

WHEN RECORDED RETURN TO:
City of Scottsdale
One Stop Shop/Records

7447 E. Indian School Road, Suite 100
Scottsdale, AZ 85251

EXEMPT UNDER A.R.S. 11-1134 (A) (2)

DEED OF CONSERVATION EASEMENT
EXHIBIT "B"

THIS DEED OF CONSERVATION EASEMENT (the "Easement") is made as of the _____ day of _____ 20____, by and between _____, (the "Property Owner"), whose principal address is _____, Scottsdale, Arizona 85____ and the City of Scottsdale, a municipal corporation organized and existing under the laws of the State of Arizona, (the "City").

RECITALS

A. The City is authorized under Arizona's Uniform Conservation Act, Arizona Revised Statutes, Sections 33-271 through 276, inclusive (collectively, as and if amended, the "Act") to accept easements to protect property significant in Arizona history and culture for the education of the general public.

B. The City is a municipal corporation whose responsibilities include the protection of the public interest in preserving architecturally significant structures within the City of Scottsdale.

C. The Property Owner is the owner in fee simple of that certain property located at _____, Scottsdale, Maricopa County, Arizona, which is more particularly described in Exhibit "A" attached hereto and made a part hereof (the "Property"), including all improvements, fixtures and buildings thereon (the "Structures"). (Any reference to the "Property" hereinafter shall be deemed to include each of the "Structures".)

D. The Property is listed on the Scottsdale Historic Register; and the Property Owner and the City recognize the historical or architectural value and significance of the Property and have the common purpose of conserving and preserving the aforesaid value and significance of the Property.

E. On _____, the Property Owner executed an Exterior Rehabilitation Program Agreement (the "Program Agreement"), wherein the Property Owner has agreed to sell to the City an Easement on the Property to maintain an unobstructed view of the exterior surfaces of each of the Structures (collectively, the "Facades"), including all fences, walls, or fixtures on the Property, and to maintain the Facades in the condition described herein.

F. In order to effectuate the obligations of the Property Owner under the Program Agreement, the Property Owner desires to sell, grant, convey, transfer and assign to the City and the City, pursuant to the Act, desires to accept an Easement on the Property.

AGREEMENT

NOW, THEREFORE, in consideration of the City's payment to the Property Owner of the sum of ten dollars (\$10.00) and other good and valuable consideration, the receipt of which is hereby acknowledged, the City and the Property Owner agree as follows:

1. Grant of Easement: The Property Owner does hereby irrevocably grant, convey, transfer and assign unto the City an Easement, as provided for under the Act, in gross for a term from the date hereof and through and including _____ (the "Term"), to preserve an unobstructed view of the Facades, and to perform the covenants contained herein, which Easement shall contribute to the public purpose of conserving and preserving the Facades and accomplishing the other objectives set forth herein. Without limitation, the Property Owner shall not allow or suffer to exist upon the Property any obstructions to views of the Facades from properties adjacent to the Property except such as may exist at the time of the creation of this Easement. This document runs with the land in favor of the City's successors and assigns.

2. Property Owner's Covenants: In furtherance of the Easement herein granted, the Property Owner hereby covenants and agrees with the City as follows:

2.1 Documentation of the Exterior Condition of the Facades. For the purpose of this Easement, the owner or his designee has depicted the exterior Facades in an original set of photographs dated thirty (30) days prior to the date of the execution of this Easement (collectively, the "Photographs") and filed in the office of the City of Scottsdale Preservation Division, or designated successor. The exterior condition and appearance of the Facades as depicted in the Photographs is deemed to describe their external nature as of the date hereof.

2.2 Maintenance of the Facades. The Property Owner will, at all times, maintain each of the Structures and their respective Facades in a good and sound state of repair in accordance with the City's existing guidelines for the historic district in which the Property is located (the "Standards") so as to prevent the deterioration of the Facades or any portion thereof; to prevent visual obstruction of the Facades from public viewpoints such as adjacent streets; and prevent the intrusion of new improvements, walls, fences, statues, landscaping or fixtures which substantially modify the public view of the Property and its associated streetscape and open space, and are deemed to be not in accordance with the Standards delineated above. The Property Owner will request and obtain advance approval from the City Preservation Division prior to implementing any physical changes to Structures or Facades on the Property, or which would materially alter the view of the Facades from public viewpoints. This provision does not apply to routine maintenance, landscaping other than

hardscape improvements, or installation of sprinkler systems. Subject to the casualty provisions of Paragraph 4 below, this obligation to maintain shall require replacement, repair and reconstruction according to the Standards within a reasonable time whenever necessary to have the external nature of the Structure at all times appear to be the same as shown in the Photographs.

2.3 Maintenance of the Structural Elements. The Property Owner will maintain and repair each of the Structures as is required to ensure the structural soundness and the safety of the Structures and the Facades.

