**PRESERVATION AND CONSERVATION EASEMENT**

**THIS PRESERVATION AND CONSERVATION EASEMENT DEED,** made this \_\_\_\_\_ day of \_\_\_\_\_\_\_\_\_\_\_\_, 20\_\_, by and between \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (“Grantor”) and Rethos (“Grantee”), a nonprofit corporation organized and operating under the laws of Minnesota.

**WITNESSETH:**

WHEREAS, the Grantor is owner in fee simple of certain real property located in the [town, county, Minnesota], [which property is known as the \_\_\_\_\_\_\_\_\_\_], more particularly described in Exhibit A attached hereto and incorporated herein (hereinafter “the Premises”), said Premises including the following structures (hereinafter “the Buildings” or “the Building Components”), as hereinafter described:

[Describe the specific structures that are the subject of the easement, such as:  The principal residence constructed of [brief description] dating from [year] (hereinafter “the Residence”); and additional ancillary structures [describe] (hereinafter “the Ancillary Structures”)];

[WHEREAS, the Premises also include a formal landscaped garden, [describe], designed by noted landscape architect [name] (hereinafter “the Garden”);]

[WHEREAS, the Premises have significant undeveloped open space, including fields, forests, and [describe other], that contribute to the setting, context, and the public’s view of the Buildings;]

WHEREAS, Grantee is a nonprofit organization organized under Minnesota Statutes Chapter 317; is willing and authorized to accept conservation easements to protect real property, including buildings, which are significant in the history and culture of Minnesota; is authorized to take actions to preserve the historic, architectural, archeological, or cultural aspects of real property; and satisfies the definition for a “holder” under Minnesota Statutes Chapter 84C (“the Act”) and the definition of “qualified organization” under Section 170(h) of the Internal Revenue Code of 1986, as amended, and the regulations thereunder (hereinafter, “the Code”);

[WHEREAS, the Premises stand as a significant example of \_\_\_\_\_\_\_ style architecture in Minnesota, illustrate aesthetics of design and setting, and possess integrity of materials and workmanship;]

WHEREAS, because of its architectural, historical, and cultural significance the Premises were listed in the National Register of Historic Places on [date] and are a certified historic structure [or historically important land area] under Section 170(h)(4)(B) of the Code;

WHEREAS, Grantor and Grantee recognize the historical, architectural, and cultural values (hereinafter “conservation and preservation values”) and significance of the Premises, and have the common purpose of conserving and preserving the aforesaid conservation and preservation values and significance of the Premises;

WHEREAS, the Grantor and Grantee both desire that the Premises shall not be subdivided in order to preserve its integrity of site; and

[WHEREAS, the Premises’ conservation and preservation values are documented in a set of reports, drawings, and photographs (hereinafter, “Baseline Documentation”) described in Exhibit B hereto and incorporated herein by reference, which Baseline Documentation the parties agree provides an accurate representation of the Premises as of the effective date of this grant; in the event of any discrepancy between the two counterparts produced, the counterpart retained by Grantee shall control;]

[WHEREAS, the Baseline Documentation shall consist of the following:  (list documents and materials);]

WHEREAS, the grant of a preservation and conservation easement by Grantor to Grantee on the Premises herein will assist in preserving and maintaining the Premises and its architectural, historic, and cultural features for the benefit of the people of the Town/City \_\_\_\_\_\_\_\_, the County of \_\_\_\_\_\_\_\_\_\_\_\_, the State of \_\_\_\_\_\_\_\_\_\_\_\_\_ and the United States of America;

WHEREAS, to that end, Grantor desires to grant to Grantee, and Grantee desires to accept, a preservation and conservation easement on the Premises pursuant to the Act;

NOW, THEREFORE, in consideration of [Ten and No/100 Dollars ($10.00)] and other good and valuable consideration, receipt of which is hereby acknowledged, and pursuant to Section 170(h) of the Code and Minnesota Statutes Chapter 84C, Grantor does hereby irrevocably and voluntarily grant and convey unto the Grantee a preservation and conservation easement in gross in perpetuity, which Easement is described in more detail herein below and is hereinafter referred to as “the Easement.”

**PURPOSE AND SUBJECT OF EASEMENT**

1. These covenants shall be administered solely by the Preservation Alliance of Minnesota, Inc., (“PAM”) its successors in interest or assigns; and in all subsequent conveyances of the Premises PAM its successors or assigns shall be the sole party entitled to administer these covenants.  In the event that PAM, or its successors in interest by corporate merger cease to exist, then in such event PAM shall assign all of its rights and interests in these easements, covenants, and conditions subject to such duties and obligations which it assumes hereby to a nonprofit corporation of responsibility which exists for substantially the same reasons as PAM itself; if no such corporation be available for such assignment then, under such circumstances such assignment shall be made to the State of Minnesota which shall be the sole party entitled to administer those covenants.
2. **Purpose.** It is the Purpose of this Easement to assure that the architectural, historical, cultural, and associated open space features of the Premises will be retained and maintained forever substantially in their current condition for conservation and preservation purposes and to prevent any use or change of the Premises that will significantly impair or interfere with the Premises conservation and preservation values.  [If the Grantor’s obligations include restoration, then this provision should be revised to reflect that the relevant condition is after restoration, not current at the time the easement is granted.]
3. **Description of Buildings and Building Components.** In order to make more certain the full extent of Grantor’s obligations and the restrictions on the Premises, including those regarding the Buildings and Building Components, and in order to document the relevant external and internal nature of the Buildings and Building Components as of the date hereof [or if Grantor’s obligations include restoration, the revise to reflect such restoration and restoration date], reference is made to Exhibit B, which includes Baseline Documentation depicting the exterior and interior surfaces of the Buildings and Building Components; features and areas of the Buildings and Building Components including the façade (the “Façade”); and the surrounding property.  Incorporated into Exhibit B is certain locational information relative to said Baseline Documentation.  It is agreed by and between Grantor and Grantee that the external and internal nature of the Buildings and Building Components, as shown in Exhibit B, is deemed to be the external and internal nature of the Buildings as of the date hereof [revise to restoration date if applicable] and as of the date this instrument is first recorded in the land records of [name] County.

