COTTONWOOD HEIGHTS

RESOLUTION NO. 2012-67

A RESOLUTION APPROVING ENTRY INTO AN AMENDED INTERLOCAL LEASE AGREEMENT WITH CANYONS SCHOOL DISTRICT FOR MOUNTVIEW PARK

WHEREAS, the Interlocal Cooperation Act, UTAH CODE ANN. §11-13-101 *et. seq.* (the "*Interlocal Cooperation Act*"), provides that any two or more public agencies may enter into agreements with one another for joint or cooperative action following the adoption of an appropriate resolution by the governing body of each participating public agency; and

WHEREAS, the Board of Education of the Canyons School District ("*District*") and the city of Cottonwood Heights ("*City*") are public agencies for purposes of the Interlocal Cooperation Act; and

WHEREAS, District owns approximately 11.79 acres of ground located at or near 1651 East 7000 South, Cottonwood Heights, Salt Lake County, Utah (the "*Premises*"); and

WHEREAS, on or about 17 August 2011, District, as landlord, and City, as tenant, entered into an "Interlocal Lease Agreement (Mountview Park)" (the "*Original Lease*") whereby the Premises were leased to City on the terms and conditions specified in the Original Lease; and

WHEREAS, City and District now desire to amend the Original Lease to, *inter alia*, modify section 8(b) concerning water rights associated with the Premises; and

WHEREAS, City and District now have negotiated the terms and conditions of an amendment to the Original Lease (the "*Amendment*") to, *inter alia*, modify section 8(b) concerning water rights associated with the Premises; and

WHEREAS, City's municipal council (the "*Council*") met in regular session on 4 December 2012 to consider, among other things, approving City's entry into the Amendment; and

WHEREAS, the Council has reviewed the form of the Amendment, a photocopy of which is annexed hereto; and

WHEREAS, after careful consideration, the Council has determined that it is in the best interests of the health, safety and welfare of the citizens of the City to approve City's entry into the Amendment as proposed;

NOW, THEREFORE, BE IT RESOLVED by the city council of the city of Cottonwood Heights that the attached Amendment with District be, and hereby is, approved, and that City's mayor and recorder are authorized and directed to execute and deliver the Amendment on behalf of City following such amendments and modifications to the Amendment as City's mayor, in consultation with City's manager and attorney, may deem necessary or advisable.

This Resolution, assigned no. 2012-67, shall take effect immediately upon passage.

PASSED AND APPROVED this 4th day of December 2012.

COTTONWOOD HEIGHTS CITY COUNCIL

By _____
Kelvyn H. Cullimore, Jr., Mayor

COTTONWOOD HEIGHTS, UTAH 2005 CORPORATE SEAL

ATTEST:

_____
Linda W. Dunlavy, Recorder

VOTING:

Kelvyn H. Cullimore, Jr.	Yea ✓	Nay ___
Michael L. Shelton	Yea ✓	Nay ___
J. Scott Bracken	Yea ✓	Nay ___
Michael J. Peterson	Yea ✓	Nay ___
Tee W. Tyler	Yea ✓	Nay ___

DEPOSITED in the office of the City Recorder this 4th day of December 2012.

RECORDED this 5th day of December 2012.

588891.1

Amended Interlocal Lease Agreement
(Mountview Park)

THIS AMENDED INTERLOCAL LEASE AGREEMENT (this "*Lease*") is made effective as of the 4th day of December 2012, by and between the city of **COTTONWOOD HEIGHTS**, a municipal corporation of the state of Utah ("*Tenant*"), and **THE BOARD OF EDUCATION OF THE CANYONS SCHOOL DISTRICT**, a school district of the state of Utah ("*Landlord*"). Tenant and Landlord are each referred to herein as a "*Party*" and are collectively referred to herein as the "*Parties.*" This Lease amends and supersedes the "Interlocal Lease Agreement" entered into by these Parties on or about 17 August 2011, a copy of which is attached hereto as Exhibit "C".

RECITALS:

A. Landlord owns approximately 11.79 acres of ground located at or near 1651 East 7000 South, Cottonwood Heights, Salt Lake County, Utah (the "*Premises*"). The legal description of the ground included in the Premises is set forth on Exhibit "A" annexed hereto. As used herein, the term "*Premises*" also shall include all fixtures, access rights and other appurtenances to such realty.

B. The Premises is the site of the former Mountview Elementary School (the "*School*"). The School building and associated improvements have been, or are being, demolished and the Premises have been or will be cleared and readied for Tenant's occupancy, at Landlord's cost, as provided in section 4(b) below.

C. Although Tenant is interested in purchasing the Premises to use for a public park, playing fields, tennis courts and similar public recreation and open space purposes, Landlord currently desires to retain ownership of the Premises in the event that use of the Premises for future school or other District purposes becomes necessary.

D. To enable the Premises to be put to productive public use until such time, if any, as Landlord elects to again use the Premises for school or other District purposes or dispose of the Premises, Tenant desires to lease the Premises from Landlord, and Landlord desires to lease the Premises to Tenant, on the terms and conditions set forth in this Lease.

E. The Parties also desire to grant to each other certain options and other rights concerning possible future sale of the Premises by Landlord to Tenant.

F. Pursuant to the authority granted in the Interlocal Cooperation Act (UTAH CODE ANN. § 11-13-101, *et seq.*) (the "*Interlocal Cooperation Act*"), the Parties desire to enter into an "interlocal agreement" governing such lease of the Premises.

G. The Parties are "public agencies" for purposes of the Interlocal Cooperation Act, and, consequently, are authorized to enter into this Lease.

H. The Parties have determined that it is mutually advantageous to enter into this Lease.

AGREEMENT:

NOW, THEREFORE, in consideration of the foregoing recitals and in compliance with and pursuant to the terms hereof and the provisions of the Interlocal Cooperation Act, the Parties hereby agree as follows:

Section 1. **Lease of the Premises**. Landlord hereby leases to Tenant, and Tenant hereby leases from Landlord, the Premises.

Section 2. **Term; Termination**.

(a) *Lease Term*. The lease term (the "*Lease Term*") shall commence on the date that this Lease is fully executed and delivered (which the Parties anticipate will occur on or about 17 August 2011) (the "*Commencement Date*") and, except as provided below, shall terminate on 30 June 2031. Following that initial term (the "*Initial Term*") of twenty (20) Lease Years, the Lease Term shall be automatically extended for additional, successive periods of five (5) Lease Years each (each of which is a "*Successive Period*"). As used in this Lease, the term "*Lease Year*" means a one-year period running from July 1st (or, during the first Lease Year, running from the Commencement Date) to the following June 30th.

(b) *Termination*. This Lease shall remain in effect until such time as (i) Tenant purchases the Premises from Landlord, or (ii) the Parties mutually agree in writing to terminate this Lease, or (iii) either Party gives the other Party at least six (6) months' prior written notice of its intent to terminate this Lease effective as of the end of either the Initial Term or the then-current Successive Period, as applicable.

Section 3. **Rent**. Tenant shall pay to Landlord as rent (the "*Rent*") for the Premises the total amount of One Dollar ($1.00) per Lease Year, which shall be due and payable no later than each July 10th during the Lease Term. Landlord acknowledges receipt from Tenant of $100.00 in prepaid Rent. Any unused balance of such prepaid Rent shall be refunded to Tenant upon termination of this Lease.

Section 4. **Suitability; Condition**.

(a) *Suitability*. Tenant acknowledges that neither Landlord nor any agent of Landlord has made any representation or warranty with respect to the Premises as to their suitability for Tenant's purposes, nor has Landlord agreed to undertake any modification, alternation or improvements to the Premises except as specified in this Lease.

(b) *Condition*. Landlord promptly shall, at its cost, complete demolition of the School building and associated above- and below-ground footings, foundations and other improvements. In connection with that work, Landlord shall remove all associated debris, fill and compact resulting holes and depressions, identify and secure underground utility connections (sewer, water and natural gas, etc.), and leave the Premises in rough-graded or better condition. Subject to the foregoing, Tenant acknowledges that it has inspected the Premises, and accepts the Premises "AS-IS" with no representations or warranties, express or implied, not specified in this Lease.

Section 5. **Use**.

(a) *Permitted Use*. Tenant may use and occupy the Premises for park and related public recreation and open space purposes, such as, without limitation, playing fields, tennis courts, restrooms, child playground and splash pad, covered and/or uncovered picnic areas, pavilion, benches, trails, etc. Tenant may use the Premises for other lawful purposes only with Landlord's prior written consent, which shall not be withheld or delayed unreasonably. Tenant agrees to allow Landlord, its agents, employees and invitees preferential access to and use of the Premises during school hours. Tenant acknowledges that playing fields shall be a priority use for these Premises under this Lease.

(b) *Legal Requirements*. Tenant shall not use the Premises or permit anything to be done in or about Premises which will in any way conflict with any law, statute, ordinance or governmental rule or regulation or requirement of duly constituted public authorities now in force or which may hereafter be enacted, promulgated or created. Tenant shall, at Tenant's sole cost and expense, promptly comply with all laws, statutes, ordinances and governmental rules, regulations or requirements now in force or which may hereafter be in force and with the requirement of any board of fire underwriters or other similar body now or hereafter constituted relating to or affecting the use of the Premises.

(c) *Insurance Requirements*. Tenant shall not do or permit anything to be done in or about the Premises, nor bring or keep anything therein, which will cause a cancellation of any insurance policy covering the Premises.

(d) *Waste*. Tenant shall not cause, maintain or permit any nuisance or waste in, on or about the Premises.

Section 6. **Modifications and Improvements**. Tenant may, at its cost, improve the Premises to accommodate its use for a public park, playing fields and related public recreation and/or open space purposes. Any such building(s), improvement(s) or modification(s) to the Premises is/are solely for the benefit of the Tenant, and Tenant acknowledges that it is not acting as an agent of the Landlord and the work is not being done for the benefit of Landlord. Tenant will be solely responsible for any and all such work, improvements, additions, alterations or modifications (collectively, "*Improvements*") to the Premises, indemnifying Landlord and holding it free and harmless therefrom.

(a) *Procedures*. Tenant shall comply with the following provisions in connection with any Improvements to the Premises:

(i) Plans and Specifications. If Tenant desires to undertake the construction (the "*Construction*") of Improvements to the Premises, Tenant shall inform Landlord in writing of Tenant's intentions not later than fifteen (15) days before the construction is to commence and shall obtain Landlord's written consent to such improvements prior to commencing the construction of such improvements, which consent shall not be unreasonably withheld, conditioned or delayed. Such notification shall be accompanied by reasonably detailed plans and specifications (the "*Plans and Specifications*") in sufficient detail to allow Landlord to evaluate the proposed changes to the Premises to be effected by such construction. Landlord shall have the right to require such reasonable modifications and changes to the Plans and Specifications as Landlord reasonably shall deem necessary.

(ii) Governmental Approvals. Tenant shall, at its sole expense, obtain all necessary governmental approvals, including any conditional use and building permits, in

connection with any Construction by Tenant on the Premises.

(iii) Construction. All Construction undertaken by or on behalf of Tenant on the Premises shall be performed in a good, workmanlike manner by qualified workmen and in conformance with all applicable building, health, and safety codes. Tenant shall timely pay all costs of its Improvements and shall indemnify Landlord against any claim relating to Tenant's Construction.

(iv) Mechanic's Liens. Tenant will have no right to pledge or lien the Premises and shall maintain the Premises free of all mechanics', materialmen's or other liens relating in any way to Construction carried on by or on behalf of Tenant on the Premises. Tenant is solely responsible for all costs of its Improvements to the Premises, and is not operating as Landlord's agent nor with Landlord's authorization to incur any obligation. Landlord shall be entitled, but not obligated, to defend against or satisfy any such liens against the Premises and to charge Tenant the amount expended by Landlord, including reasonable attorneys fees, plus interest thereon at twelve percent (12%) per annum if Tenant fails to either (A) fully satisfy any such liens itself promptly upon Landlord's request; or (B) diligently contest such liens through available legal process and contemporaneously provide adequate assurance to Landlord (through bonding or otherwise) that Landlord's interests in the Property will not be at risk as a result of such proceedings.

(v) Ownership of Improvements. Tenant shall be entitled to remove or salvage any of the Improvement on the Premises upon termination of this Lease. Tenant shall repair any damage to the Premises occurring by reason of such removal and shall not leave the Premises in an unsafe condition. Upon termination of this Lease, at Landlord's discretion, Landlord may require Tenant to remove any structures constructed by Tenant on the Premises. Any and all remaining Improvements to the Premises thereafter shall become Landlord's property.

(b) *Fixtures and Personalty*. Tenant shall be entitled to use and keep on the Premises any fixtures, personal property and equipment necessary and appropriate for Tenant's permitted use of the Premises.

(c) *Signage*. Tenant shall be entitled to erect such signage on the Premises as shall be permissible under applicable laws, rules and ordinances.