2.4 Inspection. In order to periodically observe the Structures and Facades, representatives of the City shall have the right to enter the Property to inspect the exterior Facade. This inspection will be made at a time mutually agreed upon between the Property Owner and the City, or, if no time is mutually agreed upon, at any time during normal business hours after not less than forty-eight hours notice to the Property Owner by the City.

2.5 Conveyance and Assignment. The City may convey, transfer and assign this Easement to a similar local, state or national organization whose purposes, inter alia, are to promote historic preservation, and which is a "qualified organization" under Section 170(h)(3) of the Internal Revenue Code of 1986, as amended, provided that any conveyance or assignment requires that the conservation purposes for which this Easement was granted will continue to be carried out.

2.6 Insurance. The Property Owner, at their sole cost and expense, shall at all times (a) keep the Structures insured at their replacement cost value on an "all risk" basis to ensure complete restoration of the Facades in the event of loss or physical damage. Said property coverage policy shall contain provisions which ensure that the face amount of the policy is periodically adjusted for inflation, and the Property Owner shall provide a Certificate of Insurance to the City evidencing such insurance, including an endorsement naming the City as a loss payee; and (b) carry and maintain liability insurance in an amount satisfactory to the City to protect against injury to visitors or other persons on the property, and to provide a Certificate of Insurance to the City evidencing such insurance, and naming the City as an additional insured on the policy.

2.7 Visual Access. The Property Owner agrees not to substantially obstruct the opportunity of the general public to view the exterior architectural and archaeological features of the Property from adjacent publicly accessible areas such as public streets and sidewalks. The Property Owner shall obtain advance approval from the City Preservation Division for any proposed changes to the Property that would obstruct or modify the general public view of the exterior architectural or archeological features of the Property from adjacent publicly accessible areas. If the Structures are not visible from a public area, then the Property Owner agrees that the general public shall be given the opportunity on a periodic basis to view the characteristics and features of the Facades that are preserved by this Easement to the extent consistent with the nature and conditions of the Property.

3. Warranties and Representations of the Property Owner. The Property Owner hereby represents, covenants and warrants to the City as follows:

3.1 Information Furnished, True and Correct. All information given to the City by the Property Owner in order to induce the City to accept this Easement, including all information contained in this Easement, is true, correct and complete.

3.2 Legal, Valid and Binding. The Property Owner is lawfully seized and possessed of the Property, has a good and lawful right to make the conveyance described herein, and this Easement is in all respects, legal, valid and binding upon the Property Owner and enforceable in accordance with its terms, and grants to the City a direct, valid and enforceable conservation easement. The person executing this document on behalf of a corporation, trust or other organization warrants his or her authority to do so and that all persons necessary to bind the Property Owner have joined in this document. The City shall have quiet title and possession against the claims of all persons.

3.3 No Impairment of Easement. The Property Owner, for himself, his heirs, personal representatives, and assigns, has not reserved, and to his knowledge, no other person or entity has reserved, any rights, the exercise of which may impair the Easement granted herein.

4. Application of Insurance Proceeds. Subject to the insurance proceeds requirements of any recorded Deed of Trust or Mortgage applicable to the Property, in the event of damage or destruction of any of the Structures resulting from casualty, the Property Owner agrees to apply all available insurance proceeds and donations to the repair and reconstruction of each of the damaged Structures. In the event the City determines, in its sole and absolute discretion, after reviewing all bona fide cost estimates in light of all available insurance proceeds and other monies available for such repair and reconstruction, that the damage to the Structures is of such magnitude and extent that repair of the damage and reconstruction of the Structures would not be practical, then the Property Owner may elect not to repair or reconstruct the damaged Structures. In such event the Property Owner will pay to the City the amount the City paid to the Property Owner for this Easement as set forth in the Program Agreement. Notwithstanding the foregoing, in the event the City notifies the Property Owner in writing that the City has determined that repair and reconstruction of the damaged Structures is impossible or impractical and that the damaged Structures presents an imminent hazard to public safety, the Property Owner will at their sole cost and expense raze the damaged Structures and remove all debris, slabs, and any other portions and parts of the damaged Structures within the time period required by the City to protect the health, safety and welfare of the public, unless the Property Owner has commenced and is diligently pursuing repair or reconstruction of the damaged Structures. Upon razing of the damaged portion of the Structures, the City shall release any interest it has in the insurance proceeds. Nothing in this paragraph is intended to supersede or impair the rights to insurance proceeds of a lienholder pursuant to a recorded Deed of Trust of Mortgage applicable to the Property.