**GRANTOR’S COVENANTS**

3.1 **Covenant to Maintain.** Grantor agrees at all times to maintain the Buildings and Building Components in the same structural condition and state of repair as that existing on the effective date of this Easement [if the Grantor’s obligations includes restoration, revise to reflect maintenance of restored condition].  Grantor’s obligation to maintain shall require replacement, repair, and reconstruction by Grantor whenever necessary to preserve the Buildings and Building Components in substantially the same structural condition and state of repair as that existing on the date of this Easement [if applicable, the completion date of the restoration].  Grantor’s obligation to maintain shall also require that the portions of the Premises surrounding the Buildings [*e.g.*, landscaping] be maintained in good, substantially similar appearance [*e.g.*, with substantially similar plantings, vegetation, and natural screening] to that existing on the effective date of this Easement [if applicable, the completion date of the restoration]. Subject to the casualty provisions of Paragraphs 7 and 8, this obligation to maintain shall require replacement, rebuilding, repair, and reconstruction of the Buildings and Premises whenever necessary in accordance with *The Secretary of the Interior’s Standards for Rehabilitation and Guidelines for Rehabilitating Historic Buildings* (36 C.F.R. 67),as these may be amended from time to time (hereinafter the “Secretary’s Standards”).

[3.2 **Restoration Obligations.** Grantor agrees to restore the Buildings and Building Components in accordance with the terms of this Easement and generally as further described in Exhibit C hereto.  All of the work associated with the restoration shall be inspected and approved by Grantee in accordance with the conditions of Paragraph 4 hereof, and all work shall be carried out in accordance with the standards set forth therein.]

[(a) Prior to completion of the restoration work, Grantor agrees to prevent substantial further deterioration of the buildings to the extent reasonable.  Upon the completion of the restoration work, Grantor agrees at all times to maintain the Buildings in a good and sound state of repair and to maintain the Building Components and the structural soundness and safety of the Buildings and to undertake a minimum maintenance program, which has been established as a component of the [Historic Structures Report], Exhibit D hereto.  The minimum maintenance program shall be designed to prevent deterioration of the Buildings and the Building Components.  Subject to the casualty provisions of Paragraphs 7 and 8, this obligation to maintain shall require replacement, rebuilding, repair and reconstruction whenever necessary to have the external and internal nature of the Buildings at all times appear to be and actually be the same as the Building Components as they are defined herein.]

3.2 **Prohibited Activities.** The following acts or uses are expressly forbidden on, over, or under the Premises, except as otherwise conditioned in this paragraph:

(a) The Buildings shall not be demolished, removed, or razed except as provided in Paragraphs 8and 9;

(b) Nothing shall be erected or allowed to grow on the Premises which would impair the visibility of the Premises and the Buildings from street level with the sole exception of a temporary structure erected during any period of approved alteration or restoration;

(c) No other buildings or structures, including without limitation satellite receiving dishes (small rooftop dishes excluded), mobile homes or camping accommodations, shall be erected or placed on the Premises hereafter except for temporary structures required for the maintenance or rehabilitation of the Premises, without prior approval from the Grantee.;

(d) The dumping or storage of ashes, trash, rubbish, or any other unsightly or offensive materials is prohibited on the Premises;

(e) The Premises shall not be divided or subdivided in law or in fact, and the Premises shall not be devised or conveyed except as a unit;

(f) No aboveground utility transmission lines, except those reasonably necessary for the existing Buildings, may be created on the Premises, subject to utility easements already recorded;

(g) Subject to the maintenance covenants of Paragraph 3.1 hereof, the following features located within the Buildings [or Ancillary Structures] shall not be removed, demolished, or altered:

[Specific interior features that are to be protected are described here.]