Section 7. **Maintenance, Damage and Repairs**. Throughout the Lease Term, Tenant shall, at its cost, repair and maintain the Premises in such good, usable condition as Tenant reasonably shall deem appropriate.

Section 8. **Utilities; Water Rights**.

(a) *Utilities*. Throughout the Lease Term, Tenant timely shall pay all utility costs (including, without limitation, water, electricity, natural gas, telephone/internet, sanitary sewer and storm drainage) arising from Tenant's use and occupancy of the Premises.

(b) *Water Rights*. Notwithstanding anything in this Lease to the contrary, Landlord shall provide to Tenant a total of eighteen (18) of the water shares (also sometimes called "billing units") in the Brown Sanford System of the Salt Lake Public Utilities water system (collectively, the "*Water Rights*") that historically have been used in connection with the

Premises, for no additional payment or consideration to the Landlord, to be used in connection with the Tenant's use and operation of the Premises throughout the Lease Term. If ownership of the Water Rights must be transferred to Tenant to allow such use to continue on the same basis as heretofore, or to facilitate billing for water used during the Lease Term, then Landlord promptly shall convey the Water Rights to Tenant for that purpose; provided, however, that Tenant shall re-convey those Water Rights to Landlord promptly upon termination of this Lease, free of all liens and encumbrances arising by, through or under Tenant. Tenant shall pay and/or reimburse Landlord for all costs, including reasonable attorneys' fees, relating to any conveyance, re-conveyance and/or any preservation of such Water Rights.

Section 9. **Taxes**. Tenant timely shall pay any and all real property taxes and assessments against the Premises during the Lease Term.

Section 10. **Insurance**.

(a) *Liability Insurance*. Throughout the Lease Term, Tenant shall, at Tenant's cost, maintain in full force and effect for the mutual benefit of Landlord and Tenant, a comprehensive commercial general liability insurance policy or policies (herein collectively referred to as the "*Liability Policy*") against premises liability or other claims for damage or injury to persons or property arising from the property, or out of Tenant's use or occupancy of the Premises. The Liability Policy shall be maintained on the minimum basis of One Million Dollars ($1,000,000.00) combined single limit for bodily injury and property damage. The insurance coverage to be afforded by the Liability Policy may, at Tenant's option, be provided under a "blanket" liability policy covering Tenant or more of Tenant's other locations.

(b) *Form of Liability Policy*. The Liability Policy shall be with the Utah Local Governments Trust or other companies reasonably satisfactory to Landlord, and on forms and with loss payable clauses reasonably satisfactory to Landlord naming Landlord and any others reasonably designated by Landlord as additional insureds. Such policy shall be written as a primary policy, not contributing with and not in excess of coverage which Landlord may carry. No such policy shall be cancelable (or coverage reduced) except after twenty (20) days written notice to Landlord. A copy of the Liability Policy or a certificate evidencing the existence and amounts of such insurance shall be delivered to Landlord by Tenant within fifteen (15) days after Landlord's request.

(c) *Casualty Insurance*. Throughout the Lease Term, Tenant may maintain in effect such policy or policies (hereinafter collectively referred to as the "*Casualty Policy*") of casualty insurance coverage on the Premises and the Improvements as Tenant deems appropriate in Tenant's sole discretion. Tenant shall pay all costs associated with the Casualty Policy and shall be entitled to all proceeds thereof.

(d) *Waiver of Subrogation*. To the extent permitted under the subject policies of insurance, Landlord and Tenant each hereby waive any and all right of recovery against the other or against the officers, employees, agents and representatives of the other, on account of loss or damage occasioned to such waiving party or its property or the property of others under its control to the extent that such loss or damage is insured against under any fire and extended coverage insurance policy which either may have in force at the time of such loss or damage.

Section 11. **Inspection**. Upon reasonable notice and at reasonable times during the Lease Term, Landlord shall have the right to inspect the Premises. In an emergency, Landlord shall have the right of immediate entry to the Premises.

Section 12. **Assignment and Sublease**. Tenant freely may assign this Lease, or sublease all or part of the Premises, or license use or management of all or part of the Premises, to Cottonwood Heights Parks and Recreation Service Area, Salt Lake County, any successor to Tenant as the local governmental entity with jurisdiction over the Premises, and/or any interlocal agency or body formed by interlocal agreement between or among any or all of the foregoing. Tenant also freely may sublease all or part of the Premises to any other public entities, upon written notice to Landlord. No such assignment or sublease shall excuse the original Tenant from its obligation to assure full and timely payment and performance of all of Tenant's obligations hereunder.

Section 13. **Hold Harmless; Indemnity**.

(a) *Hold Harmless*. Landlord shall not be liable for any injury to person or property incurred by Tenant or its invitees, licensees or the like on the Premises.

(b) *Indemnity*. The Parties are governmental entities under the "Governmental Immunity Act of Utah" (UTAH CODE ANN. § 63G-7-101, *et seq.*) (the "*Immunity Act*"). Consistent with the terms of the Immunity Act, and as provided herein, it is mutually agreed that each of the Parties is responsible and liable for its own wrongful or negligent acts which are committed by it or by its agents, officials, or employees. No Party waives any defenses otherwise available under the Immunity Act nor does any Party waive any limits of liability currently provided by the Immunity Act. Each Party shall defend, indemnify, save and hold harmless each of the other Parties (including its elected and appointed officers, employees and agents) from and against any and all demands, liabilities, claims, damages, actions, or proceedings, in law or equity, including reasonable attorney's fees and costs of suit, relating to or arising from the indemnitor's performance, or failure to perform, its duties under this Lease.

Subject to the foregoing, Tenant shall indemnify and hold Landlord harmless from any and all claims, actions, or damages (including attorneys' fees and costs incurred in connection with the same) arising out of Tenant's use and occupancy of the Premises.

Section 14. **Liens**. Tenant shall maintain the Premises free of all liens arising by, through or under Tenant or otherwise attributable to Tenant's use and occupancy of the Premises.

Section 15. **Hazardous Substances**.

(a) *No Pre-Existing Hazardous Substances*. To the best of Landlord's actual knowledge without due diligence, there has been no disposal, release or threatened release of Hazardous Substances (defined below) on, from or under the Premises prior to the date of this Lease. Landlord shall indemnify and hold harmless Tenant and its officers, employees, representatives, agents and assigns from and against any and all claims, damages, actions, losses and expenses, and will assume Tenant's defense, resulting from the material inaccuracy of the foregoing representation. Tenant may, but shall not be obligated to, obtain at its cost a "Phase I" environmental audit of the Premises as of the Commencement Date to verify the environmental status of the Premises as of that date. The provisions of this Section 15(a) shall survive the expiration or other termination of this Lease.

(b) *Tenant's Environmental Compliance*. Throughout the Lease Term, Tenant shall (i) at all times comply with, or cause to be complied with, any Environmental Law (defined below) governing the Premises or the use thereof by Tenant or any of Tenant's employees, agents, contractors, invitees, licensees, customers, or clients; and (ii) not use, store, generate, treat, transport or dispose of, or permit any of Tenant's employees, agents, contractors, invitees, licensees, customers or clients to use, store, generate, any Hazardous Substance on the Premises without first obtaining Landlord's written approval, except that Tenant may maintain on the Premises such Hazardous Substances as may be commercially reasonable in connection with Tenant's permitted use of the Premises (all of the foregoing obligations of Tenant under this Section 15(b) are hereinafter collectively referred to as "*Tenant's Environmental Obligations*"). Tenant shall have absolutely no obligation with respect to any environmental contamination of the Premises that pre-dated Tenant's occupancy of the Premises, including, without limitation, any obligation to clean up or remediate any such pre-existing environmental contamination.

(c) *Tenant's Indemnification*. Tenant shall indemnify, defend and hold Landlord harmless from and against any and all claims, actions, damages, penalties, fines, liabilities and expenses, including reasonable attorney's fees, which are directly or indirectly, in whole or part, caused by or arise out of Tenant's Environmental Obligations. Tenant shall promptly deliver to Landlord true and complete copies of any and all notices or correspondences or requests from any governmental authority or third parties relating to the presence, release, use, storage, treatment, transportation or disposal of Hazardous Substances affecting or relating to the Premises in any way. Tenant shall permit Landlord and Landlord's agents to enter into and upon the Premises, without notice, at all reasonable times for the purpose of inspecting the Premises and verifying Tenant's compliance with these covenants. The provisions of this Section 15(c) shall survive the expiration or other termination of this Lease.

(d) *Definitions*. For purposes of this Lease, the following terms shall have the meanings specified below:

(i) "*Hazardous Substances*" means (A) any "hazardous waste," "hazardous substance," and any other hazardous radioactive, reactive, flammable, infectious, solid wastes, toxic or dangerous substances materials, or related materials, as defined in, regulated by, or which form the basis of liability now or hereafter under any Environmental Law; (B) asbestos; (C) polychlorinated biphenyls (PCBs); (D) petroleum products or materials; (E) underground storage tanks, whether empty or filled or partially filled with any substance; (F) flammable explosives (provided, however, that Tenant may use the Premises for occasional displays of fireworks in connection with recognized holidays or other special events); (G) any substance of which on the Premises is or becomes prohibited by Environmental Law; (H) urea formaldehyde foam insulation; or (I) any substance which under Environmental Law requires special handling or notification in its use, collection, storage, treatment or disposal.

(ii) "*Environmental Law*" means any federal, state, or local law, regulation, ordinance or order, whether currently existing or hereafter enacted, concerning the environmental state, condition or quality of the Premises or use, generation, transport, treatment, removal, or recovery of Hazardous Substances, including building materials, and specifically including, but not limited to, the following (A) the Solid Waste Disposal Act as amended by Resource Conservation and Recovery Act of 1976 (42 U.S.C. Section 6901, et seq.), as amended, and all regulations promulgated thereunder; (B) the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (42 U.S.C. Section 9610, et seq.), as amended, and all

regulations promulgated thereunder; (C) the Hazardous Materials Transportation Act (49 U.S.C. Section 1801, et seq.), as amended, and all regulations promulgated thereunder; (D) the Toxic Substance Control Act (15 U.S.C. Section 2610, et seq.), as amended, and all regulations promulgated thereunder; (E) the Clean Air Act (42 U.S.C. Section 7401, et seq.), as amended, and all regulations promulgated thereunder; (F) the Federal Water Pollution Control Act (33 U.S.C. Section 1251, et seq.), as amended, and all regulations promulgated thereunder; and (G) the Occupational Safety and Health Act (29 U.S.C. Section 651, et seq.), as amended, and all regulations promulgated thereunder.

(iii) "*Disposal,*" "*release,*" and "*threatened release*" shall mean and include any disposal, discharge or release, or threatened release, or any defined as such in (or for the purposes of) the Environmental Laws.

Section 16. **Quiet Enjoyment**. So long as Tenant keeps and performs all of its obligations under this Lease, Tenant shall have quiet enjoyment and possession of the Premises during the Lease Term, free from any claims by Landlord or any person claiming by, through or under Landlord.

Section 17. **Conflict Resolution**. In the event of a dispute between the Parties regarding this Lease, the Parties agree (without limiting any and all other legal and equitable remedies) that representatives of each of the Parties will meet as soon as practical to discuss and attempt to resolve the dispute. If the Parties do not agree, then the dispute shall be resolved pursuant to Section 21 below.

Section 18. **Additional Interlocal Act Issues**.

(a) *No Separate Entity*. This Lease does not create a separate legal/interlocal entity.

(b) *Joint Board*. As required by UTAH CODE ANN. § 11-13-207, the parties agree that the cooperative undertaking under this Lease shall be administered by a joint board consisting of each Party's manager or designee. Any real or personal property used in the parties' cooperative undertaking herein shall be acquired, held, and disposed of as determined by such joint board consistent with the terms of this Lease.

(c) *Financing Joint Cooperative Undertaking and Establishing Budget*. There is no financing of joint or cooperative undertaking and no budget shall be established or maintained.

Section 19. **Option Rights**.

(a) *Landlord's "Put" Option*. Tenant hereby grants to Landlord the right and option ("*Landlord's Put Option*") to require Tenant to purchase the Premises (including the Water Rights) from Landlord as follows:

(i) Option Term. Landlord's Put Option shall be exercisable by Landlord at any time beginning on the tenth anniversary of the Commencement Date and continuing thereafter for the balance of the Lease Term. Landlord must exercise Landlord's Put Option by written notice to Tenant at any time during the term of such option, which notice shall contain the proposed date, time and location of the closing of Tenant's acquisition of the Premises.

(ii) Purchase Price. The purchase price for the Premises shall be the average of two MAI appraisals of the then-fair market value of the Premises if the Premises were re-zoned to the predominant zone in the surrounding area. Each of the Parties shall obtain, at its cost, one of such appraisals from an MAI appraiser reasonably selected by it. If, however, the two appraisals vary by more than 10%, then the purchase price for the Premises shall be determined by a third MAI appraisal conducted by an appraiser mutually selected by the two original appraisers, which third appraisal shall be binding on the parties without regard to the prior two appraisals. The cost of any such third appraisal shall be equally shared by the Parties. All such appraisals shall exclude the value of the Improvements from the appraised fair market value of the Property, but shall be augmented to include the value of the Water Rights.

