COMMERCIAL REAL ESTATE PURCHASE CONTRACT

EXHIBIT 1

EARNEST MONEY DEPOSIT

On this 3rd day of ~~JULY~~ August, 2021 ("Offer Reference Date") the Town of Bluff ("Buyer") offers to purchase from San Juan School District ("Seller") the Property described below and **agrees to deliver no later than four (4) calendar days after Acceptance (as defined in Section 23)**, an Earnest Money Deposit in the amount of TEN THOUSAND DOLLARS ($10,000.00) in the form of Wire Transfer to: Southeastern Utah Title Company, Monticello, UT ("Escrow Agent"). After Acceptance of the Contract by Buyer and Seller, and receipt of the Earnest Money by the Escrow Agent, the Escrow Agent shall have four (4) calendar days in which to deposit the Earnest Money into the Escrow Agent's Trust Account.

OFFER TO PURCHASE

1. **PROPERTY:** Old Bluff Elementary School, Old Mountain Highway 191, City of Bluff, County of San Juan, State of Utah, Zip 84511, Tax ID Nos. C00000010020 and C00000010010 (the "Property"). The Legal description of the Property is attached hereto and incorporated by this reference as **Exhibit A.** Any reference below to the term "Property" shall include the Property described above, together with the Included Items and water rights/water shares, if any, referenced in Sections 1.1, 1.2 and 1.4.

1.1 Included Items. Unless excluded herein, this sale includes the following items if presently owned and in place on the Property: plumbing, heating, air conditioning fixtures and equipment; solar panels; ovens, ranges and hoods; cook tops; dishwashers; ceiling fans; water heaters; water softeners; light fixtures and bulbs; bathroom fixtures and bathroom mirrors; all window coverings including curtains, draperies, rods, window blinds and shutters; window and door screens; storm doors and windows; awnings; satellite dishes; all installed TV mounting brackets; all wall and ceiling mounted speakers; affixed carpets; automatic garage door openers and accompanying transmitters; security system; fencing and any landscaping.

1.2 Other Included Items. The following items that are presently owned and in place on the Property have been left for the convenience of the parties and are also included in this sale **(check applicable box): [X] washers [X] dryers [X] refrigerators [X] microwave ovens [X] other (specify)** **All cooking equipment currently in kitchen.**

The above checked items shall be conveyed to Buyer under a separate bill of sale ("Bill of Sale") with warranties as to title in the form set forth in **Exhibit B.** In addition to any boxes checked in this Section 1.2 above, there **[ ] ARE [X] ARE NOT** additional items of personal property Buyer intends to acquire from Seller at Closing by separate written agreement.

1.3 Excluded Items. The following items are excluded from this sale: **Desks, Chairs, Books, Papers, Supplies, and all other items not expressly set forth in Sections 1.1 and 1.2 above.**

1.4 Water Service. The Purchase Price for the Property shall include all water rights/water shares, if any, that are the legal source for Seller's current culinary water service and irrigation water service, if any, to the Property. The water rights/water shares will be conveyed or otherwise transferred to Buyer at Closing by applicable deed or legal instruments. The following water rights/water shares, if applicable, are specifically excluded from this sale: N/A.

2. PURCHASE PRICE.

2.1 Payment of Purchase Price. The Purchase Price for the Property is $307,500.00. Except as provided in this Section, the Purchase Price shall be paid as provided in Sections 2.1(a) through 2.1(e) below. Any amounts shown in Sections 2.1(c) and 2.1(e) may be adjusted as deemed necessary by Buyer and the Lender (the "Lender").

$ 10,000.00	**(a) Earnest Money Deposit.** Under certain conditions described in the Contract, this deposit may become totally non-refundable.
$ N/A	**(b) Additional Earnest Money Deposit** (see Section 8.4 if applicable)
$ N/A	**(c) New Loan.** Buyer may apply for mortgage loan financing (the "Loan") on terms acceptable to Buyer: If an FHA/VA loan applies, see attached FHA/VA Loan Addendum.
$ N/A	**(d) Seller Financing** (see attached Seller Financing Addendum)
$ 297,500.00	**(e) Balance of Purchase Price in Cash at Settlement**
$ 307,500.00	**PURCHASE PRICE. Total of lines (a) through (e)**