3.3 Transfer Fee

Except as otherwise provided herein, there shall be assessed by PAM and collect from the purchasers of the Premises, or any portion thereof subject to these covenants and restrictions, a transfer fee equal to one percent (1%) of the sales price of such property, or any portion thereof, which transfer fee shall be paid to PAM and used by PAM for the purpose of preserving the historical, architectural, archeological or cultural aspects of real property.  Such fee shall not apply to inter-spousal transfers, transfers by gift, transfers between parents and children, transfers between grandparents and grandchildren, transfers between siblings, transfers between a corporation and any shareholders in the same corporation who own 20 percent (20%) or more of the stock in such corporation and transfers between a limited liability corporation and any member who owns more than twenty percent (20%) of such limited liability corporation, transfers by will, bequest, intestate succession or transfers to PAM (each of the foregoing hereinafter referred to as an “Exempt Transfer”).  In the event of no-payment of such a transfer fee, the amount due shall bear interest at the rate of twelve percent (12%) per annum from the date of such transfer, shall, together with accrued interest, constitute a lien on the real property, or any portion thereof, subject to foreclosure by PAM.  In the event that PAM is required to foreclose on its lien for the collection of the transfer fee, and/or interest thereon, provided for herein, PAM shall be entitled to recover all litigation costs and attorney’s fees incurred at such foreclosure, which litigation costs and attorney’s fees shall be included as part of the lien and recoverable out of proceeds of the foreclosure sale.  PAM may require the purchaser and/or seller to provide reasonable written proof of the applicable sales price, such as executed closing statements, contracts of sale, copies of deeds, affidavits or such other evidence, and purchaser shall be obligated to provide such information within forty-eight (48) hours after receipt of written request for such information from PAM.

**GRANTOR’S CONDITIONAL RIGHTS**

4.1 **Conditional Rights Requiring Approval by Grantee.** Without the prior express written approval of the Grantee, signed by the Executive Director thereof, which approval may be withheld or conditioned in the sole discretion of Grantee, Grantor shall not undertake any of the following actions:

(a) Adversely affect the structural soundness of the Building Components;

(b) Increase or decrease the height of, make additions to, change the exterior construction materials or colors of, or move, improve, alter, reconstruct, or change the Facades (including fenestration) and roofs of the Buildings;

(c) Make any changes in the Building Components including the alteration, partial removal, construction, remodeling or other physical or structural change including any change in color or surfacing, with respect to the appearance or construction of the Building Components, with the exception of ordinary maintenance pursuant to Paragraph 3.1 hereof;

1. Permit any significant reconstruction, repair, repainting or refinishing of the Building Components that alters their state from the existing condition [or restored condition].  This subsection (d) shall not include ordinary maintenance pursuant to Paragraph 3.1 hereof.  If conditions, however, justify deviation from the nature or scope of preservation set forth in Exhibit B [or restoration as set forth in Exhibit C], such deviation may be permitted by Grantee upon the request of Grantor.
2. Change the floor plan of the Buildings [and Ancillary Structures];

(f) Erect any external signs or external advertisements except: (i) such plaque as permitted under paragraph 23 of this Easement; (ii) a sign stating solely the address of the Premises; and (iii) a temporary sign to advertise the sale or rental of the Premises;

(g) Make permanent substantial topographical changes, such as, by example, excavation for the construction of roads and recreational facilities;

(h) [Cut down or otherwise remove live trees located within existing lawn areas, or cut down or otherwise remove live trees located outside the existing lawn areas, meadows and open fields for the purpose of conducting commercial timber production [or allow conditional harvesting of timber in accordance with qualified plan presented to Grantee for approval]; and

(i) Erect, construct, or move anything on the Premises that would encroach on the open land area surrounding the Buildings and interfere with a view of the Facade or be incompatible with the historical or architectural character of the Buildings or the Building Components.

4.2 **Review of Grantor’s Requests for Approval.** Grantor shall submit to Grantee for Grantee’s approval of those conditional rights set out at paragraph 4.1, two copies of information (including plans, specifications, and designs where appropriate) identifying the proposed activity with reasonable specificity.  In connection therewith, Grantor shall also submit to Grantee a timetable for the proposed activity sufficient to permit Grantee to monitor such activity.  Within forty-five (45) days of Grantee’s receipt of any plan or written request for approval hereunder, Grantee shall certify in writing that (a) it approves the plan or request, or (b) it disapproves the plan or request as submitted, in which case Grantee shall provide Grantor with written suggestions for modification or a written explanation for Grantee’s disapproval.  Any failure by Grantee to act within forty-five (45) days of receipt of Grantor’s submission or resubmission of plans or requests shall be deemed to constitute approval by Grantee of the plan or request as submitted and to permit Grantor to undertake the proposed activity in accordance with the plan or request submitted.

5. **Standards for Review.** In exercising any authority created by this Easement to inspect the Premises, the Buildings, or the Building Components; to review any construction, alteration, repair or maintenance; or to review casualty damage or to reconstruct or approve reconstruction of the Buildings or Building Components following casualty damage, Grantee shall apply the Secretary’s Standards and/or state or local standards considered appropriate by Grantee for review of work affecting historically or architecturally significant structures or for construction of new structures within historically, architecturally, archaeologically or culturally significant areas.  Grantor agrees to abide by the Secretary’s Standards in performing all ordinary repair and maintenance work and in the minimum maintenance program described in Paragraph 3.1 and contained in Exhibit D to this Easement.  In the event the Secretary’s Standards are abandoned or materially altered or otherwise become, in the sole judgment of the Grantee, inappropriate for the purposes set forth above, the Grantee may apply reasonable alternative standards, and notify Grantor of the substituted standards for application under this Easement.