(iii) Closing. Absent Tenant's written consent, the date of closing of Tenant's purchase shall be between eighteen (18) and twenty-four (24) months after the date of Landlord's exercise of Landlord's Put Option. The actual time, place and location (in Salt Lake County, Utah) of such closing otherwise shall be as reasonably specified by Tenant. Tenant's acquisition of the Premises pursuant to the exercise of Landlord's Put Option also shall be subject to the terms and conditions set forth in Subsection 19(c), below.

(b) *Tenant's Purchase Options*. Landlord hereby grants to Tenant the rights and options (each, "*Tenant's Purchase Option*") to purchase the Premises (including the Water Rights) from Landlord as follows:

(i) Tenant's Purchase Option Upon Surplusing of Premises.

(A) Option Term. Tenant's Purchase Option shall be exercisable by Tenant at any time that the Premises (or part thereof) are declared surplus property by Landlord or otherwise offered for sale, exchange or other conveyance to any third party (collectively, "*surplusing*"). Landlord promptly shall notify Tenant in writing of the occurrence of any such surplusing. Tenant may exercise Tenant's Purchase Option at any time within ninety (90) days after receipt of written notice of such surplusing from Landlord. Tenant must exercise Tenant's Purchase Option by written notice to Landlord at any time during the term of such option, which notice shall contain the proposed date, time and location of the closing of Tenant's acquisition of the Premises.

(B) Purchase Price. The purchase price for the Premises (including the Water Rights) shall be as provided in Subsection 19(a)(ii), above.

(C) Closing. The date of closing of Tenant's purchase shall be between eighteen (18) and twenty-four (24) months after the date of Landlord's exercise of Tenant's Purchase Option. The actual time, place and location (in Salt Lake County, Utah) of such closing otherwise shall be as reasonably specified by Tenant. Tenant's acquisition of the Premises pursuant to the exercise of Tenant's Purchase Option also shall be subject to the terms and conditions set forth in Subsection 19(c), below.

(c) *Closing Procedure*. The procedure to be followed by the Parties in connection with any closing under this Section 19 is as follows:

(i) Escrow Deposits. All documents to be recorded and necessary funds shall be delivered to a mutually-agreeable title company (the "*Title Company*"), as escrow agent, to hold, deliver, record and disburse in accordance with escrow instructions, the form of

which shall be agreed to by the attorneys for the Parties prior to closing, the content of which shall be consistent with the terms of this Agreement.

(ii) Escrow Disbursements. At the closing or sooner as otherwise stated in the escrow instructions, the following shall occur:

(A) *Landlord Deliveries*. Landlord shall deliver or cause to be delivered in accordance with the escrow instructions:

(1) A recordable Special Warranty Deed conveying the Premises to Tenant, duly executed and acknowledged by Landlord, and subject only to such title exceptions as Tenant may affirmatively accept in writing as "Permitted Exceptions" hereunder (provided, however, that "Permitted Exceptions" shall include items 1-22 on Schedule B-2 of Exhibit "B" annexed hereto, but shall exclude any mortgages, trust deeds, mechanics liens or other financial encumbrances on the Premises not arising by, through or under Tenant);

(2) A bill of sale, stock power or other instrument reasonably designated by Tenant to convey the Water Rights from Landlord to Tenant, free and clear of all liens and encumbrances not arising by, through or under Tenant;

(3) A standard form title policy (the "*Title Policy*") in the amount of the applicable purchase price, subject only to the Permitted Exceptions;

(4) FIRPTA Affidavit of Landlord, if necessary;

(5) 1099 information statement, if necessary; and

(6) All other documents necessary or reasonably requested by Tenant or the Title Company to be executed and delivered by Landlord pursuant to the terms of this Agreement or applicable law.

(B) *Tenant Deliveries*. Tenant shall deliver or cause to be delivered in accordance with the escrow instructions:

(1) The applicable purchase price in immediately available funds;

(2) All other documents necessary or reasonably requested by Landlord or the Title Company to be executed and delivered by Tenant pursuant to the terms of this Agreement.

(iii) Closing Statement. Tenant and Landlord shall each deliver to the other two (2) executed copies of a closing memorandum or settlement statement setting forth all prorations, adjustments and disbursements of the purchase price and expenses of the closing.

(iv) Closing Costs. Tenant and Landlord shall share equally any closing or escrow charges (excluding any money lender's escrow, which shall be paid by Tenant) of the Title Company. The Parties also shall equally share the cost of the Title Policy. Each Party shall pay its own attorneys' fees and legal expenses.

(v) Customs. All other aspects of closing shall conform to typical procedures and customs for similar real estate transactions in Salt Lake County, UT.

Section 20. **Notices**. Any notice required or permitted to be given hereunder shall be deemed sufficient if given by a communication in writing and shall be deemed to have been received (a) upon personal delivery or actual receipt thereof, or (b) within two (2) business days after such notice is deposited in the United States Mail, postage prepaid, and certified and addressed to the parties as set forth below.

Tenant:	COTTONWOOD HEIGHTS Attn. Liane Stillman, City Manager 1265 East Fort Union Blvd., Suite 250 Cottonwood Heights, UT 84047
With a copy to:	Wm. Shane Topham CALLISTER NEBEKER & MCCULLOUGH 10 East South Temple, 9th Floor Salt Lake City, UT 84133
Landlord:	CANYONS SCHOOL DISTRICT Attn. Keith Bradford, Business Administrator 9150 South 500 West Sandy, UT 84070
With a copy to:	Daniel R. Harper BURBIDGE & WHITE 15 West South Temple, #950 Salt Lake City, UT 84101

Section 21. **Claims and Disputes**. Claims, disputes and other issues between the Parties arising out of or related to this Lease shall be decided by litigation in the Third Judicial District Court of Salt Lake County, Utah. Unless otherwise terminated pursuant to the provisions hereof or otherwise agreed in writing, each of the Parties shall continue to perform its obligations hereunder during the pendency of such dispute.

Section 22. **Titles and Captions**. All section or subsection titles or captions herein are for convenience only. Such titles and captions shall not be deemed part of this Lease and shall in no way define, limit, augment, extend or describe the scope, content or intent of any part or parts hereof.

Section 23. **Pronouns and Plurals**. Whenever the context may require, any pronoun used herein shall include the corresponding masculine, feminine or neuter forms, and the singular form of nouns, pronouns and verbs shall include the plurals and vice versa.

Section 24. **Interpretation**. This Lease shall be interpreted, construed and enforced according to the substantive laws of the state of Utah.

Section 25. **Integration**. This Lease constitutes the entire agreement between the parties pertaining to the subject matter hereof, and supersedes all prior agreements and understandings concerning the subject matter of this Lease.

Section 26. **Time**. Time is the essence of this Lease.

Section 27. **Survival**. All agreements, covenants, representations and warranties contained herein shall survive the execution of this Lease and shall continue in full force and effect throughout the term of this Lease.

Section 28. **Waiver**. No failure by any party to insist upon the strict performance of any covenant, duty, agreement or condition of this Lease or to exercise any right or remedy consequent upon a breach thereof shall constitute a waiver of any such breach or of such or any other covenant, agreement, term or condition. Any party may, by notice delivered in the manner provided in this Lease, waive any of its rights or any conditions to its obligations hereunder, or any duty, obligation or covenant of any other party. No waiver shall affect or alter the remainder of this Lease but each and every other covenant, agreement, term and condition hereof shall continue in full force and effect with respect to any other then existing or subsequently occurring breach.

Section 29. **Cumulative Remedies**. The rights and remedies of the parties hereto shall be construed cumulatively, and none of such rights and remedies shall be exclusive of, or in lieu or limitation of any other right, remedy or priority allowed by law.

Section 30. **Severability**. If any condition, covenant or other provision hereof is held to be invalid or void, the same shall be deemed severable from the remainder of this Lease and shall in no way affect any other covenant or condition herein contained. If such condition, covenant or other provision shall be deemed invalid due to its scope or breadth, such provision shall be deemed valid to the extent of the scope or breadth permitted by law.

Section 31. **Litigation Expenses**. If any action, suit or proceeding is brought by a party concerning this Lease, all costs and expenses of the prevailing party incident to such proceeding, including reasonable attorneys' fees, shall be paid by the non-prevailing party.

Section 32. **Counterparts**. This Lease may be signed in any number of counterparts with the same effect as if the signatures upon any counterpart were upon the same instrument. All signed counterparts shall be deemed to be one original.

Section 33. **No Brokers**. Each of the parties certifies and warrants to the other that no fees or charges payable to any real estate broker, agent or other finder have been incurred in connection with the transactions contemplated by this Lease. Each party shall indemnify the other from any damages, claims or proceedings based on the actual or asserted untruthfulness of such certification and warranty.

Section 34. **Amendment**. This Lease may not be modified except by an instrument in writing signed by the parties hereto.

Section 35. **Approval by Attorneys**. This Lease shall be submitted to the authorized attorneys for each of the Parties for approval in accordance with UTAH CODE ANN. § 11-13-202.5.

Section 36. **Recorded Notice**. Either party may record a copy of this Lease in the official records of the Recorder of Salt Lake County, Utah.

DATED as of the Commencement Date.

TENANT:

ATTEST:

COTTONWOOD HEIGHTS

_____
Linda W. Dunlavy, City Recorder
Date signed: _____

By: _____
Kelvyn H. Cullimore, Jr., Mayor
Date signed: _____

APPROVED IN ACCORDANCE WITH UTAH CODE ANN. § 11-13-202.5:

By:_____
Wm. Shane Topham, City Attorney
Date Signed:_____

LANDLORD:

ATTEST:

BOARD OF EDUCATION OF THE CANYONS SCHOOL DISTRICT

_____
Keith Bradford, Business Administrator
Date signed: _____

By: _____
Tracy S. Cowdell, President
Date signed: _____

APPROVED IN ACCORDANCE WITH UTAH CODE ANN. § 11-13-202.5:

By:_____
Daniel R. Harper, Attorney for CSD
Date Signed:_____

588636.1

Exhibit "A" to
Amended Interlocal Lease Agreement

(Attach Legal Description of Premises)

SCHEDULE A

Order No. 50932 Commitment No. 50932

LEGAL DESCRIPTION CONTINUED

PARCEL 1:
Beginning at the intersection of the Jordan River with the Northerly boundary of Midvale City; thence Easterly along the Northerly boundary of Midvale City to the Westerly boundary of the City of Cottonwood Heights; thence Easterly along the Northerly boundary of said Cottonwood Heights to a Northeasterly corner thereof, said point also being the center of Section 24, Township 2 South, Range 1 East, Salt Lake Base and Meridian, thence departing from the Cottonwood Heights boundary and running Northerly and Easterly to and along the ridgeline which defines the Northerly limits of the drainage into Big Cottonwood Canyon, to intersect the Easterly boundary of Salt Lake County; thence along said Salt Lake County boundary Southeasterly, Southerly and Southwesterly to intersect the Draper City boundary; thence passing through Draper City Southwesterly along the Salt Lake County boundary to the Easterly boundary of Bluffdale City, thence along said Bluffdale City boundary, Northerly and Westerly to its intersection with the Jordan River; thence Northerly along the Jordan river to intersect the Southerly boundary of South Jordan City; thence along said South Jordan City boundary, Easterly, Northerly and Westerly to its intersection with the Jordan River; thence Northerly along the Jordan river to the Northerly boundary of Midvale City and the point of beginning.

LESS AND EXCEPTING any portion lying within the bounds of the EAST JORDAN CANAL.

(PARCEL 2)
Lot 1, GREENFIELD VILLAGE PLAT F, according to the official plat thereof, filed in Book "T" of Plats, at Page 83 of the Official Records of the Salt Lake County Recorder.

+++

Exhibit "B" to
Amended Interlocal Lease Agreement

(Attach Schedule B-2 of Current Commitment for
Owner's Policy of Title Insurance on the Premises)

ALTA Commitment Form

COMMITMENT FOR TITLE INSURANCE

Issued by

First American Title Insurance Company

First American Title Insurance Company, a CA corporation ("Company"), for a valuable consideration, commits to issue its policy or policies of title insurance, as identified in Schedule A, in favor of the Proposed Insured named in Schedule A, as owner or mortgagee of the estate or interest in the land described or referred to in Schedule A, upon payment of the premiums and charges and compliance with the Requirements; all subject to the provisions of Schedules A and B and to the Conditions of this Commitment.

This Commitment shall be effective only when the identity of the Proposed Insured and the amount of the policy or policies committed for have been inserted in Schedule A by the Company.

All liability and obligation under this Commitment shall cease and terminate 90 days after the Effective Date or when the policy or policies committed for shall issue, whichever first occurs, provided that the failure to issue the policy or policies is not the fault of the Company.

