

**HISTORIC
PRESERVATION
EASEMENT**

THIS HISTORIC PRESERVATION EASEMENT DEED is made this ____ day of _____, 20____, by and between _____ (“Grantor”) and the Lawrence Preservation Alliance, Inc. (“the Alliance”), a not-for-profit corporation organized under the laws of the State of Kansas.

RECITALS:

A. Grantor is the owner in fee simple of certain real property located at 900 Rhode Island Street in the City of Lawrence in the State of Kansas, and described with more specificity in Paragraph 1, below. Located on the property is a building known as the LAWRENCE TURNHALLE and described in more specificity in Paragraph 2 below.

B. Grantor and the Alliance recognize the historic and architectural significance of the Lawrence Turnhalle, and have the common purpose of ensuring that the Lawrence Turnhalle be rehabilitated and preserved for the enjoyment and edification of future generations.

C. The Alliance desires that the Lawrence Turnhalle be preserved and protected for the benefit of present and future generations, retaining its historically and architecturally significant features, while at the same time agreeing it may need to be adapted and altered, where necessary, to provide for contemporary uses.

D. The Alliance is a publicly supported, tax exempt, not-for-profit organization whose primary purposes include the preservation and conservation of sites and structures located within Douglas County, State of Kansas, which are of recognized historical and architectural significance, and is a qualified organization under Section 170(h) of the Internal Revenue Code of 1986, as amended, and the regulations thereunder (“the Code”).

E. Lawrence Turnhalle was listed on the National Register of Historic Places as a contributing structure to the North Rhode Island Street Historic Residential District on July 14, 2004 and is a certified historic structure under Section 170(h)(4). The Lawrence Turnhalle was listed as a Landmark on the Lawrence Register of Historic Places on November 5, 2013.

F. The grant of an historic preservation easement by Grantor to the Alliance will assist in preserving and maintaining the Lawrence Turnhalle for the benefit of the people of City of Lawrence, the County of Douglas, the State of Kansas, and the United States of America. To that end, Grantor desires to grant and the Alliance desires to accept an historic preservation easement

("Easement") in perpetuity on the Lawrence Turnhalle.

THEREFORE, in consideration of One Dollar (\$1.00), the mutual promises contained in this Deed, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and pursuant to Section 170(h) of the Code, Grantor and the Alliance, intending to be legally bound, hereby agree as follows:

1. Subject property. This agreement creates a historic preservation easement in the real estate legally described as follows:

Lot 70 on Rhode Island Street, Lawrence, Douglas County, Kansas,

commonly known as 900 Rhode Island Street in Lawrence, Kansas, and hereinafter referred to as the "Subject Property."

2. Structure; Baseline Documentation. Located on the property is a structure commonly known as the Lawrence Turnhalle ("the Building"). The historical and architectural value of the Building is documented in a set of reports, drawings, and photographs ("Baseline Documentation") which are described below. The Grantor and the Alliance agree that the Baseline Documentation provides an accurate representation of the Building as of the effective date of this Deed. Grantor and the Alliance shall each retain a copy of the Baseline Documentation, but in the case of any discrepancy between the two counterparts produced, the counterpart retained by the Alliance shall control.

The Baseline Documentation shall consist of the following:

- (a) Turnhalle Historic Structures Report, dated July 25, 2013;
- (b) Exhibit A, Rehabilitation Agreement; and
- (c) Percentage Interest Determination, on file with Grantor and the Alliance.

All of the Baseline Documentation is incorporated and included herein by reference

3. Grant of historic preservation easement. Grantor hereby grants and donates to the Alliance and the Alliance hereby accepts a historic preservation easement in perpetuity on the Subject Property. The purpose of the Easement is to ensure that the historically and architecturally significant features of the Subject Property will be retained and maintained forever substantially in an agreed-upon condition resulting from the performance of the work described in Exhibit A and to prevent any use of or change to the Building that will significantly impair its historical or architectural value.