6. **Public Access.**  Grantor shall make the Premises and interior of the Residence accessible to the public on a minimum of [\_\_\_\_] days per year from [\_\_\_\_] a.m. to [\_\_\_\_\_] p.m.  At other times deemed reasonable by Grantor, persons affiliated with educational organizations, professional architectural associations, and historical societies shall be admitted to study the Premises.  Any public admission may be subject to restrictions, mutually agreed upon as reasonably designed for the protection and maintenance of the Premises.  Such admission may also be subject to a reasonable fee, as may be approved by the Grantee.  Grantee may make photographs, drawings, or other representations documenting the significant historical, cultural, and architectural character and features of the Premises and distribute them to magazines, newsletters, or other publicly available publications, or use them to fulfill its charitable and educational purposes, or in any of its efforts or activities for the preservation of Minnesota’s heritage.  The schedule of public access days shall be published each year in a manner designed to notify potential visitors of the availability of the site. Copies of the schedule shall be provided at the beginning of each year to Grantee.

**GRANTOR’S RESERVED RIGHTS**

7. **Grantor’s Reserved Rights Not Requiring Further Approval by Grantee.**

Subject to the provisions of Paragraphs 3.1, 3.2, and 4.1, the following rights, uses, and activities of or by Grantor on, over, or under the Premises are permitted by this Easement and by Grantee without further approval by Grantee:

(a) The right to engage in all those acts and uses that: (i) are permitted by governmental statute or regulation; (ii) do not substantially impair the conservation and preservation values of the Premises; and (iii) are not inconsistent with the Purpose of this Easement;

(b) Pursuant to the provisions of Paragraph 3.1, the right to maintain and repair the Buildings and Building Components strictly according to the Secretary’s Standards.  As used in this subparagraph, the right to maintain and repair shall mean the use by Grantor of inkind materials and colors, applied with workmanship comparable to that which was used in the construction or application of those materials being repaired or maintained, for the purpose of retaining in good condition the appearance and construction of the Buildings.  The right to maintain and repair as used in this subparagraph shall not include the right to make changes in appearance, materials, colors, and workmanship from that existing prior to the maintenance and repair without the prior approval of Grantee in accordance with the provisions of Paragraphs 4.1 and 4.2;

(c) The right to continue all manner of existing [residential or commercial] use and enjoyment of the Premises’ Buildings [and Ancillary Structures or Garden], including but not limited to the maintenance, repair, and restoration of existing fences; the right to maintain existing driveways, roads, and paths with the use of same or similar surface materials; the right to maintain existing utility lines, gardening and building walkways, steps, and garden fences; the right to cut, remove, and clear grass or other vegetation and to perform routine maintenance, landscaping, horticultural activities, and upkeep, consistent with the Purpose of this Easement; and

(d) The right to conduct at or on the Premises educational and nonprofit activities that are not inconsistent with the protection of the conservation and preservation values of the Premises.

**CASUALTY DAMAGE OR DESTRUCTION; INSURANCE**

8. **Casualty Damage or Destruction.** In the event that the Buildings or any part thereof shall be damaged or destroyed by fire, flood, windstorm, hurricane, tornado, earth movement, or other casualty, Grantor shall notify Grantee in writing within twenty-four (24) hours of the damage or destruction, such notification including what, if any, emergency work has already been completed.  For purposes of this instrument, the term “casualty” is defined as such sudden damage or loss as would qualify for a loss deduction pursuant to Section 165 (c) (3) of the Code (construed without regard to the legal status, trade or business of the Grantor or any applicable dollar limitation).

No repairs or reconstruction of any type, other than temporary emergency work to prevent further damage to the Buildings and to protect public safety, shall be undertaken by Grantor without Grantee’s prior written approval.

Within thirty (30) days of the date of damage or destruction, if required by Grantee, Grantor, at its expense, shall submit to the Grantee a written report prepared by a qualified restoration architect and an engineer who are acceptable to Grantor and Grantee, which report shall include the following:

(a) An assessment of the nature and extent of the damage;

(b) A determination of the feasibility of the restoration of the Buildings and/or reconstruction of damaged or destroyed portions of the Buildings; and

1. A report of such restoration/reconstruction work necessary to return the Buildings to the condition existing at the date hereof.

9. **Review After Casualty Damage or Destruction.** If, after reviewing the report provided in Paragraph 8 and assessing the availability of insurance proceeds after satisfaction of any mortgagee’s/lender’s claims under Paragraph 13, Grantor and Grantee agree that the Purpose of the Easement will be served by such restoration/reconstruction, Grantor and Grantee shall establish a schedule under which Grantor shall complete the restoration/reconstruction of the Buildings in accordance with plans and specifications consented to by the parties up to at least the total of the casualty insurance proceeds available to Grantor.

If, after reviewing the report and assessing the availability of insurance proceeds after satisfaction of any mortgagee’s/lender’s claims under Paragraph 13, Grantor and Grantee agree that restoration/reconstruction of the Premises is impractical or impossible, or agree that the Purpose of the Easement would not be served by such restoration/reconstruction, Grantor may, with the prior written consent of Grantee, alter, demolish, remove, or raze one or more of the Buildings, and/or construct new improvements on the Premises.  Grantor and Grantee may agree to extinguish this Easement in whole or in part in accordance with the laws of the State of Minnesota and Paragraph 27.2 hereof.