The Company will provide a sample of the policy form upon request.

IN WITNESS WHEREOF, First American Title Insurance Company has caused its corporate name and seal to be affixed by its duly authorized officers on the date shown in Schedule A.

First American Title Insurance Company

BY PRESIDENT

ATTEST SECRETARY

FIRST AMERICAN TITLE INSURANCE COMPANY INCORPORATED SEPTEMBER 24, 1958 CALIFORNIA

By:
Authorized Signatory

LANDMARK TITLE COMPANY
Plaza 7 • 21
675 East 2100 South Suite 200
Salt Lake City, Utah 84106
Phone 801-467-4111 Fax 801-467-4189
landmarktitleutah.com

COMMITMENT SCHEDULE A

Order No. 50932 Commitment No. 50932

1. Effective Date: July 14, 2011 at 6:59 a.m.

2. Policy or Policies to be issued:

	AMOUNT	PREMIUM
A. ALTA OWNER'S POLICY [6-17-06 Form] Proposed Insured: TO BE DETERMINED	$ TO BE DETERMINED	$ TO BE DETERMINED
B. ALTA LOAN POLICY [6-17-06 Form] Proposed Insured:	$	$
C.		

3. The estate or interest in the land described or referred to in this Commitment and covered herein is: FEE SIMPLE

4. Title to said estate or interest in said land is at the effective date hereof vested in:

BOARD OF EDUCATION OF CANYONS SCHOOL DISTRICT, a body corporate and politic of the State of Utah

5. The land referred to in this Commitment is described as follows: situated in SALT LAKE County, State of Utah, to-wit:

(SEE LEGAL DESCRIPTION CONTINUED ATTACHED HERETO AND MADE A PART HEREOF)
(Continued)

INQUIRIES SHOULD BE DIRECTED TO:
Jeff Jensen - Escrow Officer 801-467-4111
Scott Green - Title Officer (801)467-4111

FIRST AMERICAN TITLE INSURANCE COMPANY
issued by LANDMARK TITLE COMPANY, AGENT

SCHEDULE A

Order No. 50932 Commitment No. 50932

LEGAL DESCRIPTION CONTINUED

PARCEL 1:
Beginning at the intersection of the Jordan River with the Northerly boundary of Midvale City; thence Easterly along the Northerly boundary of Midvale City to the Westerly boundary of the City of Cottonwood Heights; thence Easterly along the Northerly boundary of said Cottonwood Heights to a Northeasterly corner thereof, said point also being the center of Section 24, Township 2 South, Range 1 East, Salt Lake Base and Meridian, thence departing from the Cottonwood Heights boundary and running Northerly and Easterly to and along the ridgeline which defines the Northerly limits of the drainage into Big Cottonwood Canyon, to intersect the Easterly boundary of Salt Lake County; thence along said Salt Lake County boundary Southeasterly, Southerly and Southwesterly to intersect the Draper City boundary; thence passing through Draper City Southwesterly along the Salt Lake County boundary to the Easterly boundary of Bluffdale City, thence along said Bluffdale City boundary, Northerly and Westerly to its intersection with the Jordan River; thence Northerly along the Jordan river to intersect the Southerly boundary of South Jordan City; thence along said South Jordan City boundary, Easterly, Northerly and Westerly to its intersection with the Jordan River; thence Northerly along the Jordan river to the Northerly boundary of Midvale City and the point of beginning.

LESS AND EXCEPTING any portion lying within the bounds of the EAST JORDAN CANAL.

(PARCEL 2)
Lot 1, GREENFIELD VILLAGE PLAT F, according to the official plat thereof, filed in Book "T" of Plats, at Page 83 of the Official Records of the Salt Lake County Recorder.

+++

SCHEDULE B - SECTION 1

REQUIREMENTS

The following requirements must be met:

(a) Pay the agreed amounts for the interest in the land and/or the mortgage to be insured.
(b) Pay us the premiums, fees and charges for the policy.
(c) Documents satisfactory to us creating the interest in the land and/or the mortgage to be insured must be signed, delivered and recorded.
(d) You must tell us in writing the name of anyone not referred to in this Commitment who will get an interest in the land or who will make a loan on the land. We may then make additional requirements or exceptions.
(e) Release(s) or Reconveyance(s) of item(s) **(See Schedule B - Section 2).**
(f) Other

(1) Any additional documentation requested by LANDMARK TITLE COMPANY and/or its underwriter.

(2) Submit evidence that BOARD OF EDUCATION OF CANYONS SCHOOL DISTRICT, a body corporate and politic of the State of Utah is a properly created entity capable of holding title to real property under the laws of the State of Utah, together with evidence of the authority of any person or persons executing documents on behalf of said entity.

(Continued)

(g) You may be requested to give us the following information:

1. Any off record leases, surveys, etc.
2. Statement(s) of identity, all parties.
3. Other

(a) Any additional documentation or information requested by LANDMARK TITLE COMPANY and/or its underwriter.

+++

The Salt Lake County Assessor's Office shows the address of said property to be:

1651 EAST FORT UNION BOULEVARD - SALT LAKE CITY, UTAH 84121

+++

NOTE: Judgments have been searched in the name of BOARD OF EDUCATION OF CANYONS SCHOOL DISTRICT, a body corporate and politic of the State of Utah, and those not satisfied of record (IF ANY) which, in the opinion of the Company would constitute liens against the subject property, are set forth in Schedule B-Section 2 herein.

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SCHEDULE B-SECTION 1 CONTINUED

Order No. 50932 Commitment No. 50932

REQUIREMENTS CONTINUED

(3) This Commitment is subject to approval by FIRST AMERICAN TITLE INSURANCE COMPANY, and any additional limitations, requirements, and/or exceptions made by FIRST AMERICAN TITLE INSURANCE COMPANY.

SCHEDULE B - SECTION 2

EXCEPTIONS

Any policy we issue will have the following exceptions unless they are taken care of to our satisfaction:

1. The lien of real estate taxes or assessments imposed on the Title by a governmental authority that are not shown as existing liens in the records of any taxing authority that levies taxes or assessments on real property or in the Public Records.
2. Any facts, rights, interests or claims that are not shown in the Public Records but that could be ascertained by an inspection of the Land or by making inquiry of persons in possession of the Land.
3. Easements, claims of easements or encumbrances that are not shown by the Public Records.
4. Any encroachment, encumbrance, violation, variation or adverse circumstance affecting the Title including discrepancies, conflicts in boundary lines, shortage in area, or any other facts that would be disclosed by an accurate and complete land survey of the Land, and that are not shown in the Public Records.
5. Unpatented mining claims; reservations or exceptions in patents or in Acts authorizing the issuance thereof; water rights, claims, or title to water, whether or not such matters are shown in 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 in the Public Records.
7. Defects, liens, encumbrances, adverse claims or other matters, if 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 value the estate or interest or mortgage thereon covered by this Commitment.
8. (AFFECTS PARCEL 1)
   The lien of all general real and personal property taxes for the year 2011 and thereafter, not yet due or payable. General real property taxes for the year 2010 are EXEMPT. (Tax Parcel No. 22-21-376-017 and Tax District No. AAH)
9. (AFFECTS PARCEL 2)
   The lien of all general real and personal property taxes for the year 2011 and thereafter, not yet due or payable. General real property taxes for the year 2010 are EXEMPT. (Tax Parcel No. 22-21-376-016 and Tax District No. AAH)
10. Any assessments and/or charges made by Salt Lake County as a result of a review of the tax assessment by the Salt Lake County Assessor and/or the Salt Lake County Board of Equalization.

(Continued)

SCHEDULE B

Order No. 50932 Commitment No. 50932

EXCEPTIONS CONTINUED

11. Said property lies within the boundaries of Cottonwood Heights, and is subject to any and all charges and assessments thereof.

NOTE: Delinquent Special Assessment charges may have been reported to Salt Lake County by Cottonwood Heights. It is recommended that when checking with the said City care should be taken to specifically ask if any delinquent charges have been certified to the Salt Lake County Treasurer.

12. Said property lies within the boundaries of Cottonwood Improvement District, and is subject to any and all charges and assessments thereof. [Phone No. (801-943-7671)]

NOTE: Delinquent Special Assessment charges may have been reported to Salt Lake County by Cottonwood Improvement District. It is recommended that when checking with the said District care should be taken to specifically ask if any delinquent charges have been certified to the Salt Lake County Treasurer.

13. Said property lies within the boundaries of the "Salt Lake County Special District No. 1" created pursuant to a resolution of the Board of Commissioners of Salt Lake County, dated August 1, 1977 and providing for garbage collection and disposal services within the district. The records of the Salt Lake County Treasurer indicate no annual installment payment for the year 2010.

14. (AFFECTS PARCEL 2)
Easements for public utilities, drainage and incidental purposes over, along and across said property as shown on the recorded plat of said subdivision.

15. (AFFECTS PARCEL 2)
"This lot is for school purposes" as shown on the recorded plat of said subdivision.

16. (AFFECTS PARCEL 2)
A perpetual easement and right of way for the erection and continued maintenance, repair, alteration, and replacement of the electric transmission, distribution and telephone circuits, with other recited rights, terms and conditions, as created in favor of UTAH POWER & LIGHT COMPANY, a corporation, its successors in interest and assigns by instrument recorded December 27, 1962 as Entry No. 1898009, in Book 2014, at Page 236 of the Official Records, through and across said property as provided for and described in said instrument.

(Continued)

SCHEDULE B

Order No. 50932 Commitment No. 50932

EXCEPTIONS CONTINUED

17. (AFFECTS PARCEL 1)
A permanent easement and right of way for the purpose of constructing and/or laying a pipeline therein for the transportation of sewerage, with other recited rights, terms and conditions, as created in favor of SALT LAKE COUNTY COTTONWOOD SANITARY DISTRICT, a public corporation by instrument recorded February 28, 1977 as Entry No. 2913310, in Book 4454, at Page 823 of the Official Records through and across said property as provided for and described in said instrument.

18. A right of way for East Jordan Canal, and any facilities appurtenant thereto, including but not limited to, water pipelines and ditches, as the same may be found to intersect the herein described land, together with any rights or asserted rights in and to said canal or pertaining to the use and maintenance of said canal. The Company further excepts any adverse claim based on (i) the assertion that some of the boundaries of the herein described land have been affected by a change in the course of said canal; (ii) the uncertainty of the boundaries of said canal; and (iii) the assertion that the land is subject to water rights, claims or title to water and to any law or governmental regulation pertaining to wetlands.

19. Any matters that might be disclosed by a current and accurate survey of said premises.

NOTE: The Company hereby reserves the right to make amendments to this Commitment based upon any matters disclosed by such a survey, when same is delivered to the Company for an examination thereof. Such amendments may be in the form of additional Special Exceptions and/or revisions to the description contained in Paragraph 5 of Schedule "A".

20. (AFFECTS PARCEL 2)
The terms of that certain instrument entitled "Restrictions", recorded June 10, 1959 as Entry No. 1658422, in Book 1621, at Page 311 of the Official Records, including all provisions, covenants, conditions, restrictions, easements, charges, assessments, liens or rights, if any, created therein, but deleting those matters based upon race, color, creed, religion, sex, handicap, familial status or national origin unless and only to the extent that said matters, or any portion thereof, are exempt under relevant provisions of the United States Code or relate to handicap, but do not discriminate against handicapped persons.

(Continued)

SCHEDULE B

Order No. 50932 Commitment No. 50932

EXCEPTIONS CONTINUED

21. The rights of any tenants, lessees, their creditors, and other parties claiming by, through, or under said tenants, pursuant to any leases, rental agreements, occupancy agreements, assignments thereof, and/or other leasehold documents.

    The Company specifically excepts any and all matters pending against any lessee or tenant, being on or off record, including, but not limited to, bankruptcies, judgment liens, federal and state tax liens, etc., and makes no certification as to the existence of judgments, tax liens, bankruptcies, or other encumbrances created by any lessee or tenant.

22. Any claim or lien as a supplier of labor or material to said property, found to have priority senior to the interest to be insured, as a result of labor and/or material supplied prior to the recordation of instrument(s) creating said interest.

    Note: In order to delete the above exception, it may be necessary to provide further documentation to Landmark Title Company. It is suggested that you contact Jeff Jensen or one of our escrow officers prior to completing your closing.

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SG/skp

SCHEDULE A

Order No. 50932 Commitment No. 50932

LEGAL DESCRIPTION CONTINUED

PARCEL 1:
Beginning at the intersection of the Jordan River with the Northerly boundary of Midvale City; thence Easterly along the Northerly boundary of Midvale City to the Westerly boundary of the City of Cottonwood Heights; thence Easterly along the Northerly boundary of said Cottonwood Heights to a Northeasterly corner thereof, said point also being the center of Section 24, Township 2 South, Range 1 East, Salt Lake Base and Meridian, thence departing from the Cottonwood Heights boundary and running Northerly and Easterly to and along the ridgeline which defines the Northerly limits of the drainage into Big Cottonwood Canyon, to intersect the Easterly boundary of Salt Lake County; thence along said Salt Lake County boundary Southeasterly, Southerly and Southwesterly to intersect the Draper City boundary; thence passing through Draper City Southwesterly along the Salt Lake County boundary to the Easterly boundary of Bluffdale City, thence along said Bluffdale City boundary, Northerly and Westerly to its intersection with the Jordan River; thence Northerly along the Jordan river to intersect the Southerly boundary of South Jordan City; thence along said South Jordan City boundary, Easterly, Northerly and Westerly to its intersection with the Jordan River; thence Northerly along the Jordan river to the Northerly boundary of Midvale City and the point of beginning.

