

) ss.:

COUNTY OF)

On the ____ day of _____ in the year 20____, before me, the undersigned, personally appeared _____ personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is(are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s) or person upon behalf of which the individual(s) acted, executed this instrument.

My Commission Expires: _____

Notary Public

Grantee:
Bluegrass Land Conservancy, Inc.

By: _____

COMMONWEALTH OF KENTUCKY)
) ss.:
COUNTY OF)

On the ____ day of _____ in the year 20____, before me, the undersigned, personally appeared (**Grantee**), personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is(are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s) or person upon behalf of which the individual(s) acted, executed this instrument.

My Commission Expires: _____

Notary Public