If, after reviewing the report and assessing the availability of insurance proceeds after satisfaction of any mortgagee’s/lender’s claims under Paragraph 13, Grantor and Grantee are unable to agree that the Purpose of the Easement will or will not be served by such restoration/reconstruction, the matter may be referred by either party to binding arbitration and settled in accordance with the State of Minnesota’s arbitration statute then in effect.

10. **Restrictions on Grantee’s Acts.**

The Grantee shall at all times exercise reasonable judgment and care in performing its obligations and exercising its rights under the terms of this Easement.  When requested by Grantor to consent to any act of Grantor for which Grantee’s consent is required hereunder, Grantee’s actions shall be deemed reasonable if such request is acted upon within 60 days of its receipt.  In the event that Grantee has not acted within 60 days, Grantor may consider Grantee’s inaction to be a grant of consent to the subject request for the purposes of this agreement.  Receipt by Grantee must be actual receipt and may be shown by an affidavit of personal service or a signed return receipt for certified mail delivery.

Grantee may, at its discretion, convey, assign or transfer this Easement to a unit of federal, state or local government or to a similar local, state or national organization whose purposes include the preservation of historical, architectural, archeological or cultural resources, provided that any such conveyance, assignment or transfer requires that the preservation purposes for which the Easement was granted will continue to be carried out.  Grantee shall attempt to give reasonable prior notice of any such intended conveyance, however the failure to give such notice shall not invalidate such conveyance.  Upon such conveyance, transfer or assignment, Grantee shall notify Grantor of the name and address of the entity assuming Grantee’s status, and the name of the individual in that entity who will be responsible for administration of this Easement.

11. **Existing Liens.**

Grantor warrants to Grantee that no lien or encumbrances exists on the premises as of the date hereof, except for [ \_\_\_ ] mortgages in favor of [\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_], Minnesota, filed of record in the office of the [\_\_\_\_\_\_] County Recorder in Book [\_\_\_\_] of Mortgages, Pages [\_\_\_\_\_\_\_\_\_], and Book [\_\_\_] of Mortgages, Pages [\_\_\_\_\_\_\_\_], respectively, which Grantor has assumed and agrees to pay.  Grantor shall immediately cause to be satisfied or release any lien or claim of lien that may hereafter come to exist against the premises which would have priority over any of the rights, title or interest hereunder of Grantee.  A Schedule of Existing Liens is attached hereto as [Exhibit E.]

[Torrens / Abstract Title Information]

12. **Subordination of Mortgages .**

At the time of the conveyance of this Easement, the property is subject to a Mortgage/Deed of Trust dated [ \_\_\_ ], recorded in the Land Records of [county] at Book [ \_\_\_ ], Page [ \_\_\_ ] (hereinafter “the Mortgage"/"the Deed of Trust”) held by [ \_\_\_ ] (hereinafter, “Mortgagee”/"Lender").  The Mortgagee/Lender joins in the execution of this Easement to evidence its agreement to subordinate the Mortgage/the Deed of Trust to this Easement under the following conditions and stipulations:

(a) The Mortgagee/Lender and its assignees shall have a prior claim to all insurance proceeds as a result of any casualty, hazard, or accident occurring to or about the property and all proceeds of condemnation proceedings, and shall be entitled to same in preference to Grantee until the Mortgage/the Deed of Trust is paid off and discharged, notwithstanding that the Mortgage/the Deed of Trust is subordinate in priority to the Easement.

(b) If the Mortgagee/Lender receives an assignment of the leases, rents, and profits of the property as security or additional security for the loan secured by the Mortgage/Deed of Trust, then the Mortgagee/Lender shall have a prior claim to the leases, rents, and profits of the property and shall be entitled to receive same in preference to Grantee until the Mortgagee’s/Lender’s debt is paid off or otherwise satisfied, notwithstanding that the Mortgage/Deed of Trust is subordinate in priority to the Easement.

(c) The Mortgagee/Lender or purchaser in foreclosure shall have no obligation, debt, or liability under the Easement until the Mortgagee/Lender or a purchaser in foreclosure under it obtains ownership of the property.  In the event of foreclosure or deed in lieu of foreclosure, the Easement is not extinguished.

(d) Nothing contained in this paragraph or in this Easement shall be construed to give any Mortgagee/Lender the right to violate the terms of this Easement or to extinguish this Easement by taking title to the property by foreclosure or otherwise.

13. **Insurance.** Grantor shall keep the Premises insured by an insurance company rated “Al” or better by A.M. Best Company for the full replacement value against loss from the perils commonly insured under standard fire and extended coverage policies and comprehensive general liability insurance against claims for personal injury, death, and Premises damage.  Premises damage insurance shall include change in condition and building ordinance coverage, in form and amount sufficient to replace fully the damaged Premises and Buildings without cost or expense to Grantor or contribution or coinsurance from Grantor.  Such insurance shall include Grantee’s interest and name Grantee as an additional insured.  Grantor shall deliver to Grantee, within ten (10) business days of Grantee’s written request therefor, certificates of such insurance coverage.  Provided, however, that whenever the Premises is encumbered with a mortgage or deed of trust, nothing contained in this paragraph shall jeopardize the prior claim, if any, of the mortgagee/lender to the insurance proceeds.