LESS AND EXCEPTING any portion lying within the bounds of the EAST JORDAN CANAL.

(PARCEL 2)
Lot 1, GREENFIELD VILLAGE PLAT F, according to the official plat thereof, filed in Book "T" of Plats, at Page 83 of the Official Records of the Salt Lake County Recorder.

+++

ALTA Commitment Form

COMMITMENT FOR TITLE INSURANCE

Issued by

First American Title Insurance Company

First American Title Insurance Company, a CA corporation ("Company"), for a valuable consideration, commits to issue its policy or policies of title insurance, as identified in Schedule A, in favor of the Proposed Insured named in Schedule A, as owner or mortgagee of the estate or interest in the land described or referred to in Schedule A, upon payment of the premiums and charges and compliance with the Requirements; all subject to the provisions of Schedules A and B and to the Conditions of this Commitment.

This Commitment shall be effective only when the identity of the Proposed Insured and the amount of the policy or policies committed for have been inserted in Schedule A by the Company.

All liability and obligation under this Commitment shall cease and terminate 90 days after the Effective Date or when the policy or policies committed for shall issue, whichever first occurs, provided that the failure to issue the policy or policies is not the fault of the Company.

The Company will provide a sample of the policy form upon request.

IN WITNESS WHEREOF, First American Title Insurance Company has caused its corporate name and seal to be affixed by its duly authorized officers on the date shown in Schedule A.

First American Title Insurance Company

BY PRESIDENT

ATTEST SECRETARY

FIRST AMERICAN TITLE INSURANCE COMPANY INCORPORATED SEPTEMBER 24, 1968 CALIFORNIA

By: _____
Authorized Signatory

LANDMARK TITLE COMPANY

Plaza 7 • 21
675 East 2100 South Suite 200
Salt Lake City, Utah 84106
Phone 801-467-4111 Fax 801-467-4189
landmarktitleutah.com

COMMITMENT SCHEDULE A

Order No. 50932 Commitment No. 50932

1. Effective Date: July 14, 2011 at 6:59 a.m.

2. Policy or Policies to be issued:

	AMOUNT	PREMIUM
A. ALTA OWNER'S POLICY [6-17-06 Form] Proposed Insured: TO BE DETERMINED	$ TO BE DETERMINED	$ TO BE DETERMINED
B. ALTA LOAN POLICY [6-17-06 Form] Proposed Insured:	$	$
C.		

3. The estate or interest in the land described or referred to in this Commitment and covered herein is: FEE SIMPLE

4. Title to said estate or interest in said land is at the effective date hereof vested in:

BOARD OF EDUCATION OF CANYONS SCHOOL DISTRICT, a body corporate and politic of the State of Utah

5. The land referred to in this Commitment is described as follows: situated in SALT LAKE County, State of Utah, to-wit:

(SEE LEGAL DESCRIPTION CONTINUED ATTACHED HERETO AND MADE A PART HEREOF)
(Continued)

INQUIRIES SHOULD BE DIRECTED TO:
Jeff Jensen - Escrow Officer 801-467-4111
Scott Green - Title Officer (801)467-4111

FIRST AMERICAN TITLE INSURANCE COMPANY
issued by LANDMARK TITLE COMPANY, AGENT

Exhibit "C" to
Amended Interlocal Lease Agreement

(Attach Initial Interlocal Lease Agreement)

Interlocal Lease Agreement
(Mountview Park)

THIS INTERLOCAL LEASE AGREEMENT (this "*Lease*") is made effective as of the Commencement Date (defined below) by and between the city of **COTTONWOOD HEIGHTS**, a municipal corporation of the state of Utah ("*Tenant*"), and **THE BOARD OF EDUCATION OF THE CANYONS SCHOOL DISTRICT**, a school district of the state of Utah ("*Landlord*"). Tenant and Landlord are each referred to herein as a "*Party*" and are collectively referred to herein as the "*Parties.*"

RECITALS:

A. Landlord owns approximately 11.79 acres of ground located at or near 1651 East 7000 South, Cottonwood Heights, Salt Lake County, Utah (the "*Premises*"). The legal description of the ground included in the Premises is set forth on Exhibit "A" annexed hereto. As used herein, the term "*Premises*" also shall include all fixtures, access rights and other appurtenances to such realty.

B. The Premises is the site of the former Mountview Elementary School (the "*School*"). The School building and associated improvements have been, or are being, demolished and the Premises have been or will be cleared and readied for Tenant's occupancy, at Landlord's cost, as provided in section 4(b) below.

C. Although Tenant is interested in purchasing the Premises to use for a public park, playing fields, tennis courts and similar public recreation and open space purposes, Landlord currently desires to retain ownership of the Premises in the event that use of the Premises for future school or other District purposes becomes necessary.

D. To enable the Premises to be put to productive public use until such time, if any, as Landlord elects to again use the Premises for school or other District purposes or dispose of the Premises, Tenant desires to lease the Premises from Landlord, and Landlord desires to lease the Premises to Tenant, on the terms and conditions set forth in this Lease.

E. The Parties also desire to grant to each other certain options and other rights concerning possible future sale of the Premises by Landlord to Tenant.

F. Pursuant to the authority granted in the Interlocal Cooperation Act (UTAH CODE ANN. § 11-13-101, *et seq.*) (the "*Interlocal Cooperation Act*"), the Parties desire to enter into an "interlocal agreement" governing such lease of the Premises.

G. The Parties are "public agencies" for purposes of the Interlocal Cooperation Act, and, consequently, are authorized to enter into this Lease.

H. The Parties have determined that it is mutually advantageous to enter into this Lease.

AGREEMENT:

NOW, THEREFORE, in consideration of the foregoing recitals and in compliance with and pursuant to the terms hereof and the provisions of the Interlocal Cooperation Act, the Parties hereby agree as follows:

Section 1. **Lease of the Premises**. Landlord hereby leases to Tenant, and Tenant hereby leases from Landlord, the Premises.

Section 2. **Term; Termination**.

(a) *Lease Term*. The lease term (the "*Lease Term*") shall commence on the date that this Lease is fully executed and delivered (which the Parties anticipate will occur on or about 17 August 2011) (the "*Commencement Date*") and, except as provided below, shall terminate on 30 June 2031. Following that initial term (the "*Initial Term*") of twenty (20) Lease Years, the Lease Term shall be automatically extended for additional, successive periods of five (5) Lease Years each (each of which is a "*Successive Period*"). As used in this Lease, the term "*Lease Year*" means a one-year period running from July 1st (or, during the first Lease Year, running from the Commencement Date) to the following June 30th.

(b) *Termination*. This Lease shall remain in effect until such time as (i) Tenant purchases the Premises from Landlord, or (ii) the Parties mutually agree in writing to terminate this Lease, or (iii) either Party gives the other Party at least six (6) months' prior written notice of its intent to terminate this Lease effective as of the end of either the Initial Term or the then-current Successive Period, as applicable.

Section 3. **Rent**. Tenant shall pay to Landlord as rent (the "*Rent*") for the Premises the total amount of One Dollar ($1.00) per Lease Year, which shall be due and payable no later than each July 10th during the Lease Term. Landlord acknowledges receipt from Tenant of $100.00 in prepaid Rent. Any unused balance of such prepaid Rent shall be refunded to Tenant upon termination of this Lease.

Section 4. **Suitability; Condition**.

(a) *Suitability*. Tenant acknowledges that neither Landlord nor any agent of Landlord has made any representation or warranty with respect to the Premises as to their suitability for Tenant's purposes, nor has Landlord agreed to undertake any modification, alternation or improvements to the Premises except as specified in this Lease.

(b) *Condition*. Landlord promptly shall, at its cost, complete demolition of the School building and associated above- and below-ground footings, foundations and other improvements. In connection with that work, Landlord shall remove all associated debris, fill and compact resulting holes and depressions, identify and secure underground utility connections (sewer, water and natural gas, etc.), and leave the Premises in rough-graded or better condition. Subject to the foregoing, Tenant acknowledges that it has inspected the Premises, and accepts the Premises "AS-IS" with no representations or warranties, express or implied, not specified in this Lease.

Section 5. **Use**.

(a) *Permitted Use*. Tenant may use and occupy the Premises for park and related public recreation and open space purposes, such as, without limitation, playing fields, tennis courts, restrooms, child playground and splash pad, covered and/or uncovered picnic areas, pavilion, benches, trails, etc. Tenant may use the Premises for other lawful purposes only with Landlord's prior written consent, which shall not be withheld or delayed unreasonably. Tenant agrees to allow Landlord, its agents, employees and invitees preferential access to and use of the Premises during school hours. Tenant acknowledges that playing fields shall be a priority use for these Premises under this Lease.

(b) *Legal Requirements*. Tenant shall not use the Premises or permit anything to be done in or about Premises which will in any way conflict with any law, statute, ordinance or governmental rule or regulation or requirement of duly constituted public authorities now in force or which may hereafter be enacted, promulgated or created. Tenant shall, at Tenant's sole cost and expense, promptly comply with all laws, statutes, ordinances and governmental rules, regulations or requirements now in force or which may hereafter be in force and with the requirement of any board of fire underwriters or other similar body now or hereafter constituted relating to or affecting the use of the Premises.

(c) *Insurance Requirements*. Tenant shall not do or permit anything to be done in or about the Premises, nor bring or keep anything therein, which will cause a cancellation of any insurance policy covering the Premises.

(d) *Waste*. Tenant shall not cause, maintain or permit any nuisance or waste in, on or about the Premises.

Section 6. **Modifications and Improvements**. Tenant may, at its cost, improve the Premises to accommodate its use for a public park, playing fields and related public recreation and/or open space purposes. Any such building(s), improvement(s) or modification(s) to the Premises is/are solely for the benefit of the Tenant, and Tenant acknowledges that it is not acting as an agent of the Landlord and the work is not being done for the benefit of Landlord. Tenant will be solely responsible for any and all such work, improvements, additions, alterations or modifications (collectively, "*Improvements*") to the Premises, indemnifying Landlord and holding it free and harmless therefrom.

(a) *Procedures*. Tenant shall comply with the following provisions in connection with any Improvements to the Premises:

(i) Plans and Specifications. If Tenant desires to undertake the construction (the "*Construction*") of Improvements to the Premises, Tenant shall inform Landlord in writing of Tenant's intentions not later than fifteen (15) days before the construction is to commence and shall obtain Landlord's written consent to such improvements prior to commencing the construction of such improvements, which consent shall not be unreasonably withheld, conditioned or delayed. Such notification shall be accompanied by reasonably detailed plans and specifications (the "*Plans and Specifications*") in sufficient detail to allow Landlord to evaluate the proposed changes to the Premises to be effected by such construction. Landlord shall have the right to require such reasonable modifications and changes to the Plans and Specifications as Landlord reasonably shall deem necessary.

(ii) Governmental Approvals. Tenant shall, at its sole expense, obtain all necessary governmental approvals, including any conditional use and building permits, in

connection with any Construction by Tenant on the Premises.

(iii) Construction. All Construction undertaken by or on behalf of Tenant on the Premises shall be performed in a good, workmanlike manner by qualified workmen and in conformance with all applicable building, health, and safety codes. Tenant shall timely pay all costs of its Improvements and shall indemnify Landlord against any claim relating to Tenant's Construction.

(iv) Mechanic's Liens. Tenant will have no right to pledge or lien the Premises and shall maintain the Premises free of all mechanics', materialmen's or other liens relating in any way to Construction carried on by or on behalf of Tenant on the Premises. Tenant is solely responsible for all costs of its Improvements to the Premises, and is not operating as Landlord's agent nor with Landlord's authorization to incur any obligation. Landlord shall be entitled, but not obligated, to defend against or satisfy any such liens against the Premises and to charge Tenant the amount expended by Landlord, including reasonable attorneys fees, plus interest thereon at twelve percent (12%) per annum if Tenant fails to either (A) fully satisfy any such liens itself promptly upon Landlord's request; or (B) diligently contest such liens through available legal process and contemporaneously provide adequate assurance to Landlord (through bonding or otherwise) that Landlord's interests in the Property will not be at risk as a result of such proceedings.