3. SETTLEMENT AND CLOSING.

3.1 Settlement. Settlement shall take place no later than the Settlement Deadline referenced in Section 23(d), or as otherwise mutually agreed by Buyer and Seller in writing. "Settlement" shall occur only when all of the following have been completed: (a) Buyer and Seller have signed and delivered to each other or to the Escrow Agent all documents required by the Contract (including Seller's Settlement Deliveries and Buyer's Settlement Deliveries) by the title insurance and escrow/closing offices, by written escrow instructions, or by applicable law, other than the Deed, Bill of Sale, and Affidavit attached hereto as **Exhibit C**, which shall be delivered to Buyer at closing; and (b) any monies required to be paid by Buyer or Seller under these documents (except for the proceeds of any Loan) have been delivered by Buyer or Seller to the other party, or to the Escrow Agent, in the form of cash, wire transfer, cashier's check, or other form of collected and cleared funds.

(a) Seller's Settlement Deliveries. By the Settlement Deadline, Seller shall deliver, or cause to be delivered, to Escrow Agent:

(i)

(ii) The Restrictive Covenant, attached as Exhibit 1-A to the Addendum No. 1, incorporated herein by reference, fully executed and properly acknowledged by Seller;

(iii) Such other fund, instruments and documents as may be reasonably requested by Buyer or Escrow Agent or reasonably necessary to effect or carry out the purposes of this Agreement (which funds, instruments and documents shall be subject to Seller's prior approval thereof, which approval shall not be unreasonably withheld).

(b) **Buyer's Settlement Deliveries.** By the Settlement Deadline, Buyer shall deliver, or cause to be delivered, to Escrow Agent:

(i)

(ii) The Restrictive Covenant, attached as Exhibit 1-A to the Addendum No. 1, incorporated herein by reference, fully executed and properly acknowledged by Buyer;

(iii) Such other fund, instruments and documents as may be reasonably requested by Buyer or Escrow Agent or reasonably necessary to effect or carry out the purposes of this Agreement (which funds, instruments and documents shall be subject to Seller's prior approval thereof, which approval shall not be unreasonably withheld).

3.2 Closing. For purposes of the Contract, "Closing" means that: (a) Settlement has been completed; (b) the proceeds of any new Loan have been delivered by the Lender to Seller or to the escrow/closing office; (c) Buyer and Seller have delivered to the other their respective closing deliveries, and (d) the applicable Closing documents have been recorded in the office of the county recorder ("Recording"). The actions described above in 3.2 (b), (c), and (d) shall be completed no later than three (3) calendar days after Settlement.

(a) **Seller's Closing Deliveries**

(i) The Deed, as defined below, fully executed and properly acknowledged by Seller;

(ii) A bill of sale in the form of Exhibit B attached hereto and incorporated herein by reference, fully executed by Seller;

(iii) An affidavit in the form of Exhibit C attached hereto and incorporated herein by this reference, fully executed and properly acknowledged by Seller, as required by Internal Revenue Code Section 1445(b)(2); and

(iv) A fully executed Authorization to Release Deposit, in the form attached to the Agreement to Hold Deposit and Instructions entered into between the Parties and Escrow Agent (the "Escrow Agreement").

(b) **Buyer's Closing Deliveries**

(i) A bill of sale in the form of Exhibit B attached hereto and incorporated herein by reference, fully acknowledged by Buyer.

(ii) A fully executed Authorization to Release Deposit, in the form attached to the Escrow Agreement.

3.3 Possession. Seller shall deliver physical possession of the Property to Buyer within: **[1] Business Day after Recording.** Any contracted rental of the Property prior to or after Closing, between Buyer and Seller, shall be by separate written agreement. Seller and Buyer shall each be responsible for any insurance coverage each party deems necessary for the Property including any personal property and belongings. The provisions of this Section 3.3 shall survive Closing.

4. PRORATIONS / ASSESSMENTS / OTHER PAYMENT OBLIGATIONS.

4.1 Prorations. All prorations, including, but not limited to, property taxes and assessments for the current year, shall be made as of the Settlement Deadline referenced in Section 23(d), unless otherwise agreed to in writing by the parties. Such writing could include the settlement statement. The provisions of this Section 4.1 shall survive Closing. Seller is a government entity not subject to taxation.

4.2 Fees/Costs/Payment Obligations.

(a) **Escrow Fees.** Unless otherwise agreed to in writing, Seller and Buyer shall each pay their respective fees charged by the escrow/closing office for its services in the settlement/closing process. The provisions of this Section 4.2(a) shall survive Closing.