**INDEMNIFICATION; TAXES**

14. **Indemnification.** Grantor hereby agrees to pay, protect, indemnify, hold harmless and defend at its own cost and expense, Grantee, its agents, directors, officers and employees, or independent contractors from and against any and all claims, liabilities, expenses, costs, damages, losses, and expenditures (including reasonable attorneys’ fees and disbursements hereafter incurred) arising out of or in connection with injury to or death of any person; physical damage to the Premises; the presence or release in, on, or about the Premises, at any time, of any substance now or hereafter defined, listed, or otherwise classified pursuant to any law, ordinance, or regulation as a hazardous, toxic, polluting, or contaminating substance; or other injury or other damage occurring on or about the Premises, unless such injury or damage is caused by Grantee or any agent, director, officer, employee, or independent contractor of Grantee.  In the event that Grantor is required to indemnify Grantee pursuant to the terms of this paragraph, the amount of such indemnity, until discharged, shall constitute a lien on the Premises with the same effect and priority as a mechanic’s lien.  Provided, however, that nothing contained herein shall jeopardize the priority of any recorded lien of mortgage or deed of trust given in connection with a promissory note secured by the Premises.

15. **Taxes.**  Grantor shall pay immediately, when first due and owing, all general taxes, special taxes, special assessments, water charges, sewer service charges, and other charges which may become a lien on the Premises unless Grantor timely objects to the amount or validity of the assessment or charge and diligently prosecutes an appeal thereof, in which case the obligation hereunder to pay such charges shall be suspended for the period permitted by law for prosecuting such appeal and any applicable grace period following completion of such action.  In place of Grantor, Grantee is hereby authorized, but in no event required or expected, to make or advance upon three (3) days prior written notice to Grantor any payment relating to taxes, assessments, water rates, sewer rentals and other governmental or municipality charge, fine, imposition, or lien asserted against the Premises.  Grantee may make such payment according to any bill, statement, or estimate procured from the appropriate public office without inquiry into the accuracy of such bill, statement, or assessment or into the validity of such tax, assessment, sale, or forfeiture.  Such payment, if made by Grantee, shall constitute a lien on the Premises with the same effect and priority as a mechanic’s lien, except that such lien shall not jeopardize the priority of any recorded lien of mortgage or deed of trust given in connection with a promissory note secured by the Premises.

**ADMINISTRATION AND ENFORCEMENT**

16. **Written Notice.** Any notice which either Grantor or Grantee may desire or be required to give to the other party shall be in writing and shall be delivered by one of the following methods:  by overnight courier postage prepaid, facsimile transmission, registered or certified mail with return receipt requested, or hand delivery; if to Grantor, then at [address], and if to Grantee, then to [address].

Each party may change its address set forth herein by a notice to such effect to the other party.

17. **Evidence of Compliance.** Upon request by Grantor, Grantee shall promptly furnish Grantor with certification that, to the best of Grantee’s knowledge, Grantor is in compliance with the obligations of Grantor contained herein or that otherwise evidences the status of this Easement to the extent of Grantee’s knowledge thereof.

18. **Inspection.**  With the consent of Grantor, representatives of Grantee shall be permitted at all reasonable times to inspect the Premises, including the interior of the Residence [or Buildings/Ancillary Structures].  Grantor covenants not to withhold unreasonably its consent in determining dates and times for such inspections.

19. **Grantee’s Remedies.** Grantee may, following reasonable written notice to Grantor, institute suit(s) to enjoin any violation of the terms of this easement by ex parte, temporary, preliminary, and/or permanent injunction, including prohibitory and/or mandatory injunctive relief, and to require the restoration of the Premises and Buildings to the condition and appearance that existed prior to the complained of violation.  Grantee shall also have available all legal and other equitable remedies to enforce Grantor’s obligations hereunder.

(a) Agents of the Grantee may, following reasonable notice to Grantor, and a reasonable opportunity for Grantor to cure such violation, enter upon the Premises, correct any such violation, and hold Grantor, its successors and assigns, responsible for the cost thereof.

(i) Such cost until repaid shall constitute a lien on the Premises.

(ii) Grantee shall exercise reasonable care in selecting independent contractors if it chooses to retain such contractors to correct any such violations.

(b) Grantee shall also have available all legal and equitable remedies to enforce Grantor’s obligations hereunder.

In the event Grantee brings a legal action to enforce any of the provisions of this Easement, Grantor shall reimburse Grantee for any costs or expenses incurred in connection with Grantee’s enforcement of the terms of this Easement, including all reasonable court costs, and attorney’s, architectural, engineering, and expert witness fees.

Exercise by Grantee of one remedy hereunder shall not have the effect of waiving or limiting any other remedy, and the failure to exercise any remedy shall not have the effect of waiving or limiting the use of any other remedy or the use of such remedy at any other time.

20. **Notice from Government Authorities.** Grantor shall deliver to Grantee copies of any notice of violation or lien relating to the Premises received by Grantor from any government authority within five (5) days of receipt by Grantor.  Upon request by Grantee, Grantor shall promptly furnish Grantee with evidence of Grantor’s compliance with such notice or lien where compliance is required by law.

