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GRANT OF FACADE EASEMENT AND AGREEMENT
FOR HISTORICAL PRESERVATION RESTRICTIONS

ROSENWALD, LTD., a New Mexico limited partnership, whose address is c/o Bruce J. Pierce & Associates, Inc., Suite 30, 920 Central Avenue, N.W., Albuquerque, New Mexico 87102 (the "Grantor"), and CITY OF ALBUQUERQUE, Albuquerque, New Mexico, a municipal corporation, whose address is Attention: Chief Administrative Officer, Post Office Box 1293, One Civic Plaza, 11th Floor, Albuquerque, New Mexico 87102 (the "Grantee"), agree:

RECITALS

I. Grantee is a municipal corporation authorized, among other things, to accept gifts of historical interest.

II. Grantor is the lessee of improved real property, consisting of a tract of land (the "Land") located in the City of Albuquerque, New Mexico (the "City"), and described in attached Exhibit A, and a building (the "Building") located on the Land (the Land and Building are collectively, the "Premises"), under the terms of the Lease Agreement dated August 1, 1980, between City as lessor and Grantor as lessee, and recorded August 28, 1980, as Document No. 80-49586, in Book Misc. 794, pages 816-870, in the records of Bernalillo County, New Mexico, and as amended by Lease Agreement dated May 1, 1982, between City and Grantor, recorded May 25, 1982, as Document No. 27494 in the records of Bernalillo County, New Mexico.

III. Grantor desires to grant a facade easement in, and to establish preservation restrictions on, the Building. Grantor further desires that this gift to Grantee qualify as a "qualified conservation contribution" as defined in Section 170(h) of the Internal Revenue Code (the "Code").

GRANT OF EASEMENT AND AGREEMENT OF RESTRICTIONS

Effective upon Grantor's execution of this Grant of Facade Easement and Agreement for Historical Preservation Restrictions (this "Grant of Easement"), Grantor grants to Grantee irrevocably an easement in gross and conservation right in perpetuity, described more particularly below, in and to the exterior surfaces of the Building (the "Facade"). Grantor and Grantee further agree as follows:

I. Agreements and Representations of Grantor.

a. This easement and all agreements in this Grant of Easement will run as a binding servitude, in perpetuity, with the Land.

b. Grantor will make no visual or structural alteration to the Facade without prior written permission from Grantee. Grantee will not unreasonably withhold permission where the alteration does not violate the historic preservation purpose of this Grant of Easement and is in accordance with the Standards for Rehabilitation and Guidelines for Rehabilitating Buildings issued and as may from time to time be amended by the Secretary of the United States Department of the Interior.

c. Grantor will pay the cost of continuing maintenance and repairs of the Facade so as to preserve the architectural and historical integrity of the Facade.

d. Reference to restrictions and agreements provided in this Grant of Easement will be inserted by Grantor in any subsequent deed or other legal instrument by which grant divests Grantor of the fee simple title to all or any part of the Premises.

e. If Grantor conveys Grantor's interest in the Premises, Grantor will be released from all obligations of Grantor under this Grant of Easement (the "Obligations") and the successor to Grantor's interest in the Premises ("Successor") will be obligated to perform the Obligations beginning on the later of the date Grantor gives Grantee notice of the conveyance and the date the Successor assumes the Obligations in writing.

II. Agreements and Representations of Grantee.

a. Grantee will not assign or transfer the rights granted to Grantee as provided in this Grant of Easement, other than to a qualified organization described in Code Section 170(h) having as a principal purpose the preservation of historic landmarks. Grantee will require, as a condition precedent to any such assignment or transfer that the qualified transferee organization agree, in writing, to be bound by the easement and restrictions in the Grant of Easement.

b. Grantor will have all legal and equitable remedies to restrain or enjoin Grantee from any violation of this Grant of Easement.

c. Grantee will promptly record this Grant of Easement in the Bernalillo County, New Mexico records.

III. Grantee's Rights of Inspection and Remedies. A representative of Grantee will be permitted at reasonable times to inspect the Premises to ascertain whether or not the agreements in this Grant of Easement are being observed. If any agreement or restriction in this Grant of Easement is violated, Grantee may, following reasonable written notice to Grantor, institute an action to enjoin the violation by injunction or to require an appropriate restoration of the Facade. Grantee will be entitled to all available equitable and legal remedies to enforce the obligations of Grantor as provided in this Grant of Easement.

IV. Damage to or Destruction of Building. If the Building is, by reason of fire, flood, earthquake or other disaster or casualty, partially destroyed, then the Facade will be restored, at the option of Grantor, to the prior condition of the Facade. If the Building is substantially destroyed or damaged, then this Grant of Easement and all restrictions and agreements will lapse and be of no further force and effect.

V. Eminent Domain. If the Facade is, by reason of condemnation or the exercise of the power of eminent domain:

a. totally condemned, then this Grant of Easement and the agreements and restrictions in this Grant of Easement will lapse; or

b. partially condemned then if the portion of the Facade not taken is capable of continued reasonable use, then this Grant of Easement will remain in effect as to the portion of the Facade not taken in condemnation.