5. Indemnification. The Property Owner covenants that he shall pay, protect, indemnify, hold harmless and defend the City, its officers, employees, agents, independent contractors and elected officials, at the Property Owner's sole cost and expense from any and all liabilities, claims, costs, attorneys' fees, judgments or expenses asserted against the City, its officers, employees, agents, independent contractors and elected officials, resulting from actions or claims of any nature arising out of the conveyance, possession, administration or exercise of rights under this Easement, except in such matters arising solely from the gross

negligence of the City, or its officers, employees, agents, independent contractors or elected officials.

5.1 Survival of Indemnification. The obligations of the Property Owner under this indemnification shall continue beyond the term of this Easement for claims accruing for a period of two (2) years.

5.2 Explanation of Indemnification. For purposes of explanation of Paragraph 5 only, and without in any manner limiting the extent of the foregoing indemnification, the Property Owner and the City agree that the purpose of Paragraph 5 is to require the Property Owner to bear the expense of any claim made by any party against the City, which arises because the City has an interest in the Property as a result of this Easement, or because of any actions taken by the City pursuant to the Program Agreement or this Easement.

6. Default/Remedy. In the event (a) the Property Owner fails to perform any obligation of the Property Owner set forth herein or in the Program Agreement, or otherwise fails to comply with any stipulation or restriction set forth herein, or (b) any representation or warranty of the Property Owner set forth herein is determined by the City to have been untrue when made, in addition to any remedies now or hereafter provided by law and in equity, the City or its designee, following prior written notice to the Property Owner, may (aa) institute suit(s) to enjoin such violation by ex parte, temporary, preliminary or permanent injunction, including prohibitory and or mandatory injunctive relief, and to require the restoration of the Property to the condition and appearance required under this Easement, or (bb) enter upon the Property, correct any such violation, and hold the Property Owner responsible for the cost thereof, and such cost until repaid shall constitute a lien on the Property. In the event the Property Owner violates any of its obligations under this Easement, the Property Owner shall reimburse the City for any and all costs and expenses incurred in connection therewith, including all court costs and attorneys' fees.

7. Waiver. The exercise by the City or its designee of any 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.

8. Effect and Interpretation. The following provisions shall govern the effectiveness and duration of this Easement:

8.1 Interpretation. Any rule of strict construction designed to limit the breadth of restriction on alienation or use of property shall not apply in the construction or interpretation of this Easement, and this Easement shall be interpreted broadly to effect the transfer of rights and restrictions on use herein contained.

8.2 Invalidity of the Act. This Easement is made pursuant to the Act as the same now exists or may hereafter be amended, but the invalidity of such Act or any part thereof, or the passage of any subsequent amendment thereto, shall not affect the validity and enforceability of this Easement according to its terms, it being the intent of the parties hereto to agree and to bind themselves, their successors, heirs and assigns, as applicable, during the Term hereof, whether this Easement be enforceable by reason of any statute, common law or private agreement either in existence now or at any time subsequent thereto.

8.3 Violation of Law. Nothing contained herein shall be interpreted to authorize or permit the Property Owner to violate any ordinance or regulation relating to building materials, construction methods or use, and the Property Owner agrees to comply with all applicable laws, including, without limitation, all building codes, zoning laws and all other laws related to the maintenance and demolition of historic property. In the event of any conflict between any such laws and the terms hereof, the Property Owner promptly shall notify the City of such conflict and shall cooperate with City and the appropriate authorities to accommodate the purposes of both this Easement and such ordinance or regulation.

8.4 Amendments and Modifications. For purposes of furthering the preservation of the Facades, the Structures and the other Property and the other purposes of this Easement, and to meet changing conditions, the Property Owner and the City are free to amend jointly the terms of this Easement in writing without notice to any party; provided, however, that no such amendment shall limit the terms or interfere with the conservation purposes of this Easement. Such amendment shall become effective upon recording the same among the land records of Maricopa County, Arizona, in the office of the County Recorder.

8.5 No Third Party Beneficiaries: It is not the intention of the parties hereto that any third party who is not an assignee of an interest of any of the parties will have the right to enforce or benefit from any of the provisions of this Easement or the Program Agreement.

8.6 Time of the Essence. Time is of the essence in the performance of each and every term and condition of this Easement by the Property Owner.

8.7 Feminine and Masculine. For purposes of this Easement, the feminine shall include the masculine and the masculine shall include the feminine.

IN WITNESS WHEREOF, the Property Owner and the City executed this Easement on the date first above written, which Easement shall be effective immediately upon such execution.

"PROPERTY OWNER"

By: _____

By: _____

STATE OF ARIZONA)
) ss.
County of Maricopa)

The foregoing instrument was acknowledged before me this ____ day of _____,
20____, by _____.

Notary Public

My Commission Expires:

EXHIBIT "A"

Legal Description

Provide the lot number, and subdivision name, according to the Plat of record in the office of the County Recorder of Maricopa County, Arizona, recorded in Book **XX** of Maps, Page **XX**