21. **Notice of Proposed Sale.**  Grantor shall promptly notify Grantee in writing of any proposed sale of the Premises and provide the opportunity for Grantee to explain the terms of the Easement to potential new owners prior to sale closing.

22. **Liens.**  Any lien on the Premises created pursuant to any paragraph of this Easement may be confirmed by judgment and foreclosed by Grantee in the same manner as a mechanic’s lien, except that no lien created pursuant to this Easement shall jeopardize the priority of any recorded lien of mortgage or deed of trust given in connection with a promissory note secured by the Premises.

23. **Plaque.** Grantor agrees that Grantee may provide and maintain a plaque on the Premises, which plaque shall not exceed 24 by 24 inches in size, giving notice of the significance of the Premises and the existence of this Easement.

**BINDING EFFECT; ASSIGNMENT**

24. **Runs with the Land.** Except as provided in Paragraphs 9 and 27.2, the obligations imposed by this Easement shall be effective in perpetuity and shall be deemed to run as a binding servitude with the Premises.  This Easement shall extend to and be binding upon Grantor and Grantee, their respective successors in interest and all persons hereafter claiming under or through Grantor and Grantee, and the words “Grantor” and “Grantee” when used herein shall include all such persons.  Any right, title, or interest herein granted to Grantee also shall be deemed granted to each successor and assign of Grantee and each such following successor and assign thereof, and the word “Grantee” shall include all such successors and assigns.

Anything contained herein to the contrary notwithstanding, an owner of the Premises shall have no obligation pursuant to this instrument where such owner shall cease to have any ownership interest in the Premises by reason of a bona fide transfer.  The restrictions, stipulations, and covenants contained in this Easement shall be inserted by Grantor, verbatim or by express reference, in any subsequent deed or other legal instrument by which Grantor divests itself of either the fee simple title to or any lesser estate in the Premises or any part thereof, including by way of example and not limitation, a lease of all or a portion of the Premises.

25. **Assignment.** Grantee may convey, assign, or transfer this Easement to a unit of federal, state, or local government or to a similar local, state, or national organization that is a “qualified organization” under Section 170(h) of the Code whose purposes, *inter alia*, are to promote preservation or conservation of historical, cultural, or architectural resources, provided that any such conveyance, assignment, or transfer requires that the Purpose for which the Easement was granted will continue to be carried out.

26. **Recording and Effective Date.** Grantee shall do and perform at its own cost all acts necessary to the prompt recording of this instrument in the land records of [town, county or regional district], Minnesota.  Grantor and Grantee intend that the restrictions arising under this Easement take effect on the day and year this instrument is recorded in the land records of [town, county or regional district], Minnesota .

**PERCENTAGE INTERESTS; EXTINGUISHMENT**

27.1 **Percentage Interests.** For purposes of allocating proceeds pursuant to Paragraphs 27.2 and 27.3, Grantor and Grantee stipulate that as of the date of this Easement, Grantor and Grantee are each vested with real property interests in the Premises and that such interests have a stipulated percentage interest in the fair market value of the property.  Said percentage interests shall be determined by the ratio of the value of the Easement on the effective date of this Easement to the value of the property, without deduction for the value of the Easement, on the effective date of this Easement.  The values on the effective date of the Easement 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 with the Baseline Documentation (on file with Grantor and Grantee) and shall amend such values, if necessary, to reflect any final determination thereof by the Internal Revenue Service or court of competent jurisdiction.  For purposes of this paragraph, the ratio of the value of the Easement to the value of the property unencumbered by the Easement shall remain constant, and the percentage interests of Grantor and Grantee in the fair market value of the property thereby determinable shall remain constant, except that the value of any improvements made by Grantor after the effective date of this Easement is reserved to Grantor.

27.2 **Extinguishment.** Grantor and Grantee hereby recognize that circumstances may arise that may make impossible the continued ownership or use of the Premises in a manner consistent with the Purpose of this Easement and necessitate extinguishment of the Easement.  Such circumstances may include, but are not limited to, partial or total destruction of the Buildings resulting from casualty.  Extinguishment must be the result of a judicial proceeding in a court of competent jurisdiction.  Unless otherwise required by applicable law at the time, in the event of any sale of all or a portion of the Premises (or any other property received in connection with an exchange or involuntary conversion of the Premises) after such termination or extinguishment, and after the satisfaction of prior claims and any costs or expenses associated with such sale, Grantor and Grantee shall share in any net proceeds resulting from such sale in accordance with their respective percentage interests in the fair market value of the property, as such interests are determined under the provisions of Paragraph 26.1, adjusted, if necessary, to reflect a partial termination or extinguishment of this Easement.  All such proceeds received by Grantee shall be used by Grantee in a manner consistent with Grantee’s primary purposes.  Net proceeds shall also include, without limitation, net insurance proceeds.

In the event of extinguishment, the provisions of this paragraph shall survive extinguishment and shall constitute a lien on the Premises with the same effect and priority as a mechanic’s lien, except that such lien shall not jeopardize the priority of any recorded lien of mortgage or deed of trust given in connection with a promissory note secured by the Premises.

