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7/18/2014 11:52:00 AM \$24.00  
Book - 10246 Pg - 4420-4427  
Gary W. Ott  
Recorder, Salt Lake County, UT  
METRO NATIONAL TITLE  
BY: eCASH, DEPUTY - EF 8 P.

WHEN RECORDED RETURN TO:

Erik A. Olson  
Marshall Olson & Hull, P.C.  
10 Exchange Place, Suite 350  
Salt Lake City, Utah 84111

mnt-42032

Tax Parcel I.D. #16-26-178-001-0000

**SPECIAL WARRANTY DEED  
SUBJECT TO REVERTER AND RIGHT OF RE-ENTRY**

THIS SPECIAL WARRANTY DEED SUBJECT TO REVERTER AND RIGHT OF RE-ENTRY (this "Deed"), is made as of the 16th day of July, 2014 by and between the BOARD OF EDUCATION OF GRANITE SCHOOL DISTRICT ("Grantor"), and CANYON RIM ACADEMY, a Utah non-profit corporation ("Grantee"):

WHEREAS, Grantor is the owner of certain real property located at 3005 South 2900 East, Salt Lake City, Salt Lake County, Utah 84109, consisting of an approximately 49,329 square foot building located on approximately 7.189 acres identified as Tax I.D. Number 16-26-178-001-0000 that has been used as a public elementary school for more than 50 years that was previously known as Canyon Rim Elementary School which property is more specifically described on **Exhibit "A"** attached hereto and incorporated herein by this reference (the "Property"); and

WHEREAS, Grantee has been leasing the Property to operate a public charter school, Canyon Rim Academy, since 2007 and now desires to purchase the property; and

WHEREAS, Grantor is willing to sell the Property for a price that reflects its use as a public elementary school on the condition that the Property continue to be used by Grantee for a public charter school or such other public school as may be provided for under Utah Law for grades between K-12; and

WHEREAS, Grantee agrees to purchase the Property to be used by Grantee as a public charter school or such other public school as may be provided for under Utah Law for grades between K-12 and to conduct such other activities outside the regular school day and year as may lawfully be conducted by public schools provided such uses do not negatively affect or detract from the Property being used primarily and substantially as a public school (such uses would include a preschool that does not occupy more than two classrooms in the building, a community center, recreational programs that can be conducted in normal school facilities, an auditorium, or the placement on the Property of a cell phone tower provided that the income stream from the lease is not sold or prepaid), and Grantee has agreed to other covenants and conditions of the transfer from Grantor to Grantee:

NOW THEREFORE, FOR AND IN CONSIDERATION of Ten Dollars and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Grantor does, by this Deed, CONVEY AND WARRANT to Grantee, only against all claiming by, through, or under it, the Property, subject to the exceptions to title set forth in **Exhibit "B"** attached hereto and incorporated herein by this reference; provided, however, that this Deed is made and executed upon and is subject to Grantor's right of reverter and re-entry in the event of failure of the following express covenants and conditions subsequent, and Grantee hereby binds itself to such covenants and conditions being a part of the consideration for the Property hereby conveyed and are to be taken and construed as running with the land, and upon the continued observance of each of which the continued existence of the estate hereby granted shall depend, until such covenants terminate, and until such conditions are satisfied, as provided hereafter in this Deed:

FIRST: Grantee shall use the Property as a public charter school or such other public school as may be provided for under Utah Law for grades between K-12 and to conduct such other activities outside the regular school day and year as may lawfully be conducted by public schools provided such uses do not negatively affect or detract from the Property being used primarily and substantially as a public school. Such uses would include a preschool that does not occupy more than two classrooms in the building, a community center, recreational programs that can be conducted in normal school facilities, an auditorium, or the placement on the Property of a cell phone tower provided that the income stream from the lease is not sold or prepaid. Also that there shall be no lapse in such use as a public charter school or other public as described above for more than 100 consecutive days other than circumstances in which students are temporarily relocated elsewhere, including, without limitation, to make repairs or improvements to the Property.

SECOND: Grantee shall not sell or transfer or attempt to sell or transfer any portion of the Property. Notwithstanding this covenant regarding the sale or transfer of the Property, Grantee may enter into: (1) transactions to finance improvements on the Property that are secured by the Property; (2) the granting of easements for necessary utility services; (3) leases not exceeding three months for use of the Property and facilities during non school hours; and (4) a long term lease for a cell phone tower provided that the income stream from the lease is not sold or prepaid.