4. Grantor's covenants. The Grantor hereby covenants and agrees as follows:

(a) The Grantor shall rehabilitate the Subject Property according to the terms, conditions, and deadlines of a Rehabilitation Agreement (Exhibit A) to be entered into by the parties and signed by the President of the Board of Directors of the Alliance no later than _____, 201____, and, after rehabilitation, to continuously maintain, repair, and administer the Subject Property herein described in accordance with the Secretary of the Interior's Standards and Guidelines for Rehabilitation for Historic Structures (1995) so as to preserve the historical integrity of features, materials, appearances, workmanship and environment of the Subject Property. Exhibit A is specifically incorporated herein by reference.

(b) The Grantor shall not alter or expand the Subject Property in any manner that may significantly change the Building's exterior structure or appearance, without the prior written approval of the President of the Board of Directors of the Alliance.

(c) The Grantor and the Alliance hereby agree that the architectural features and finishes listed in the section of the Turnhalle Historic Structures Report titled "Classification of Spaces and Features" are elements which contribute to the architectural significance of the Subject Property. No removal, relocation, or significant alteration of the architectural features identified in the Turnhalle Historic Structures Report shall be made without the prior written approval of the President of the Board of Directors of the Alliance.

(d) Improvements located on the Subject Property may not be removed or demolished without the prior written approval of the President of the Board of Directors of the Alliance.

(e) The Grantor shall abide by all federal, state, and local laws and ordinances regulating the rehabilitation, maintenance and use of the Subject Property.

(f) When seeking approvals under Paragraphs 4(b), (c) and (d), the Grantor shall give written notice to the Alliance prior to making application to any state or local governmental agency having jurisdiction over the property. If the Alliance fails to respond within forty-five (45) days, then the Grantor shall have the right to proceed according to the plans provided in such written notice. The Alliance's decisions under Paragraphs 4(b), (c) and (d) shall be based on the Secretary of the Interior's Standards and Guidelines for Rehabilitation for Historic Structures (1995) (hereinafter "the Secretary's Standards") and shall not be unreasonably withheld.

5. Public access. Researchers, scholars, and groups especially interested in historic preservation shall have access to view the interior of the rehabilitated property by special appointment at various times and intervals during each year. The general public shall have access to the Subject Property to view the exterior and interior features herein protected at the Grantor's discretion at various times and intervals during each year at times both desirable to the public and convenient with the Grantor, at a minimum of one day per year.

6. Grantor's reserved rights. Subject to the provisions of Paragraph 4, the following rights, uses, and activities of or by Grantor on, over, or under the Property are permitted by this Easement and by the Alliance without further approval by the Alliance:

(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 historical and architectural value of the Subject Property; and (iii) are not inconsistent with the Purpose of this Easement;

(b) pursuant to the provisions of Paragraph 4(a), the right to maintain and repair the Building 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 in-kind materials, 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 Building. The right to maintain and repair as used in this subparagraph shall not include the right to make changes in appearance, materials, and workmanship from that existing prior to the maintenance and repair without the prior approval of Grantee in accordance with the provisions of Paragraph 4(b); and

(c) the right to continue all manner of existing use and enjoyment of the Building, including but not limited to the right to conduct at or on the Property educational and nonprofit

activities that are not inconsistent with the protection of the historical and architectural value of the Property.

7. Casualty damage or destruction. In the event that the Building or any part thereof shall be damaged or destroyed by fire, flood, windstorm, hurricane, earth movement, or other casualty, Grantor shall notify the Alliance in writing within fourteen (14) days of the damage or destruction, such notification including what, if any, emergency work has already been completed. 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 the Alliance's prior written approval.

Within thirty (30) days of the date of damage or destruction, if required by the Alliance, Grantor at its expense shall submit to the Alliance a written report prepared by a qualified restoration architect and an engineer who are acceptable to Grantor and the Alliance, 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 Building and/or reconstruction of damaged or destroyed portions of the Building; and
- (c) a report of such restoration/reconstruction work necessary to return the Building to the condition described in Exhibit A.