VI. Requirements for Judicial Proceeding. If an unexpected change in conditions surrounding the Facade makes

impossible or impractical the continued use of this easement for conservation purposes, then the restrictions in this Grant of Easement may be extinguished by a court of competent jurisdiction. Any proceeds realized by Grantee as a direct or indirect result of any such court action will be used by Grantee in a manner consistent with the conservation purposes expressed in this Grant of Easement.

VII. Reservations.

a. Grantor reserves to Grantor, its successors and assigns, the fee simple title to the Premises, the exclusive right to use and occupy the Premises and to permit others to do so, and the free right and privilege to the use of the Premises for all purposes not inconsistent with the express terms of the restrictions established in this Grant of Easement. Nothing in this Grant of Easement will be construed to grant to the general public or any other persons, other than Grantee and the agents of Grantee, the right to enter upon the Premises for the purposes provided in this Grant of Easement, or any other right, power or privilege.

b. This Grant of Easement does not affect the interior of the Building.

c. Despite any other terms in this Grant of Easement, the liability of Grantor, its partners, its successors and assigns, for breach of the agreements and restrictions in this Grant of Easement will be at all times limited to liability relating to or arising out of an actual or alleged breach of agreements of Grantor in this Grant of Easement.

VIII. Acceptance. Grantee accepts the right and interest granted to Grantee in this Grant of Easement and the obligations imposed on Grantee as provided in this Grant of Easement.

IX. Release, Indemnification and Insurance.

a. Grantor will release and relieve Grantee, its agents or employees, and hold and defend harmless Grantee, its agents or employees, of, from and against any and all liabilities, obligations, damages, penalties, claims, costs, charges and expenses, relating to or arising out of this Grant of Easement, which may be imposed upon or incurred by Grantee by reason of loss of life, personal injury or damages to property occurring in or around the Premises occasioned in whole or in part by the negligence of Grantor, its agents or employees, or by any lessee or licensee from Grantor, or the agents or employees of a lessee or licensee from Grantor.

X. Mortgagee's Rights Unaffected. This Grant of Easement is or may become prior to an existing or future mortgage, deed of trust, deed to secure debt or other deed given to encumber the Premises as security for a debt (collectively, a "Mortgage" and the holder of the debt secured by the Mortgage, a "Mortgagee"). The rights of a Mortgagee under such Mortgage are unaffected by the Grant of Easement except as to the right of Grantee to enforce the conservation purpose of this Grant of Easement for the preservation and maintenance of the historic Facade.

XI. Miscellaneous Provisions.

a. This Grant of Easement will inure to the benefit of, and bind the parties, their personal representatives, successors and assigns, is specifically enforceable, and, is to be construed under the laws of New Mexico.

b. Grantor will pay immediately, when first due and owing, all ad valorem real estate taxes and assessments, waste charges, sewer service charges and other charges which may become a lien on the premises.

DATED: December 2, 1988.

GRANTOR:

ROSENWALD, LTD., a New Mexico
limited partnership

by BRUCE J. PIERCE & ASSOCIATES,
INC., a New Mexico corporation
Its General Partner

By [Signature]
Its Executive Vice President

GRANTEE:

CITY OF ALBUQUERQUE, a municipal
corporation

By [Signature]
Clarence V. Lithgow
Chief Administrative Officer

STATE OF NEW MEXICO)
) ss.
COUNTY OF BERNALILLO)

The foregoing instrument was acknowledged before me on Dec. 2, 1988, 1988, by [Signature], of Bruce J. Pierce & Associates, Inc., a New Mexico corporation, on behalf of the corporation, General Partner of Rosenwald, Ltd., a New Mexico limited partnership, on behalf of the limited partnership, as Grantor.

[Signature]
Notary Public

My commission expires:

11-1-89

STATE OF NEW MEXICO)
) ss.
COUNTY OF BERNALILLO)

The foregoing instrument was acknowledged before me on December 21st, 1988, by Clarence V. Lithgow, Chief Administrative Officer of the City of Albuquerque, New Mexico, a New Mexico municipal corporation, on behalf of the City of Albuquerque, as Grantee.

Arlo R. Minter
Notary Public

My commission expires:

11-31-92

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The following-described real property located in Bernalillo County, New Mexico:

Lots numbered Ten (10), Eleven (11), and Twelve (12) in Block numbered Seventeen (17) of the NEW MEXICO TOWN COMPANY'S ORIGINAL TOWN SITE of the City of Albuquerque, New Mexico, as the same are shown and designated on the map of said TOWN SITE, filed in the Office of the Probate Clerk and Ex-officio recorder of Bernalillo County, New Mexico, December 29, 1882.

STATE OF NEW MEXICO
COUNTY OF BERNALILLO
FILED FOR RECORD

89 DEC 21 PM 2:36

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GLADYS M. DAVIS EXHIBIT A
CO. CLERK & RECORDER