(b) **Utility Services.** Buyer agrees to be responsible for all utilities and other services provided to the Property after the Settlement Deadline. The provisions of this Section 4.2(b) shall survive Closing.

(c) **Sales Proceeds Withholding.** The escrow/closing office is authorized and directed to withhold from Seller's proceeds at Closing, sufficient funds to pay off on Seller's behalf all mortgages, trust deeds, judgments, mechanic's liens, tax liens and warrants. The provisions of this Section 4.2(c) shall survive Closing.

5. CONFIRMATION OF AGENCY DISCLOSURE. Buyer and Seller acknowledge that neither the Buyer or the Seller are represented by a Real Estate Broker or Agent in this sale.

6. TITLE & TITLE INSURANCE.

6.1 Title to Property. Seller represents that Seller has fee title to the Property and will convey good and marketable title to Buyer at Closing by general warranty deed (**"Deed"**), in the form of **Exhibit D**, attached hereto and incorporated by reference.

6.2 Title Insurance. At Settlement, Seller agrees to pay for a standard-coverage owner's policy of title insurance insuring Buyer in the amount of the Purchase Price. In the event Buyer elects to obtain a full-coverage extended policy of title insurance, the cost of this coverage, including any survey of the Property, above that of the standard-coverage owner's policy, shall be paid for at Settlement by Buyer.

7. SELLER DISCLOSURES. No later than the Seller Disclosure Deadline referenced in Section 24(a), Seller shall provide to Buyer the following documents in hard copy or electronic format which are collectively referred to as the "Seller Disclosures":

(a) a written Seller property condition disclosure for the Property, completed, signed and dated by Seller as provided in Section 10.2;
(b) a Commitment for Title Insurance on the Property as referenced in Section 6.2;
(c) a copy of all leases and rental agreements now in effect with regard to the Property;
(d) a copy of any existing property management agreements affecting the Property;
(e) evidence of any water rights and/or water shares referenced in Section 1.4;
(f) written notice of any claims and/or conditions known to Seller relating to environmental problems and building or zoning code violations; and

 Buyer's Initials ___ Date 8/3/2021 Seller's Initials ___ Date 8/11/2021

EXHIBIT 1

(g) Other (specify) None

8. BUYER'S CONDITIONS OF PURCHASE.

8.1 DUE DILIGENCE CONDITION. Buyer's obligation to purchase the Property: **[X] IS [] IS NOT** conditioned upon Buyer's Due Diligence as defined in this Section 8.1(a) below. This condition is referred to as the "Due Diligence Condition." If checked in the affirmative, Sections 8.1(a) through 8.1(c) apply; otherwise they do not.

(a) Due Diligence Items. Buyer's Due Diligence shall consist of Buyer's review and approval of the contents of the Seller Disclosures referenced in Section 7, and any other tests, evaluations and verifications of the Property deemed necessary or appropriate by Buyer, such as: the physical condition of the Property; the existence of any hazardous substances, environmental issues or geologic conditions; the square footage or acreage of the land and/or improvements; the condition of the roof, walls, and foundation; the condition of the plumbing, electrical, mechanical, heating and air conditioning systems and fixtures; the condition of all appliances; the costs and availability of homeowners' insurance and flood insurance, if applicable; water source, availability and quality; the location of property lines; regulatory use restrictions or violations; fees for services such as HOA dues, municipal services, and utility costs; convicted sex offenders residing in proximity to the Property; and any other matters deemed material to Buyer in making a decision to purchase the Property. Unless otherwise provided in this Contract, all of Buyer's Due Diligence shall be paid for by Buyer and shall be conducted by individuals or entities of Buyer's choice. Seller agrees to cooperate with Buyer's Due Diligence. Buyer agrees to pay for any damage to the Property resulting from any such inspections or tests during the Due Diligence.

(b) Buyer's Right to Cancel or Resolve Objections. If Buyer determines, in Buyer's sole discretion, that the results of the Due Diligence are unacceptable, Buyer may either: (i) no later than the Due Diligence Deadline referenced in Section 24(b), cancel this Contract by providing written notice to Seller, whereupon the Earnest Money Deposit shall be released to Buyer without the requirement of further written authorization from Seller; or (ii) no later than the Due Diligence Deadline referenced in Section 24(b), resolve in writing with Seller any objections Buyer has arising from Buyer's Due Diligence.