8. Review after casualty damage or destruction. If, after reviewing the report provided in Paragraph 7 and assessing the availability of insurance proceeds, Grantor and the Alliance agree that the purpose of the Easement will be served by such restoration/reconstruction, Grantor and the Alliance shall establish a schedule under which Grantor shall complete the restoration/reconstruction of the Building 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, Grantor and the Alliance agree that restoration/reconstruction of the Building 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 the Alliance, alter, demolish, remove, or raze the Building, and/or construct new improvements on the Subject Property.

If, after reviewing the report and assessing the availability of insurance proceeds, Grantor and the Alliance 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 as set out in Paragraph 17.

9. Insurance. Grantor shall keep the Subject Property insured 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 property damage. Property damage insurance shall include change in condition and building ordinance coverage, in form and amount sufficient to replace fully the damaged Subject Property and Building without cost or expense to Grantor or contribution or coinsurance from Grantor. Such insurance shall include the Alliance as an additional insured. Grantor shall deliver to the Alliance, within ten (10) business days of the Alliance's written request therefore, certificates of such insurance coverage.

10. Costs, indemnification, and taxes.

(a) Costs. Grantor retains all responsibilities and shall bear all costs and liabilities of any kind related to the ownership, operation, upkeep and maintenance of the Subject Property. Grantor remains solely responsible for obtaining any applicable governmental permits and approvals for any construction or other activity or use permitted by this Easement, and all such construction or other activity shall be undertaken in accordance with all applicable federal, state, and local laws and regulations.

(b) Indemnification. Grantor hereby agrees to pay, protect, indemnify, hold harmless and defend at its own cost and expense, the Alliance, its agents, directors 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 Subject Property; the presence or release in, on, or about the Subject Property, 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 Property, unless such injury or damage is caused by the Alliance or any agent, trustee, employee, or contractor of the Alliance. In the event that Grantor is required to indemnify the Alliance pursuant to the terms of this paragraph, the amount of such indemnity, until discharged, shall constitute a lien on the Subject Property 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 Subject Property.

(c) 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 Subject Property 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, the Alliance 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 fees and other governmental or municipality charge, fine, imposition, or lien asserted against the Subject Property. The Alliance 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 the Alliance shall constitute a lien on the Subject Property 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 Subject Property.

11. Administration and enforcement.

(a) Written notice. Any notice which either Grantor or the Alliance 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 addressed as follows:

To the Grantor:

To the Alliance:

Lawrence Preservation Alliance, Inc.
PO Box 1073
Lawrence, KS 66044

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

(b) Evidence of compliance. Upon request by the Alliance, Grantor shall promptly furnish the Alliance with certification that, to the best of Grantor'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 Grantor's knowledge thereof.

(c) Inspection. Representatives of the Alliance shall have the right to enter the Subject Property at reasonable times, after giving reasonable notice, for the purpose of inspecting the buildings and grounds to determine if there is compliance by the Grantor with the terms of this Easement.

12 Remedies of the Alliance.

(a) Notice of violation; corrective action. If the Alliance determines that a violation of the terms of this Easement has occurred or is threatened, the Alliance shall give written notice to the Grantor of such violation and demand corrective action sufficient to cure the violation, and where the violation involves injury to the Building resulting from any use or activity inconsistent with the purpose of this Easement, to restore the portion of the Building so injured to its prior condition in accordance with a plan approved by the Alliance. Written notice shall be delivered as set out in Paragraph 11(a).

(b) Injunctive relief. If Grantor fails to cure a violation within forty-five (45) days after Grantor's receipt of notice thereof from the Alliance, or under circumstances where the violation cannot reasonably be cured within a 45-day period, fails to continue diligently to cure such violation until finally cured, the Alliance may, following reasonable written notice to Grantor, institute suit(s) to enjoin any violation of the terms of this Easement by instituting proceedings for *ex parte*, temporary, preliminary, and/or permanent injunction, including prohibitory and/or mandatory injunctive relief, and to require the restoration of the Subject Property and Building to the condition and appearance that existed prior to the violation complained of. The Alliance shall also have available all legal and other equitable remedies to enforce Grantor's obligations hereunder.