(v) Ownership of Improvements. Tenant shall be entitled to remove or salvage any of the Improvement on the Premises upon termination of this Lease. Tenant shall repair any damage to the Premises occurring by reason of such removal and shall not leave the Premises in an unsafe condition. Upon termination of this Lease, at Landlord's discretion, Landlord may require Tenant to remove any structures constructed by Tenant on the Premises. Any and all remaining Improvements to the Premises thereafter shall become Landlord's property.

(b) *Fixtures and Personalty*. Tenant shall be entitled to use and keep on the Premises any fixtures, personal property and equipment necessary and appropriate for Tenant's permitted use of the Premises.

(c) *Signage*. Tenant shall be entitled to erect such signage on the Premises as shall be permissible under applicable laws, rules and ordinances.

Section 7. **Maintenance, Damage and Repairs**. Throughout the Lease Term, Tenant shall, at its cost, repair and maintain the Premises in such good, usable condition as Tenant reasonably shall deem appropriate.

Section 8. **Utilities; Water Rights**.

(a) *Utilities*. Throughout the Lease Term, Tenant timely shall pay all utility costs (including, without limitation, water, electricity, natural gas, telephone/internet, sanitary sewer and storm drainage) arising from Tenant's use and occupancy of the Premises.

(b) *Water Rights*. Notwithstanding anything in this Lease to the contrary, if water rights of any type or nature whatsoever (including, without limitation, water credits, shares of private water or irrigation companies, etc.) are associated with, or historically have been used or held by Landlord (or its predecessor or affiliates) in connection with, the Premises (collectively,

the "*Water Rights*"), then throughout the Lease Term Tenant shall have the full right and ability to continue to use the Water Rights in connection with its use and operation of the Premises for no additional payment or consideration to Landlord. If ownership of the Water Rights must be transferred to Tenant to allow such use to continue on the same basis as heretofore, or to facilitate billing for water used during the Lease Term, then Landlord promptly shall convey the Water Rights to Tenant for that purpose; provided, however, that Tenant shall re-convey those Water Rights to Landlord promptly upon termination of this Lease, free of all liens and encumbrances arising by, through or under Tenant. Tenant shall pay and/or reimburse Landlord for all costs, including reasonable attorneys' fees, relating to any conveyance, re-conveyance and/or any preservation of such Water Rights.

Section 9. **Taxes**. Tenant timely shall pay any and all real property taxes and assessments against the Premises during the Lease Term.

Section 10. **Insurance**.

(a) *Liability Insurance*. Throughout the Lease Term, Tenant shall, at Tenant's cost, maintain in full force and effect for the mutual benefit of Landlord and Tenant, a comprehensive commercial general liability insurance policy or policies (herein collectively referred to as the "*Liability Policy*") against premises liability or other claims for damage or injury to persons or property arising from the property, or out of Tenant's use or occupancy of the Premises. The Liability Policy shall be maintained on the minimum basis of One Million Dollars ($1,000,000.00) combined single limit for bodily injury and property damage. The insurance coverage to be afforded by the Liability Policy may, at Tenant's option, be provided under a "blanket" liability policy covering Tenant or more of Tenant's other locations.

(b) *Form of Liability Policy*. The Liability Policy shall be with the Utah Local Governments Trust or other companies reasonably satisfactory to Landlord, and on forms and with loss payable clauses reasonably satisfactory to Landlord naming Landlord and any others reasonably designated by Landlord as additional insureds. Such policy shall be written as a primary policy, not contributing with and not in excess of coverage which Landlord may carry. No such policy shall be cancelable (or coverage reduced) except after twenty (20) days written notice to Landlord. A copy of the Liability Policy or a certificate evidencing the existence and amounts of such insurance shall be delivered to Landlord by Tenant within fifteen (15) days after Landlord's request.

(c) *Casualty Insurance*. Throughout the Lease Term, Tenant may maintain in effect such policy or policies (hereinafter collectively referred to as the "*Casualty Policy*") of casualty insurance coverage on the Premises and the Improvements as Tenant deems appropriate in Tenant's sole discretion. Tenant shall pay all costs associated with the Casualty Policy and shall be entitled to all proceeds thereof.

(d) *Waiver of Subrogation*. To the extent permitted under the subject policies of insurance, Landlord and Tenant each hereby waive any and all right of recovery against the other or against the officers, employees, agents and representatives of the other, on account of loss or damage occasioned to such waiving party or its property or the property of others under its control to the extent that such loss or damage is insured against under any fire and extended coverage insurance policy which either may have in force at the time of such loss or damage.

Section 11. **Inspection**. Upon reasonable notice and at reasonable times during the Lease Term, Landlord shall have the right to inspect the Premises. In an emergency, Landlord shall have the right of immediate entry to the Premises.

Section 12. **Assignment and Sublease**. Tenant freely may assign this Lease, or sublease all or part of the Premises, or license use or management of all or part of the Premises, to Cottonwood Heights Parks and Recreation Service Area, Salt Lake County, any successor to Tenant as the local governmental entity with jurisdiction over the Premises, and/or any interlocal agency or body formed by interlocal agreement between or among any or all of the foregoing. Tenant also freely may sublease all or part of the Premises to any other public entities, upon written notice to Landlord. No such assignment or sublease shall excuse the original Tenant from its obligation to assure full and timely payment and performance of all of Tenant's obligations hereunder.

Section 13. **Hold Harmless; Indemnity**.

(a) *Hold Harmless*. Landlord shall not be liable for any injury to person or property incurred by Tenant or its invitees, licensees or the like on the Premises.

(b) *Indemnity*. The Parties are governmental entities under the "Governmental Immunity Act of Utah" (UTAH CODE ANN. § 63G-7-101, *et seq.*) (the "*Immunity Act*"). Consistent with the terms of the Immunity Act, and as provided herein, it is mutually agreed that each of the Parties is responsible and liable for its own wrongful or negligent acts which are committed by it or by its agents, officials, or employees. No Party waives any defenses otherwise available under the Immunity Act nor does any Party waive any limits of liability currently provided by the Immunity Act. Each Party shall defend, indemnify, save and hold harmless each of the other Parties (including its elected and appointed officers, employees and agents) from and against any and all demands, liabilities, claims, damages, actions, or proceedings, in law or equity, including reasonable attorney's fees and costs of suit, relating to or arising from the indemnitor's performance, or failure to perform, its duties under this Lease.

Subject to the foregoing, Tenant shall indemnify and hold Landlord harmless from any and all claims, actions, or damages (including attorneys' fees and costs incurred in connection with the same) arising out of Tenant's use and occupancy of the Premises.

Section 14. **Liens**. Tenant shall maintain the Premises free of all liens arising by, through or under Tenant or otherwise attributable to Tenant's use and occupancy of the Premises.

Section 15. **Hazardous Substances**.

(a) *No Pre-Existing Hazardous Substances*. To the best of Landlord's actual knowledge without due diligence, there has been no disposal, release or threatened release of Hazardous Substances (defined below) on, from or under the Premises prior to the date of this Lease. Landlord shall indemnify and hold harmless Tenant and its officers, employees, representatives, agents and assigns from and against any and all claims, damages, actions, losses and expenses, and will assume Tenant's defense, resulting from the material inaccuracy of the foregoing representation. Tenant may, but shall not be obligated to, obtain at its cost a "Phase I" environmental audit of the Premises as of the Commencement Date to verify the environmental status of the Premises as of that date. The provisions of this Section 15(a) shall survive the expiration or other termination of this Lease.

(b) *Tenant's Environmental Compliance*. Throughout the Lease Term, Tenant shall (i) at all times comply with, or cause to be complied with, any Environmental Law (defined below) governing the Premises or the use thereof by Tenant or any of Tenant's employees, agents, contractors, invitees, licensees, customers, or clients; and (ii) not use, store, generate, treat, transport or dispose of, or permit any of Tenant's employees, agents, contractors, invitees, licensees, customers or clients to use, store, generate, any Hazardous Substance on the Premises without first obtaining Landlord's written approval, except that Tenant may maintain on the Premises such Hazardous Substances as may be commercially reasonable in connection with Tenant's permitted use of the Premises (all of the foregoing obligations of Tenant under this Section 15(b) are hereinafter collectively referred to as "*Tenant's Environmental Obligations*"). Tenant shall have absolutely no obligation with respect to any environmental contamination of the Premises that pre-dated Tenant's occupancy of the Premises, including, without limitation, any obligation to clean up or remediate any such pre-existing environmental contamination.

(c) *Tenant's Indemnification*. Tenant shall indemnify, defend and hold Landlord harmless from and against any and all claims, actions, damages, penalties, fines, liabilities and expenses, including reasonable attorney's fees, which are directly or indirectly, in whole or part, caused by or arise out of Tenant's Environmental Obligations. Tenant shall promptly deliver to Landlord true and complete copies of any and all notices or correspondences or requests from any governmental authority or third parties relating to the presence, release, use, storage, treatment, transportation or disposal of Hazardous Substances affecting or relating to the Premises in any way. Tenant shall permit Landlord and Landlord's agents to enter into and upon the Premises, without notice, at all reasonable times for the purpose of inspecting the Premises and verifying Tenant's compliance with these covenants. The provisions of this Section 15(c) shall survive the expiration or other termination of this Lease.

(d) *Definitions*. For purposes of this Lease, the following terms shall have the meanings specified below:

(i) "*Hazardous Substances*" means (A) any "hazardous waste," "hazardous substance," and any other hazardous radioactive, reactive, flammable, infectious, solid wastes, toxic or dangerous substances materials, or related materials, as defined in, regulated by, or which form the basis of liability now or hereafter under any Environmental Law; (B) asbestos; (C) polychlorinated biphenyls (PCBs); (D) petroleum products or materials; (E) underground storage tanks, whether empty or filled or partially filled with any substance; (F) flammable explosives (provided, however, that Tenant may use the Premises for occasional displays of fireworks in connection with recognized holidays or other special events); (G) any substance of which on the Premises is or becomes prohibited by Environmental Law; (H) urea formaldehyde foam insulation; or (I) any substance which under Environmental Law requires special handling or notification in its use, collection, storage, treatment or disposal.

(ii) "*Environmental Law*" means any federal, state, or local law, regulation, ordinance or order, whether currently existing or hereafter enacted, concerning the environmental state, condition or quality of the Premises or use, generation, transport, treatment, removal, or recovery of Hazardous Substances, including building materials, and specifically including, but not limited to, the following (A) the Solid Waste Disposal Act as amended by Resource Conservation and Recovery Act of 1976 (42 U.S.C. Section 6901, et seq.), as amended, and all regulations promulgated thereunder; (B) the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (42 U.S.C. Section 9610, et seq.), as amended, and all

regulations promulgated thereunder; (C) the Hazardous Materials Transportation Act (49 U.S.C. Section 1801, et seq.), as amended, and all regulations promulgated thereunder; (D) the Toxic Substance Control Act (15 U.S.C. Section 2610, et seq.), as amended, and all regulations promulgated thereunder; (E) the Clean Air Act (42 U.S.C. Section 7401, et seq.), as amended, and all regulations promulgated thereunder; (F) the Federal Water Pollution Control Act (33 U.S.C. Section 1251, et seq.), as amended, and all regulations promulgated thereunder; and (G) the Occupational Safety and Health Act (29 U.S.C. Section 651, et seq.), as amended, and all regulations promulgated thereunder.

(iii) "*Disposal,*" "*release,*" and "*threatened release*" shall mean and include any disposal, discharge or release, or threatened release, or any defined as such in (or for the purposes of) the Environmental Laws.

Section 16. **Quiet Enjoyment**. So long as Tenant keeps and performs all of its obligations under this Lease, Tenant shall have quiet enjoyment and possession of the Premises during the Lease Term, free from any claims by Landlord or any person claiming by, through or under Landlord.

Section 17. **Conflict Resolution**. In the event of a dispute between the Parties regarding this Lease, the Parties agree (without limiting any and all other legal and equitable remedies) that representatives of each of the Parties will meet as soon as practical to discuss and attempt to resolve the dispute. If the Parties do not agree, then the dispute shall be resolved pursuant to Section 21 below.

Section 18. **Additional Interlocal Act Issues**.

(a) *No Separate Entity*. This Lease does not create a separate legal/interlocal entity.

(b) *Joint Board*. As required by UTAH CODE ANN. § 11-13-207, the parties agree that the cooperative undertaking under this Lease shall be administered by a joint board consisting of each Party's manager or designee. Any real or personal property used in the parties' cooperative undertaking herein shall be acquired, held, and disposed of as determined by such joint board consistent with the terms of this Lease.

(c) *Financing Joint Cooperative Undertaking and Establishing Budget*. There is no financing of joint or cooperative undertaking and no budget shall be established or maintained.

Section 19. **Option Rights**.

(a) *Landlord's "Put" Option*. Tenant hereby grants to Landlord the right and option ("*Landlord's Put Option*") to require Tenant to purchase the Premises (including the Water Rights) from Landlord as follows:

(i) Option Term. Landlord's Put Option shall be exercisable by Landlord at any time beginning on the tenth anniversary of the Commencement Date and continuing thereafter for the balance of the Lease Term. Landlord must exercise Landlord's Put Option by written notice to Tenant at any time during the term of such option, which notice shall contain the proposed date, time and location of the closing of Tenant's acquisition of the Premises.