(c) Failure to Cancel or Resolve Objections. If Buyer fails to cancel this Contract or fails to resolve in writing with Seller any objections Buyer has arising from Buyer's Due Diligence, as provided in Section 8.1(b), Buyer shall be deemed to have waived the Due Diligence Condition, and except as provided in Sections 8.2(a) and 8.3(b)(i), the Earnest Money Deposit shall become non-refundable.

8.2 APPRAISAL CONDITION. Buyer's obligation to purchase the Property: **[ ] IS [X] IS NOT** conditioned upon the Property appraising for not less than the Purchase Price. This condition is referred to as the "Appraisal Condition." If checked in the affirmative, Sections 8.2(a) and 8.2(b) apply; otherwise they do not.

(a) Buyer's Right to Cancel. If after completion of an appraisal by a licensed appraiser, Buyer receives written notice from the Lender or the appraiser that the Property has appraised for less than the Purchase Price (a "Notice of Appraised Value"), Buyer may cancel this Contract by providing written notice to Seller (with a copy of the Notice of Appraised Value) no later than the Financing & Appraisal Deadline referenced in Section 24(c); whereupon the Earnest Money Deposit shall be released to Buyer without the requirement of further written authorization from Seller.

(b) Failure to Cancel. If this Contract is not cancelled as provided in this section 8.2, Buyer shall be deemed to have waived the Appraisal Condition, and except as provided in Sections 8.1(b) and 8.3(b)(i), the Earnest Money Deposit shall become non-refundable.

8.3 FINANCING CONDITION. (Check Applicable Box)

(a)] No Financing Required. Buyer's obligation to purchase the Property **IS NOT** conditioned upon Buyer obtaining financing. If checked, Section 8.3(b) below does NOT apply.

(b) [X] Financing Required. Buyer's obligation to purchase the Property **IS** conditioned upon Buyer obtaining funds sufficient to cover the balance of the Purchase Price. This Condition is referred to as the "Financing Condition." If checked, Sections 8.3(b)(i), (ii) and (iii) apply; otherwise they do not. If this Contract is not cancelled by Buyer as provided in Sections 8.1(b) or 8.2(a), then Buyer agrees to work diligently and in good faith to obtain the Loan.

(i) Buyer's Right to Cancel Before the Financing & Appraisal Deadline. If Buyer, in Buyer's sole discretion, is not satisfied with the availability or terms and conditions applicable to receipt of any funds necessary to complete the purchase, Buyer may, after the Due Diligence Deadline referenced in Section 24(b), if applicable, cancel this Contract by providing written notice to Seller no later than the Financing & Appraisal Deadline referenced in Section 24(c); whereupon the entire $10,000 of Buyer's Earnest Money Deposit shall be released to Seller without the requirement of further written authorization from Buyer and both parties shall be released from any further obligation under this Contract.

9. ADDENDA. There **[X] ARE [ ] ARE NOT** addenda to this Contract containing additional terms. If there are, the terms of the following addenda are incorporated into this Contract by this reference: **[X] Addendum No. 1 [ ] Seller Financing Addendum [ ] FHA/VA Loan Addendum [ ] Other (specify)**_____.

10. AS-IS CONDITION OF PROPERTY.

10.1 Condition of Property/Buyer Acknowledgements. Buyer acknowledges and agrees that in reference to the physical condition of the Property: (a) Buyer is purchasing the Property in its "As-Is" condition without expressed or implied warranties of any kind; (b) Buyer is relying wholly on Buyer's own judgment and that of any contractors or inspectors engaged by Buyer to review, evaluate and inspect the Property. The provisions of Section 10.1 shall survive Closing.

10.2 Condition of Property/Seller Acknowledgements. Seller acknowledges and agrees that in reference to the physical condition of the Property, Seller agrees to: (a) disclose in writing to Buyer defects in the Property known to Seller that materially affect the value of the Property that cannot be discovered by a reasonable inspection by an ordinary prudent Buyer; (b) carefully review, complete, and provide to Buyer a written Seller property condition disclosure as stated in Section 7(a); (c) deliver the Property to Buyer in substantially the same general condition as it was on the date of

 Buyer's Initials RJH **Date** 8/3/2021 **Seller's Initials** JM **Date** 8/11/2021

Acceptance, as defined in Section 22, ordinary wear and tear excepted; (d) deliver the Property to Buyer in broom-clean condition and free of debris and personal belongings; and (e) repair any Seller or tenant moving-related damage to the Property at Seller's expense. The provisions of Section 10.2 shall survive Closing.