(c) Right to purchase. In the event of a violation of covenants contained in this Easement, the Alliance then shall have an option to purchase the Subject Property provided that it shall give the Grantor written notice of the nature of the violation and the Grantor shall not have corrected same within the ninety (90) days next following the giving of said notice. The Grantor shall have ninety (90) days to correct the violation to the satisfaction of the Alliance or to notify the Alliance in writing that it disputes the existence of a violation. If the Grantor disputes the existence of a violation, the dispute shall be resolved by binding arbitration, pursuant to Paragraph 17. Should the Alliance prevail at arbitration, the Grantor shall have sixty (60) days to

cure the violation. If the violation is not cured at the end of this 60-day period, the Alliance shall have the option to purchase the Subject Property. The purchase of Subject Property, pursuant to the exercise of the option retained hereby, shall be at a price equal to the then market value of the Subject Property, subject to restrictive covenants, as determined by agreement of the then owner and the Alliance, or, in the absence of such agreement, by a committee of three appraisers, one to be selected by the Alliance, one to be selected by the then owner, and the other to be designated by the two appraisers selected by the Alliance and the owner respectively. Provided, however, that if there are outstanding deeds of trust or other encumbrances against the property, any right to purchase shall be subject to said deeds of trust or encumbrances, and they shall either be satisfied or assumed as part of the purchase price.

(d) Emergency enforcement. If the Alliance, in its sole discretion reasonably determines that circumstances require immediate action to prevent or mitigate significant damage to the historical and architectural value of the Property, the Alliance may pursue its remedies under this Section 12 with notice to the Grantor but without waiting for any cure period to expire.

(e) Costs of enforcement. In the event Grantor is found by a court of competent jurisdiction to have violated any of its obligations, Grantor shall reimburse the Alliance for any costs or expenses incurred in connection with the Alliance's enforcement of the terms of this Easement, including all reasonable court costs, and attorney's, architectural, engineering, and expert witness fees.

(f) Remedies not exclusive. Exercise by the Alliance 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.

(g) Forbearance. Forbearance by the Alliance to exercise its rights under this Easement in the event of any breach by Grantor of any term of this Easement shall not be deemed or construed to be a waiver by the Alliance of such term or of any subsequent breach of the same or any other term of this Easement. No delay or omission by the Alliance in the exercise of any right or remedy upon any breach by Grantor shall impair such right or remedy or be construed as a waiver.

(h) Acts beyond Grantor's control. Nothing contained in this Easement shall be construed to entitle the Alliance to bring any action against Grantor for any injury or change to the Subject Property resulting from causes beyond Grantor's control including, without limitation, fire, flood, storm, and earth movement.

13. Notice from government authorities. Grantor shall deliver to the Alliance a copy of any notice of violation or lien relating to the Subject Property received by Grantor from any government authority within five (5) days of receipt by Grantor. Upon request by the Alliance, Grantor shall promptly furnish the Alliance with evidence of Grantor's compliance with such notice or lien where compliance is required by law.

14. Existing hazards. The parties acknowledge that the Subject Property may contain certain hazards as a result of outdated building practice or use of certain materials that may contain lead paint, asbestos, mold, or other hazards that may need to be removed, encapsulated, or mitigated before the buildings are habitable. Grantor hereby agrees to indemnify, defend and hold harmless the Alliance from any and all liability or expense arising from any such hazards,

defects or other problems that may accrue while the Subject Property is owned by Grantor and agrees that in the event of any future sale or transfer of the Subject Property, any successor in title thereto shall similarly indemnify, defend and hold harmless the Alliance.

