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7/18/2014 12:16:00 PM \$22.00  
Book - 10246 Pg - 4697-4703  
Gary W. Ott  
Recorder, Salt Lake County, UT  
PREFERRED TITLE & ESCROW INS.  
BY: eCASH, DEPUTY - EF 7 P.

WHEN RECORDED RETURN TO:

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

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

### OPTION TO PURCHASE AGREEMENT

THIS OPTION TO PURCHASE AGREEMENT (this "Agreement"), is made as of the 17<sup>th</sup> day of July, 2014 by and between the BOARD OF EDUCATION OF GRANITE SCHOOL DISTRICT ("Granite"), and CANYON RIM ACADEMY, a Utah non-profit corporation ("CRA"):

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

WHEREAS, CRA has agreed to (i) purchase the Property to be used by CRA 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 (ii) other covenants and conditions of the transfer from Granite to CRA; and

WHEREAS, CRA has agreed to grant Granite an option to repurchase the Property in the event that the Property is not used for a public charter school or such other public

school as may be provided for under Utah Law for grades between K-12 or in the event of some other breach of covenants and conditions set forth herein:

### AGREEMENT

NOW, THEREFORE, in consideration of the foregoing which is incorporated herein by reference, the mutual covenants contained below, one hundred dollars (\$100.00), and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties, intending to be legally bound, do hereby agree as follows.

1. Option.

1.1 Grant of Option to Purchase and Term. CRA hereby grants to Granite the exclusive Option to purchase the Property on the terms and conditions set forth below.

1.2 Term. The “Term” of this Option shall commence upon the execution of this Agreement and shall continue for a period of 100 years.

1.3 Conditions Precedent to Exercise. From the date of execution of this Agreement until it expires, it shall be a condition precedent to Granite’s exercise of the Option that CRA has breached and continues after ninety (90) days written notice from Granite to CRA, to be in breach of, one or more of the following covenants and conditions set forth in subparagraphs A – D that were an express condition of the initial transfer of the Property from Granite to CRA and that were included in the Special Warranty Deed whereby CRA obtained title to the Property. Those covenants and conditions are that:

A. CRA 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 school 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.

B. CRA 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, CRA 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.

C. CRA shall pay any real estate taxes or assessments on the Property when due. CRA shall also promptly pay when due any obligation or debt that is secured by or is a lien upon the Property; and

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

1.4 Exercise of Option. The Option shall be exercised by Granite providing written notice of the exercise of the Option and an appraisal of the current value of the Property, as defined below, within the Term.

2. Purchase Price. The purchase price for the Property shall be the current appraised value of the Property at the time Granite exercises the option. To establish the price Granite shall obtain an appraisal from 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 shall value the Property for use as a public charter school or its equivalent. If CRA disagrees with the appraised value it may obtain within thirty (30) days its own appraisal from an MAI Appraiser of its choosing based on the use of the Property as a public charter school or its equivalent. In the event that the two MAI Appraisers are unable to reach an agreement as to the appraised value of the Property, then the final purchase price shall be the average of the two appraisals.

3. Closing. Closing shall be within thirty (30) days following the later of Granite's exercise of the Option or the date upon which CRA obtains its own appraisal if it disagrees with Granite's appraisal provided that such date is no more than sixty (60) days from the date of Granite's exercise of the Option. Possession passes to Granite upon payment of the Purchase Price to CRA on the Closing. In the event there are monetary liens recorded against the Property at the time of Closing, the value of the liens shall be setoff against the payment due CRA and Granite may pay those liens directly.

4. Title. Granite agrees that this Option shall be subordinate to any and all present and future loans entered into in good faith by CRA with third party lenders for the purpose of acquiring the Property and making repairs, improvements or expansion(s) of the school building, the facilities and/or the Property where such loans are secured by deeds of trust or mortgages duly recorded with the Office of the Salt Lake County Recorder. No title insurance shall be provided by CRA at the Closing of Granite's exercise of the Option.

5. Costs and Prorations. Granite and CRA shall pay equally the cost of (a) recording the Deed; (b) any other recording fees; and (c) the expense of any escrow fees at the Closing. Granite shall pay the cost of any title insurance desired by Granite upon its exercise of the Option. Real property taxes and assessments shall be prorated to the date of Closing.

6. Miscellaneous.

6.1 Agreement and Modification. This Agreement together with the Purchase and Sale Agreement and Special Warranty Deed that conveyed the Property initially from Granite to CRA represent the full and complete agreement between the parties. This Option may only be modified or amended by a written instrument signed by all parties hereto.

6.2 Governing Law. This Agreement shall be governed by the laws of the State of Utah applicable to agreements that are executed, delivered and performed within the State of Utah and without regard to conflicts of law.

6.3 Successors. This Option shall be binding on any successor in interest to Granite or CRA.

6.4 Attorney Fees. In the event either party initiates or defends any legal action or proceeding in any way connected with this Option, the losing party in any such action or proceeding shall pay the prevailing party in any such action or proceeding its reasonable costs and attorney fees (including its reasonable costs and attorney fees on any appeal).

6.5 Further Assurances. Each of the parties hereto shall execute any deliver any and all additional papers, documents and other assurances , and shall do any and all acts and things reasonable necessary in connection with the performance of its obligations and to carry out the intent of the parties.

IN WITNESS WHEREOF, this Agreement is executed and delivered by the parties effective as of the Effective Date set forth above.

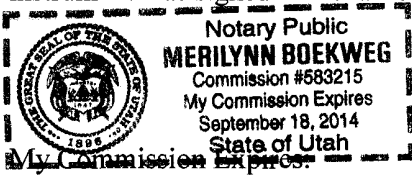
**BOARD OF EDUCATION OF GRANITE SCHOOL  
DISTRICT**


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.



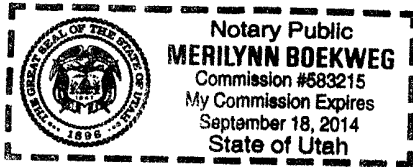
  
NOTARY PUBLIC  
Residing at: Sh

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.

  
NOTARY PUBLIC  
Residing at: Sh

My Commission Expires:



CANYON RIM ACADEMY, a Utah non-profit corporation

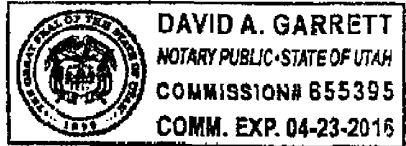
By: [Signature]  
Erik A. Olson  
Its Board of Trustees President

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 Trustees President of Canyon Rim Academy and that the within and foregoing instrument was sign on behalf of Canyon Rim Academy.

[Signature]  
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.**

4844-9037-9033, v. 1