(ii) Purchase Price. The purchase price for the Premises shall be the average of two MAI appraisals of the then-fair market value of the Premises if the Premises were re-zoned to the predominant zone in the surrounding area. Each of the Parties shall obtain, at its cost, one of such appraisals from an MAI appraiser reasonably selected by it. If, however, the two appraisals vary by more than 10%, then the purchase price for the Premises shall be determined by a third MAI appraisal conducted by an appraiser mutually selected by the two original appraisers, which third appraisal shall be binding on the parties without regard to the prior two appraisals. The cost of any such third appraisal shall be equally shared by the Parties. All such appraisals shall exclude the value of the Improvements from the appraised fair market value of the Property, but shall be augmented to include the value of the Water Rights.

(iii) Closing. Absent Tenant's written consent, the date of closing of Tenant's purchase shall be between eighteen (18) and twenty-four (24) months after the date of Landlord's exercise of Landlord's Put Option. The actual time, place and location (in Salt Lake County, Utah) of such closing otherwise shall be as reasonably specified by Tenant. Tenant's acquisition of the Premises pursuant to the exercise of Landlord's Put Option also shall be subject to the terms and conditions set forth in Subsection 19(c), below.

(b) *Tenant's Purchase Options*. Landlord hereby grants to Tenant the rights and options (each, "*Tenant's Purchase Option*") to purchase the Premises (including the Water Rights) from Landlord as follows:

(i) Tenant's Purchase Option Upon Surplusing of Premises.

(A) Option Term. Tenant's Purchase Option shall be exercisable by Tenant at any time that the Premises (or part thereof) are declared surplus property by Landlord or otherwise offered for sale, exchange or other conveyance to any third party (collectively, "*surplusing*"). Landlord promptly shall notify Tenant in writing of the occurrence of any such surplusing. Tenant may exercise Tenant's Purchase Option at any time within ninety (90) days after receipt of written notice of such surplusing from Landlord. Tenant must exercise Tenant's Purchase Option by written notice to Landlord at any time during the term of such option, which notice shall contain the proposed date, time and location of the closing of Tenant's acquisition of the Premises.

(B) Purchase Price. The purchase price for the Premises (including the Water Rights) shall be as provided in Subsection 19(a)(ii), above.

(C) Closing. The date of closing of Tenant's purchase shall be between eighteen (18) and twenty-four (24) months after the date of Landlord's exercise of Tenant's Purchase Option. The actual time, place and location (in Salt Lake County, Utah) of such closing otherwise shall be as reasonably specified by Tenant. Tenant's acquisition of the Premises pursuant to the exercise of Tenant's Purchase Option also shall be subject to the terms and conditions set forth in Subsection 19(c), below.

(c) *Closing Procedure*. The procedure to be followed by the Parties in connection with any closing under this Section 19 is as follows:

(i) Escrow Deposits. All documents to be recorded and necessary funds shall be delivered to a mutually-agreeable title company (the "*Title Company*"), as escrow agent, to hold, deliver, record and disburse in accordance with escrow instructions, the form of

which shall be agreed to by the attorneys for the Parties prior to closing, the content of which shall be consistent with the terms of this Agreement.

(ii) Escrow Disbursements. At the closing or sooner as otherwise stated in the escrow instructions, the following shall occur:

(A) *Landlord Deliveries*. Landlord shall deliver or cause to be delivered in accordance with the escrow instructions:

(1) A recordable Special Warranty Deed conveying the Premises to Tenant, duly executed and acknowledged by Landlord, and subject only to such title exceptions as Tenant may affirmatively accept in writing as "Permitted Exceptions" hereunder (provided, however, that "Permitted Exceptions" shall include items 1-22 on Schedule B-2 of Exhibit "B" annexed hereto, but shall exclude any mortgages, trust deeds, mechanics liens or other financial encumbrances on the Premises not arising by, through or under Tenant);

(2) A bill of sale, stock power or other instrument reasonably designated by Tenant to convey the Water Rights from Landlord to Tenant, free and clear of all liens and encumbrances not arising by, through or under Tenant;

(3) A standard form title policy (the "*Title Policy*") in the amount of the applicable purchase price, subject only to the Permitted Exceptions;

(4) FIRPTA Affidavit of Landlord, if necessary;

(5) 1099 information statement, if necessary; and

(6) All other documents necessary or reasonably requested by Tenant or the Title Company to be executed and delivered by Landlord pursuant to the terms of this Agreement or applicable law.

(B) *Tenant Deliveries*. Tenant shall deliver or cause to be delivered in accordance with the escrow instructions:

(1) The applicable purchase price in immediately available funds;

(2) All other documents necessary or reasonably requested by Landlord or the Title Company to be executed and delivered by Tenant pursuant to the terms of this Agreement.

(iii) Closing Statement. Tenant and Landlord shall each deliver to the other two (2) executed copies of a closing memorandum or settlement statement setting forth all prorations, adjustments and disbursements of the purchase price and expenses of the closing.

(iv) Closing Costs. Tenant and Landlord shall share equally any closing or escrow charges (excluding any money lender's escrow, which shall be paid by Tenant) of the Title Company. The Parties also shall equally share the cost of the Title Policy. Each Party shall pay its own attorneys' fees and legal expenses.

(v) Customs. All other aspects of closing shall conform to typical procedures and customs for similar real estate transactions in Salt Lake County, UT.

Section 20. **Notices**. Any notice required or permitted to be given hereunder shall be deemed sufficient if given by a communication in writing and shall be deemed to have been received (a) upon personal delivery or actual receipt thereof, or (b) within two (2) business days after such notice is deposited in the United States Mail, postage prepaid, and certified and addressed to the parties as set forth below.

Tenant:	COTTONWOOD HEIGHTS Attn. Liane Stillman, City Manager 1265 East Fort Union Blvd., Suite 250 Cottonwood Heights, UT 84047
With a copy to:	Wm. Shane Topham CALLISTER NEBEKER & MCCULLOUGH 10 East South Temple, 9th Floor Salt Lake City, UT 84133
Landlord:	CANYONS SCHOOL DISTRICT Attn. Keith Bradford, Business Administrator 9150 South 500 West Sandy, UT 84070
With a copy to:	Paul D. Van Komen BURBIDGE & WHITE 15 West South Temple, #950 Salt Lake City, UT 84101

Section 21. **Claims and Disputes**. Claims, disputes and other issues between the Parties arising out of or related to this Lease shall be decided by litigation in the Third Judicial District Court of Salt Lake County, Utah. Unless otherwise terminated pursuant to the provisions hereof or otherwise agreed in writing, each of the Parties shall continue to perform its obligations hereunder during the pendency of such dispute.

Section 22. **Titles and Captions**. All section or subsection titles or captions herein are for convenience only. Such titles and captions shall not be deemed part of this Lease and shall in no way define, limit, augment, extend or describe the scope, content or intent of any part or parts hereof.

Section 23. **Pronouns and Plurals**. Whenever the context may require, any pronoun used herein shall include the corresponding masculine, feminine or neuter forms, and the singular form of nouns, pronouns and verbs shall include the plurals and vice versa.

Section 24. **Interpretation**. This Lease shall be interpreted, construed and enforced according to the substantive laws of the state of Utah.

Section 25. **Integration**. This Lease constitutes the entire agreement between the parties pertaining to the subject matter hereof, and supersedes all prior agreements and understandings concerning the subject matter of this Lease.

Section 26. **Time**. Time is the essence of this Lease.

Section 27. **Survival**. All agreements, covenants, representations and warranties contained herein shall survive the execution of this Lease and shall continue in full force and effect throughout the term of this Lease.

Section 28. **Waiver**. No failure by any party to insist upon the strict performance of any covenant, duty, agreement or condition of this Lease or to exercise any right or remedy consequent upon a breach thereof shall constitute a waiver of any such breach or of such or any other covenant, agreement, term or condition. Any party may, by notice delivered in the manner provided in this Lease, waive any of its rights or any conditions to its obligations hereunder, or any duty, obligation or covenant of any other party. No waiver shall affect or alter the remainder of this Lease but each and every other covenant, agreement, term and condition hereof shall continue in full force and effect with respect to any other then existing or subsequently occurring breach.

Section 29. **Cumulative Remedies**. The rights and remedies of the parties hereto shall be construed cumulatively, and none of such rights and remedies shall be exclusive of, or in lieu or limitation of any other right, remedy or priority allowed by law.

Section 30. **Severability**. If any condition, covenant or other provision hereof is held to be invalid or void, the same shall be deemed severable from the remainder of this Lease and shall in no way affect any other covenant or condition herein contained. If such condition, covenant or other provision shall be deemed invalid due to its scope or breadth, such provision shall be deemed valid to the extent of the scope or breadth permitted by law.

Section 31. **Litigation Expenses**. If any action, suit or proceeding is brought by a party concerning this Lease, all costs and expenses of the prevailing party incident to such proceeding, including reasonable attorneys' fees, shall be paid by the non-prevailing party.

Section 32. **Counterparts**. This Lease may be signed in any number of counterparts with the same effect as if the signatures upon any counterpart were upon the same instrument. All signed counterparts shall be deemed to be one original.

Section 33. **No Brokers**. Each of the parties certifies and warrants to the other that no fees or charges payable to any real estate broker, agent or other finder have been incurred in connection with the transactions contemplated by this Lease. Each party shall indemnify the other from any damages, claims or proceedings based on the actual or asserted untruthfulness of such certification and warranty.

Section 34. **Amendment**. This Lease may not be modified except by an instrument in writing signed by the parties hereto.

Section 35. **Approval by Attorneys**. This Lease shall be submitted to the authorized attorneys for each of the Parties for approval in accordance with UTAH CODE ANN. § 11-13-202.5.

Section 36. **Recorded Notice**. Either party may record a copy of this Lease in the official records of the Recorder of Salt Lake County, Utah.

DATED as of the Commencement Date.

TENANT:

ATTEST:

COTTONWOOD HEIGHTS

_____
Linda W. Dunlavy, City Recorder
Date signed: _____

By: _____
Kelvyn H. Cullimore, Jr., Mayor
Date signed: _____

APPROVED IN ACCORDANCE WITH UTAH CODE ANN. § 11-13-202.5:

By: _____
Wm. Shane Topham, City Attorney
Date Signed: _____

LANDLORD:

ATTEST:

BOARD OF EDUCATION OF THE CANYONS SCHOOL DISTRICT

_____
Keith Bradford, Business Administrator
Date signed: _____

By: _____
Tracy S. Cowdell, President
Date signed: _____

APPROVED IN ACCORDANCE WITH UTAH CODE ANN. § 11-13-202.5:

By: _____
Paul D. Van Komen, Attorney for CSD
Date Signed: _____

564845.2

Exhibit "A" to
Interlocal Lease Agreement

(Attach Legal Description of Premises)

SCHEDULE A

Order No. 50932 Commitment No. 50932

LEGAL DESCRIPTION CONTINUED

PARCEL 1:
Beginning at the intersection of the Jordan River with the Northerly boundary of Midvale City; thence Easterly along the Northerly boundary of Midvale City to the Westerly boundary of the City of Cottonwood Heights; thence Easterly along the Northerly boundary of said Cottonwood Heights to a Northeasterly corner thereof, said point also being the center of Section 24, Township 2 South, Range 1 East, Salt Lake Base and Meridian, thence departing from the Cottonwood Heights boundary and running Northerly and Easterly to and along the ridgeline which defines the Northerly limits of the drainage into Big Cottonwood Canyon, to intersect the Easterly boundary of Salt Lake County; thence along said Salt Lake County boundary Southeasterly, Southerly and Southwesterly to intersect the Draper City boundary; thence passing through Draper City Southwesterly along the Salt Lake County boundary to the Easterly boundary of Bluffdale City, thence along said Bluffdale City boundary, Northerly and Westerly to its intersection with the Jordan River; thence Northerly along the Jordan river to intersect the Southerly boundary of South Jordan City; thence along said South Jordan City boundary, Easterly, Northerly and Westerly to its intersection with the Jordan River; thence Northerly along the Jordan river to the Northerly boundary of Midvale City and the point of beginning.

LESS AND EXCEPTING any portion lying within the bounds of the EAST JORDAN CANAL.

(PARCEL 2)
Lot 1, GREENFIELD VILLAGE PLAT F, according to the official plat thereof, filed in Book "T" of Plats, at Page 83 of the Official Records of the Salt Lake County Recorder.

+++

Exhibit "B" to
Interlocal Lease Agreement

(Attach Schedule B-2 of Current Commitment for
Owner's Policy of Title Insurance on the Premises)

ALTA Commitment Form

COMMITMENT FOR TITLE INSURANCE

Issued by

First American Title Insurance Company

First American Title Insurance Company, a CA corporation ("Company"), for a valuable consideration, commits to issue its policy or policies of title insurance, as identified in Schedule A, in favor of the Proposed Insured named in Schedule A, as owner or mortgagee of the estate or interest in the land described or referred to in Schedule A, upon payment of the premiums and charges and compliance with the Requirements; all subject to the provisions of Schedules A and B and to the Conditions of this Commitment.