15. Notice of proposed sale; right of first refusal. In case of any contemplated sale of the Subject Property or any portions thereof by the Grantor or any successor in title thereto, first refusal as to any *bona fide* offer of purchase must be given to the Alliance, its successors or assigns. If the Alliance so decides to purchase, it shall notify the then owner of its willingness to buy upon the same terms within thirty (30) days of receipt of written notice of such *bona fide* offer. Failure of the Alliance to notify the then owner of its intention to exercise this right of first refusal within such thirty (30) day period shall free the owner to sell pursuant to the *bona fide* offer. Provided, however, that if there are any outstanding encumbrances or deeds of trust against the Subject Property, any right to repurchase shall be subject to encumbrances or deeds of trust, and they shall either be satisfied or assumed as part of the purchase price. If the Alliance declines to purchase the Subject Property, it shall be provided the opportunity to explain the terms of the Easement to the potential purchaser before closing.

16. Judgments; liens. Grantor, for himself, his heirs, successors and assigns and on behalf of any future owner of the Subject Property, covenants and acknowledges that any judgment entered by a court of competent jurisdiction in enforcing the Alliance's rights under this Easement may be entered by a court as a lien against the property (*in rem*) and personally (*in personam*) against Grantor or the current owner of the Subject Property at the time the judgment is entered. Any lien on the Subject Property created pursuant to any paragraph of this Easement may be confirmed by judgment and foreclosed by the Alliance 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 Subject Property.

17. Arbitration. In any circumstances where this agreement specifies that a dispute shall be settled by arbitration, the arbitrator shall be selected by mutual agreement by the Grantor and the Alliance. If the Grantor and the Alliance are unable to agree on an arbitrator, they will consult the National Trust for Historic Preservation ("the Trust") and use either the Trust or the Trust's nominee as arbitrator.

18. Binding effect; assignment.

(a) Runs with the land. Except as provided in Paragraphs 21(b) and 21(c), the obligations imposed by this Easement shall be effective in perpetuity and shall be deemed to run as a binding servitude with the Subject Property. This Easement shall extend to and be binding upon Grantor and the Alliance, their respective successors in interest and all persons hereafter claiming under or through Grantor and the Alliance, and the words "Grantor" and "the Alliance" when used herein shall include all such persons. Any right, title, or interest herein granted to the Alliance also shall be deemed granted to each successor and assign of the Alliance and each such following successor and assign thereof, and the term "the Alliance" shall include all such successors and assigns.

Anything contained herein to the contrary notwithstanding, an owner of the Subject Property shall have no obligation pursuant to this instrument where such owner shall cease to have any ownership interest in the Subject Property 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 Subject Property or any part thereof, including by way of example and not limitation, a lease of all or a portion of the Subject Property.

(b) Assignment. Upon thirty (30) days written notice, the Alliance 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. In the event that the Alliance, or any of its successors in interest by forfeiture, dissolution, or corporate merger cease to exist, then in such event the Alliance shall so assign all of its rights and interest in this Easement.

19. 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 the Subject 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 the Alliance. In the event of any disparity between the counterparts produced, the recorded counterpart shall in all cases govern.

(c) It is the intent of the parties to agree and to bind themselves, their successors, and their assigns in perpetuity to each term of this instrument regardless of 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 the Alliance of such conflict and shall cooperate with the Alliance and the applicable governmental entity to accommodate the purposes of both this Easement and such ordinance or regulation.

(e) This Deed reflects the entire agreement of Grantor and the Alliance. Any prior or simultaneous correspondence, understandings, agreements, and representations are null and void upon execution hereof, unless set out in this instrument.

(f) 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 Subject Property may be developed to use more intensive (in terms of height, bulk, or other objective criteria related by such ordinances) than the Subject Property is devoted as of the date hereof, such development rights shall not be exercisable on, above, or below the Subject

Property during the term of the Easement, nor shall they be transferred to any adjacent parcel and exercised, if such exercise or transfer would interfere with the purpose of the Easement.

20. Recording and effective date. The Alliance shall do and perform at its own cost all acts necessary to the prompt recording of this instrument in the land records of Douglas County, Kansas. Grantor and the Alliance intend that the restrictions arising under this Easement take effect on the day and year this instrument is recorded in the land records of Douglas County, Kansas.