27.3 **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 value of those interests in the Premises that are subject to the taking and all incidental and direct damages resulting from the taking.  After the satisfaction of prior claims and net of expenses reasonably incurred by Grantor and Grantee in connection with such taking, Grantor and Grantee shall be respectively entitled to compensation from the balance of the recovered proceeds in conformity with the provisions of Paragraphs 24.1 and 24.2 unless otherwise provided by law.

28. **Limitations on Obligations of Grantee.**

The rights of Grantee hereunder are to be construed as rights only and not as affirmative obligations.  The obligation of Grantee to be reasonable in its actions under this Easement does not impose any obligation on Grantee other than that to act reasonably in the event it elects to exercise any of its rights hereunder.  Grantee shall have no affirmative duty to enforce any provision of this Easement and shall have no liability to Grantor, its heirs, successors or assigns, or to any other person or entity on the basis that it has failed in some affirmative duty imposed hereunder other than the duty of reasonable care in the event that it does choose to act hereunder.

29. **Third Party Rights of Enforcement.**

Third party rights of enforcement, as defined by Minnesota Statutes Section 84C.01(3) are granted to the following entities: None

**INTERPRETATION**

30. **Interpretation.** The following provisions shall govern the effectiveness, interpretation, and duration of the Easement.

(a) Any rule of strict construction designed to limit the breadth of restrictions on alienation or use of property shall not apply in the construction or interpretation of this Easement, and this instrument shall be interpreted broadly to effect its Purpose and the transfer of rights and the restrictions on use herein contained.

(b) This instrument may be executed in two counterparts, one of which may be retained by Grantor and the other, after recording, to be retained by Grantee.  In the event of any disparity between the counterparts produced, the recorded counterpart shall in all cases govern.

(c) This instrument is made pursuant to the Act, but the invalidity of such Act or any part thereof shall not affect the validity and enforceability of this Easement according to its terms, it being the intent of the parties to agree and to bind themselves, their successors, and their assigns in perpetuity to each term of this instrument whether this instrument be enforceable by reason of any statute, common law, or private agreement in existence either now or hereafter.  The invalidity or unenforceability of any provision of this instrument shall not affect the validity or enforceability of any other provision of this instrument or any ancillary or supplementary agreement relating to the subject matter thereof.

(d) Nothing contained herein shall be interpreted to authorize or permit Grantor to violate any ordinance or regulation relating to building materials, construction methods, or use.  In the event of any conflict between any such ordinance or regulation and the terms hereof, Grantor promptly shall notify Grantee of such conflict and shall cooperate with Grantee and the applicable governmental entity to accommodate the purposes of both this Easement and such ordinance or regulation.

(e) To the extent that Grantor owns or is entitled to development rights which may exist now or at some time hereafter by reason of the fact that under any applicable zoning or similar ordinance the Premises may be developed to use more intensive (in terms of height, bulk, or other objective criteria related by such ordinances) than the Premises is devoted as of the date hereof, such development rights shall not be exercisable on, above, or below the Premises during the term of the Easement, nor shall they be transferred to any adjacent parcel and exercised in a manner that would interfere with the Purpose of the Easement.

**AMENDMENT**

31. **Amendment.** If circumstances arise under which an amendment to or modification of this Easement would be appropriate, Grantor and Grantee may by mutual written agreement jointly amend this Easement, provided that no amendment shall be made that will adversely affect the qualification of this Easement or the status of Grantee under any applicable laws, including Sections 170(h) and 501(c)(3) of the Code and the laws of the State of Minnesota.  Any such amendment shall be consistent with the protection of the conservation and preservation values of the property and the Purpose of this Easement; shall not affect its perpetual duration; shall not permit additional residential development on the Premises other than the residential development permitted by this Easement on its effective date; shall not permit any private inurement to any person or entity; and shall not adversely impact the overall architectural, historic, natural habitat, and open space values protected by this Easement.  Any such amendment shall be recorded in the land records of [town, county, or regional district], Minnesota.  Nothing in this paragraph shall require Grantor or Grantee to agree to any amendment or to consult or negotiate regarding any amendment.

THIS EASEMENT reflects the entire agreement of Grantor and Grantee.  Any prior or simultaneous correspondence, understandings, agreements, and representations are null and void upon execution hereof, unless set out in this instrument.

TO HAVE AND TO HOLD, the said Preservation and Conservation Easement, unto the said Grantee and its successors and permitted assigns forever.  This DEED OF PRESERVATION AND CONSERVATION EASEMENT may be executed in two counterparts and by each party on a separate counterpart, each of which when so executed and delivered shall be an original, but both of which together shall constitute one instrument.

ACCEPTANCE BY GRANTEE

Statutory acceptance to be part of easement document.

IN WITNESS WHEREOF, Grantor and Grantee have set their hands under seal on the days and year set forth below.

GRANTOR:

(date)

GRANTEE:

By:

Its President                              (date)

[Notarization]

Exhibits to be attached:

1. Legal Description of Property

B.       Photographs and Description of Photographs

C.       Minimum Maintenance Program

D.        Schedule of Existing Liens

E.        Mortgage Subordination Agreement