This Commitment shall be effective only when the identity of the Proposed Insured and the amount of the policy or policies committed for have been inserted in Schedule A by the Company.

All liability and obligation under this Commitment shall cease and terminate 90 days after the Effective Date or when the policy or policies committed for shall issue, whichever first occurs, provided that the failure to issue the policy or policies is not the fault of the Company.

The Company will provide a sample of the policy form upon request.

IN WITNESS WHEREOF, First American Title Insurance Company has caused its corporate name and seal to be affixed by its duly authorized officers on the date shown in Schedule A.

First American Title Insurance Company

BY PRESIDENT

ATTEST SECRETARY

FIRST AMERICAN TITLE INSURANCE COMPANY INCORPORATED SEPTEMBER 24, 1968 CALIFORNIA

By: _____
Authorized Signatory

LANDMARK TITLE COMPANY

Plaza 7 • 21
675 East 2100 South Suite 200
Salt Lake City, Utah 84106
Phone 801-467-4111 Fax 801-467-4189
landmarktitleutah.com

COMMITMENT SCHEDULE A

Order No. 50932 Commitment No. 50932

1. Effective Date: July 14, 2011 at 6:59 a.m.

2. Policy or Policies to be issued:

	AMOUNT	PREMIUM
A. ALTA OWNER'S POLICY [6-17-06 Form] Proposed Insured: TO BE DETERMINED	$ TO BE DETERMINED	$ TO BE DETERMINED
B. ALTA LOAN POLICY [6-17-06 Form] Proposed Insured:	$	$
C.		

3. The estate or interest in the land described or referred to in this Commitment and covered herein is: FEE SIMPLE

4. Title to said estate or interest in said land is at the effective date hereof vested in:

BOARD OF EDUCATION OF CANYONS SCHOOL DISTRICT, a body corporate and politic of the State of Utah

5. The land referred to in this Commitment is described as follows: situated in SALT LAKE County, State of Utah, to-wit:

(SEE LEGAL DESCRIPTION CONTINUED ATTACHED HERETO AND MADE A PART HEREOF)
(Continued)

INQUIRIES SHOULD BE DIRECTED TO:
Jeff Jensen - Escrow Officer 801-467-4111
Scott Green - Title Officer (801)467-4111

FIRST AMERICAN TITLE INSURANCE COMPANY
issued by LANDMARK TITLE COMPANY, AGENT

SCHEDULE A

Order No. 50932 Commitment No. 50932

LEGAL DESCRIPTION CONTINUED

PARCEL 1:
Beginning at the intersection of the Jordan River with the Northerly boundary of Midvale City; thence Easterly along the Northerly boundary of Midvale City to the Westerly boundary of the City of Cottonwood Heights; thence Easterly along the Northerly boundary of said Cottonwood Heights to a Northeasterly corner thereof, said point also being the center of Section 24, Township 2 South, Range 1 East, Salt Lake Base and Meridian, thence departing from the Cottonwood Heights boundary and running Northerly and Easterly to and along the ridgeline which defines the Northerly limits of the drainage into Big Cottonwood Canyon, to intersect the Easterly boundary of Salt Lake County; thence along said Salt Lake County boundary Southeasterly, Southerly and Southwesterly to intersect the Draper City boundary; thence passing through Draper City Southwesterly along the Salt Lake County boundary to the Easterly boundary of Bluffdale City, thence along said Bluffdale City boundary, Northerly and Westerly to its intersection with the Jordan River; thence Northerly along the Jordan river to intersect the Southerly boundary of South Jordan City; thence along said South Jordan City boundary, Easterly, Northerly and Westerly to its intersection with the Jordan River; thence Northerly along the Jordan river to the Northerly boundary of Midvale City and the point of beginning.

LESS AND EXCEPTING any portion lying within the bounds of the EAST JORDAN CANAL.

(PARCEL 2)
Lot 1, GREENFIELD VILLAGE PLAT F, according to the official plat thereof, filed in Book "T" of Plats, at Page 83 of the Official Records of the Salt Lake County Recorder.

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Commitment No. 50932 Order No. 50932

SCHEDULE B - SECTION 1

REQUIREMENTS

The following requirements must be met:

(a) Pay the agreed amounts for the interest in the land and/or the mortgage to be insured.
(b) Pay us the premiums, fees and charges for the policy.
(c) Documents satisfactory to us creating the interest in the land and/or the mortgage to be insured must be signed, delivered and recorded.
(d) You must tell us in writing the name of anyone not referred to in this Commitment who will get an interest in the land or who will make a loan on the land. We may then make additional requirements or exceptions.
(e) Release(s) or Reconveyance(s) of item(s) **(See Schedule B - Section 2).**
(f) Other

(1) Any additional documentation requested by LANDMARK TITLE COMPANY and/or its underwriter.

(2) Submit evidence that BOARD OF EDUCATION OF CANYONS SCHOOL DISTRICT, a body corporate and politic of the State of Utah is a properly created entity capable of holding title to real property under the laws of the State of Utah, together with evidence of the authority of any person or persons executing documents on behalf of said entity.

(Continued)

(g) You may be requested to give us the following information:

1. Any off record leases, surveys, etc.
2. Statement(s) of identity, all parties.
3. Other

(a) Any additional documentation or information requested by LANDMARK TITLE COMPANY and/or its underwriter.

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The Salt Lake County Assessor's Office shows the address of said property to be:

1651 EAST FORT UNION BOULEVARD - SALT LAKE CITY, UTAH 84121

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NOTE: Judgments have been searched in the name of BOARD OF EDUCATION OF CANYONS SCHOOL DISTRICT, a body corporate and politic of the State of Utah, and those not satisfied of record (IF ANY) which, in the opinion of the Company would constitute liens against the subject property, are set forth in Schedule B-Section 2 herein.

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SCHEDULE B-SECTION 1 CONTINUED

Order No. 50932 Commitment No. 50932

REQUIREMENTS CONTINUED

(3) This Commitment is subject to approval by FIRST AMERICAN TITLE INSURANCE COMPANY, and any additional limitations, requirements, and/or exceptions made by FIRST AMERICAN TITLE INSURANCE COMPANY.

SCHEDULE B - SECTION 2

EXCEPTIONS

Any policy we issue will have the following exceptions unless they are taken care of to our satisfaction:

1. The lien of real estate taxes or assessments imposed on the Title by a governmental authority that are not shown as existing liens in the records of any taxing authority that levies taxes or assessments on real property or in the Public Records.
2. Any facts, rights, interests or claims that are not shown in the Public Records but that could be ascertained by an inspection of the Land or by making inquiry of persons in possession of the Land.
3. Easements, claims of easements or encumbrances that are not shown by the Public Records.
4. Any encroachment, encumbrance, violation, variation or adverse circumstance affecting the Title including discrepancies, conflicts in boundary lines, shortage in area, or any other facts that would be disclosed by an accurate and complete land survey of the Land, and that are not shown in the Public Records.
5. Unpatented mining claims; reservations or exceptions in patents or in Acts authorizing the issuance thereof; water rights, claims, or title to water, whether or not such matters are shown in 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 in the Public Records.
7. Defects, liens, encumbrances, adverse claims or other matters, if 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 value the estate or interest or mortgage thereon covered by this Commitment.
8. (AFFECTS PARCEL 1)
   The lien of all general real and personal property taxes for the year 2011 and thereafter, not yet due or payable. General real property taxes for the year 2010 are EXEMPT. (Tax Parcel No. 22-21-376-017 and Tax District No. AAH)
9. (AFFECTS PARCEL 2)
   The lien of all general real and personal property taxes for the year 2011 and thereafter, not yet due or payable. General real property taxes for the year 2010 are EXEMPT. (Tax Parcel No. 22-21-376-016 and Tax District No. AAH)
10. Any assessments and/or charges made by Salt Lake County as a result of a review of the tax assessment by the Salt Lake County Assessor and/or the Salt Lake County Board of Equalization.

(Continued)

SCHEDULE B

Order No. 50932 Commitment No. 50932

EXCEPTIONS CONTINUED

11. Said property lies within the boundaries of Cottonwood Heights, and is subject to any and all charges and assessments thereof.

NOTE: Delinquent Special Assessment charges may have been reported to Salt Lake County by Cottonwood Heights. It is recommended that when checking with the said City care should be taken to specifically ask if any delinquent charges have been certified to the Salt Lake County Treasurer.

12. Said property lies within the boundaries of Cottonwood Improvement District, and is subject to any and all charges and assessments thereof. [Phone No. (801-943-7671)]

NOTE: Delinquent Special Assessment charges may have been reported to Salt Lake County by Cottonwood Improvement District. It is recommended that when checking with the said District care should be taken to specifically ask if any delinquent charges have been certified to the Salt Lake County Treasurer.

13. Said property lies within the boundaries of the "Salt Lake County Special District No. 1" created pursuant to a resolution of the Board of Commissioners of Salt Lake County, dated August 1, 1977 and providing for garbage collection and disposal services within the district. The records of the Salt Lake County Treasurer indicate no annual installment payment for the year 2010.

14. (AFFECTS PARCEL 2)
Easements for public utilities, drainage and incidental purposes over, along and across said property as shown on the recorded plat of said subdivision.

15. (AFFECTS PARCEL 2)
"This lot is for school purposes" as shown on the recorded plat of said subdivision.

16. (AFFECTS PARCEL 2)
A perpetual easement and right of way for the erection and continued maintenance, repair, alteration, and replacement of the electric transmission, distribution and telephone circuits, with other recited rights, terms and conditions, as created in favor of UTAH POWER & LIGHT COMPANY, a corporation, its successors in interest and assigns by instrument recorded December 27, 1962 as Entry No. 1898009, in Book 2014, at Page 236 of the Official Records, through and across said property as provided for and described in said instrument.

(Continued)

SCHEDULE B

Order No. 50932 Commitment No. 50932

EXCEPTIONS CONTINUED

17. (AFFECTS PARCEL 1)
A permanent easement and right of way for the purpose of constructing and/or laying a pipeline therein for the transportation of sewerage, with other recited rights, terms and conditions, as created in favor of SALT LAKE COUNTY COTTONWOOD SANITARY DISTRICT, a public corporation by instrument recorded February 28, 1977 as Entry No. 2913310, in Book 4454, at Page 823 of the Official Records through and across said property as provided for and described in said instrument.

18. A right of way for East Jordan Canal, and any facilities appurtenant thereto, including but not limited to, water pipelines and ditches, as the same may be found to intersect the herein described land, together with any rights or asserted rights in and to said canal or pertaining to the use and maintenance of said canal. The Company further excepts any adverse claim based on (i) the assertion that some of the boundaries of the herein described land have been affected by a change in the course of said canal; (ii) the uncertainty of the boundaries of said canal; and (iii) the assertion that the land is subject to water rights, claims or title to water and to any law or governmental regulation pertaining to wetlands.

19. Any matters that might be disclosed by a current and accurate survey of said premises.

NOTE: The Company hereby reserves the right to make amendments to this Commitment based upon any matters disclosed by such a survey, when same is delivered to the Company for an examination thereof. Such amendments may be in the form of additional Special Exceptions and/or revisions to the description contained in Paragraph 5 of Schedule "A".

20. (AFFECTS PARCEL 2)
The terms of that certain instrument entitled "Restrictions", recorded June 10, 1959 as Entry No. 1658422, in Book 1621, at Page 311 of the Official Records, including all provisions, covenants, conditions, restrictions, easements, charges, assessments, liens or rights, if any, created therein, but deleting those matters based upon race, color, creed, religion, sex, handicap, familial status or national origin unless and only to the extent that said matters, or any portion thereof, are exempt under relevant provisions of the United States Code or relate to handicap, but do not discriminate against handicapped persons.

(Continued)

SCHEDULE B

Order No. 50932 Commitment No. 50932

EXCEPTIONS CONTINUED

21. The rights of any tenants, lessees, their creditors, and other parties claiming by, through, or under said tenants, pursuant to any leases, rental agreements, occupancy agreements, assignments thereof, and/or other leasehold documents.

    The Company specifically excepts any and all matters pending against any lessee or tenant, being on or off record, including, but not limited to, bankruptcies, judgment liens, federal and state tax liens, etc., and makes no certification as to the existence of judgments, tax liens, bankruptcies, or other encumbrances created by any lessee or tenant.

22. Any claim or lien as a supplier of labor or material to said property, found to have priority senior to the interest to be insured, as a result of labor and/or material supplied prior to the recordation of instrument(s) creating said interest.

    Note: In order to delete the above exception, it may be necessary to provide further documentation to Landmark Title Company. It is suggested that you contact Jeff Jensen or one of our escrow officers prior to completing your closing.

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SG/skp