21. Percentage Interests; extinguishment.

(a) Percentage interests. For purposes of allocating proceeds pursuant to Paragraphs 21(b) and 21(c), Grantor and the Alliance stipulate that as of the date of this Easement, Grantor and the Alliance are each vested with real property interests in the Subject Property and that such interests have a stipulated percentage interest in the fair market value of the Subject Property.

The Alliance's percentage interest shall be determined by dividing the value of the Subject Property, without deduction for the value of this Easement, on the effective date of this Easement by the value of this Easement, on the effective date of this Easement. Grantor's percentage interest shall be the difference between 100% and the Alliance's percentage interest. 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 documentation of the parties' respective percentage interests shall be included in the Baseline Documentation and maintained in the records of the Grantor and the Alliance. The parties 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 Subject Property unencumbered by the Easement shall remain constant, and the percentage interests of Grantor and the Alliance in the fair market value of the Subject 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.

Unless amended as the result of a final determination by the Internal Revenue Service or court of competent jurisdiction, the parties stipulate that the Alliance's percentage interest is _____ and Grantor's percentage interest is _____.

(b) Extinguishment. If circumstances arise in the future that render the purpose of this Easement impossible to accomplish, this Easement can only be terminated or extinguished, whether in whole or in part, by judicial proceeding in a court of competent jurisdiction. After such termination or extinguishment, Grantor and the Alliance shall share in any proceeds resulting from any sale, exchange or involuntary conversion of all or a portion of the Subject Property subsequent to such termination or extinguishment, in accordance with their respective percentage interests in the fair market value of the Subject Property, as determined under Paragraph 21(a) and only after subtracting from such proceeds the costs or expenses associated with such sale, exchange or involuntary conversion. All such proceeds received by the Alliance shall be used by the Alliance in a manner consistent with the Alliance's primary purposes. Net proceeds shall also include, without limitation, net insurance proceeds. The parties hereto agree

that economic hardship on the part of the Grantor, or his heirs, successors or assigns shall not be sufficient grounds for extinguishment or termination of this Easement.

In the event of extinguishment, the provisions of this Paragraph shall survive and Grantor for himself, his heirs, successors and assigns, and on behalf of future owners of the Subject Property, covenant and acknowledge that any judgment entered by a court of competent jurisdiction in enforcing the Alliance's rights under this provision may be entered by a court as a lien against the Subject Property and personally against the Grantor or the owner of the Subject Property at the time the judgment is entered. Said lien shall have 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 Subject Property.

(c) Condemnation. If all or any part of the Subject 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 the Alliance shall join in appropriate proceedings at the time of such taking to recover the full value of those interests in the Subject Property that are subject to the taking and all incidental and direct damages resulting from the taking. After the satisfaction of any expenses reasonably incurred by Grantor and the Alliance in connection with such taking, Grantor and the Alliance shall be respectively entitled to compensation from the balance of the recovered proceeds in conformity with the provisions of this Section 2 unless otherwise provided by law.

22. Amendment. If circumstances arise under which an amendment to or modification of this Easement would be appropriate, Grantor and the Alliance 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 the Alliance under any applicable laws, including sections 170(h) and 501(c)(3) of the Code and laws of the State of Kansas. Any such amendment: shall be consistent with the protection of the historical and architectural value of the Subject Property and the purposes of this Easement; shall not affect its perpetual duration; and shall not permit any private inurement to any person or entity. Any such amendment shall be recorded in the land records of Douglas County, Kansas. Nothing in this Paragraph shall require Grantor or the Alliance to agree to any amendment or bind them to negotiation.

TO HAVE AND TO HOLD, the said Historic Preservation Easement, unto the Lawrence preservation Alliance and its successors and permitted assigns forever. THIS HISTORIC PRESERVATION EASEMENT DEED 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.

IN WITNESS WHEREOF, Grantor and the Lawrence Preservation Alliance, Inc. have executed this document on the day and year set forth below.

GRANTOR:

GRANTEE:

_____, President
Lawrence Preservation Alliance, Inc.

Date: _____

Date: _____