THIRD: Grantee shall pay any real estate taxes or assessments on the Property when due. Grantee shall also promptly pay when due any obligation or debt that is secured by or is a lien upon the Property.

FOURTH: Grantee shall not become insolvent, file for bankruptcy protection or be the subject of an involuntary bankruptcy petition or their equivalent.

The covenants and agreements contained in the covenants numbered FIRST through FOURTH apply to Grantee and shall terminate with respect to the Property One Hundred (100) years from the date of this Deed.

In case of the breach or violation of any one of the covenants numbered FIRST through FOURTH at any time prior to the termination thereof as provided above, which breach or violation is not cured by Grantee within ninety (90) days' written notice from Grantor to Grantee, then upon a sixty (60) day notice to the Grantee, all estate conveyed under this Deed shall cease and terminate, and title in fee simple to the same shall revert to and become revested in Grantor, and such title shall be revested fully and completely in it, and Grantor shall be entitled to and may re-enter upon and take possession of the Property, provided, however, that, contemporaneously with Grantor's exercise of its reversionary interest upon failure of the condition subsequent, Grantor shall pay or cause to be paid to Grantee or rightful lienholders the then current appraised value of the Property as determined by a reputable, MAI commercial real estate appraiser licensed and in good standing with at least ten years appraising experience along the Wasatch Front (an "MAI Appraiser") which appraisal shall be based on the use of the Property as a public charter school or its equivalent. If Grantee disagrees with the appraised value it may obtain its own appraisal from another MAI Appraiser of its choosing who shall appraise the Property for its use as a public charter school or its equivalent. In the event the two MAI Appraisers are unable to reach an agreement as to the appraised value of the Property, then Grantor shall pay to Grantee the average of the values of the two appraisals. In the event there are monetary liens recorded against the Property at the time of reverter, the value of the liens shall be setoff against the payment due Grantee and Grantor may pay those liens directly

Grantor shall be deemed a beneficiary of covenants and conditions numbered FIRST through FOURTH, and such covenants and conditions shall run in favor of Grantor for the entire period during which such covenants and conditions shall be in force and effect. The covenants and conditions shall apply to Grantee and any successor in interest to Grantee. In the event of any breach of the covenants and conditions Grantor or its successor in interest shall have the right to exercise all the rights and remedies, and to maintain any actions at law or suits in equity or other proper proceedings to enforce the curing of such breach, to which beneficiaries of such covenants and conditions may be entitled.

Notwithstanding anything else contained herein, Grantor agrees that the reversionary rights reserved by Grantor in this Deed shall be automatically subordinated to any and all present and future loans entered into in good faith by Grantee with third party lenders for the purpose of acquiring the Property and/or making repairs, improvements or expansion(s) of the school building, the facilities and the Property where such loans are secured by deeds of trust or mortgages duly recorded with the Office of the Salt Lake County Recorder.

IN WITNESS WHEREOF, Grantor and Grantee have caused this Special Warranty Deed to be duly executed as of the date first above written.

**GRANTOR:**

**BOARD OF EDUCATION OF GRANITE SCHOOL DISTRICT**

By: David F. Garrett  
David F. Garrett  
Its Business Administrator

By: Gayleen Gandy  
Gayleen Gandy  
Its Board President

STATE OF UTAH                    )  
  : ss.  
COUNTY OF SALT LAKE    )

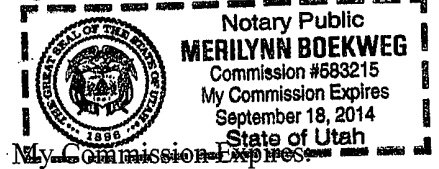
On the 16<sup>th</sup> day of July, 2014 personally appeared before me David F. Garrett who being by me duly sworn did say he is the Business Administrator of the Board of Education of Granite School District, and that the within and foregoing instrument was signed on behalf of the Board.



Merilyn Boekweg  
NOTARY PUBLIC  
Residing at: Sh

STATE OF UTAH                    )  
  : ss.  
COUNTY OF SALT LAKE    )


On the 16<sup>th</sup> day of July, 2014 personally appeared before me Gayleen Gandy, who being by me duly sworn did say she is the President of the Board of Education of Granite School District and that the within and foregoing instrument was signed on behalf of the Board.



Merilyn Boekweg  
NOTARY PUBLIC  
Residing at: Sh

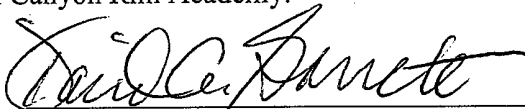
**GRANTEE:**

CANYON RIM ACADEMY, a Utah non-profit corporation

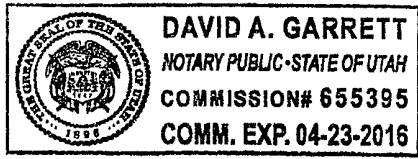
By:   
Erik A. Olson  
Board of Trustee President

STATE OF UTAH )  
: ss.  
COUNTY OF SALT LAKE )

On the 17<sup>th</sup> day of JULY, 2014, before me personally appeared Erik A. Olson, to me personally known, who being by me duly sworn did say that he is the Board of Trustee President of Canyon Rim Academy and that the within and foregoing instrument was sign on behalf of Canyon Rim Academy.

  
NOTARY PUBLIC  
Residing at: SALT LAKE CITY

My Commission Expires:  
4-23-2016



**EXHIBIT "A"**  
(to Special Warranty Deed)

Legal Description of Property

That certain real property located in Salt Lake County, Utah more particularly described as follows:

**Beginning at a point North 0°02'14" West 439 feet and South 89°59'45" East 25 feet from the Northwest corner of the Northeast quarter of the Southwest quarter of Section 26, Township 1 South, Range 1 East of the Salt Lake Base and Meridian, and running thence North 0°02'14" West 350 feet; thence South 89°59'45" East 845 feet; thence; thence South 0°02'14" East 420 feet; thence South 83°30' West 144.27 feet; thence North 59°00' West 167.66 feet; thence North 89°59'45" West 558 feet to the point of beginning.**

**EXHIBIT "B"**  
(to Special Warranty Deed)

1. (a) Taxes or assessments that are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the Public Records; (b) proceedings by a Public agency that may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the Public Records.
2. Any facts, rights, interests or claims that are not shown by the Public Records but that could be ascertained by an inspection of the Land or that may be asserted by persons in possession of the Land.
3. Easements, liens or encumbrances, of claims thereof, that are not shown by the Public Records.
4. Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land and not shown by the Public Records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b) or (c) are shown by the Public Records.
6. Any lien, or right to a lien, for services, labor or material heretofore or hereafter furnished, imposed by law and not shown by the Public Records.
7. Defects, liens, encumbrances, adverse claims or other matters, in any, created, first appearing in the Public Records or attaching subsequent to the effective date hereof but prior to the date the proposed Insured acquires of record for the value the estate or interest or mortgage thereon covered by this Commitment.

**8. Lien of Taxes, now accruing as a lien, but not yet due and payable**

**Year: 2014**

**Tax ID No.: 16-26-178-001**

**Prior year: 2013 Paid**

**Amount: Exempt**

**9. The land described herein is located within the boundaries of the Salt Lake City Suburban Sanitary District No. 1 and is subject to any assessments levied thereby. For current status call (801) 262-2904.**

**The land described herein is located within the boundaries of the Wasatch Front Waste & Recycling District and is subject to any assessments levied thereby. For current status call (385) 468-6325.**

**10. Easement, and the terms and conditions thereof:**

**Grantee: Utah Power & Light Company**

**Recorded: March 3, 1964**

**Entry No.: 1994655**

**Book/Page: 2181 / 206**

**Correction of Easement**

**Recorded: October 10, 2005**

**Entry No.: 9517875**

**Book / Page: 9200 / 8689**

**11. Easement, and the terms and conditions thereof:**

**Grantee: US West Communications, Inc., a Colorado corporation**

**Recorded: January 23, 1993**

**Entry No.: 5015013**

**Book/Page: 6284 / 1013**

**12. Subject to the rights of parties in possession of the subject property under unrecorded leases, rental or occupancy agreements and any claims thereunder.**

ND: 4821-0742-4025, v. 1