11. FINAL PRE-SETTLEMENT WALK-THROUGH INSPECTION. No earlier than seven (7) calendar days prior to Settlement, and upon reasonable notice and at a reasonable time, Buyer may conduct a final pre-Settlement walk-through inspection of the Property to determine only that the Property is "as represented," meaning that the items referenced in Sections 1.1 and 1.2 ("the items") are respectively present, repaired or corrected as agreed. The failure to conduct a walk-through inspection or to claim that an item is not as represented shall not constitute a waiver by Buyer of the right to receive, on the date of possession, the items as represented.

12. CHANGES DURING TRANSACTION. Seller agrees that from the date of Acceptance until the date of Closing, Seller shall not, without the prior written consent of Buyer: (a) make any changes in any existing leases; (b) enter into any new leases; (c) make any substantial alterations or improvements to the Property, or (d) incur any further financial encumbrances against the Property.

13. AUTHORITY OF SIGNERS. If Buyer or Seller is a corporation, partnership, trust, estate, limited liability company or other entity, the person signing this Contract on its behalf warrants his or her authority to do so and to bind Buyer and Seller. Seller further warrants that the execution and delivery of this Contract by Seller have been duly and validly authorized, and all requisite action has been taken to make this Contract binding on Seller.

14. COMPLETE CONTRACT / NO ASSIGNMENT. This Contract together with its addenda, any attached exhibits, and Seller Disclosures, constitutes the entire contract between the parties and supersedes and replaces any and all prior negotiations, representations, warranties, understandings or contracts between the parties whether verbal or otherwise. The Contract cannot be changed except by written agreement of the parties. This Contract and the rights and obligations of Buyer hereunder, are personal to Buyer and may not be assigned by Buyer without the prior written consent of Seller. Except as so restricted, this Contract shall inure to the benefit of and be binding upon the heirs, personal representatives, and successors and assigns of the parties.

15. MEDIATION. Any dispute relating to this Contract arising prior to or after Closing: **[X] SHALL [] MAY AT THE OPTION OF THE PARTIES** first be submitted to mediation. Mediation is a process in which the parties meet with an impartial person who helps to resolve the dispute informally and confidentially. Mediators cannot impose binding decisions. The parties to the dispute must agree before any settlement is binding. The parties will jointly appoint an acceptable mediator and share equally in the cost of such mediation. If mediation fails, the other procedures and remedies available under the Contract shall apply. Nothing in this Section 15 prohibits any party from seeking emergency legal or equitable relief, pending mediation. The provisions of this Section 15 shall survive Closing.

16. DEFAULT.

16.1 Buyer Default. If Buyer defaults, Seller may elect one of the following remedies: (a) cancel the Contract and retain the Earnest Money Deposit, or Deposits, if applicable, as liquidated damages; (b) maintain the Earnest Money Deposit, or Deposits, if applicable, in trust and sue Buyer to specifically enforce the Contract; or (c) return the Earnest Money Deposit, or Deposits, if applicable, to Buyer and pursue any other remedies available at law.

16.2 Seller Default. If Seller defaults, Buyer may elect one of the following remedies: (a) cancel the Contract, and in addition to the return of the Earnest Money Deposit, or Deposits, if applicable, Buyer may elect to accept from Seller, as liquidated damages, a sum equal to the Earnest Money Deposit, or Deposits, if applicable; or (b) maintain the Earnest Money Deposit, or Deposits, if applicable, in trust and sue Seller to specifically enforce the Contract; or (c) accept a return of the Earnest Money Deposit, or Deposits, if applicable, and pursue any other remedies available at law. If Buyer elects to accept liquidated damages, Seller agrees to pay the liquidated damages to Buyer upon demand.

17. ATTORNEY FEES AND COSTS / GOVERNING LAW. In the event of litigation or binding arbitration to enforce the Contract, the prevailing party shall be entitled to costs and reasonable attorney fees. However, attorney fees shall not be awarded for participation in mediation under Section 15. This contract shall be governed by and construed in accordance with the laws of the State of Utah. The provisions of this Section 17 shall survive Closing.

18. NOTICES. Except as provided in Section 22, all notices required under the Contract must be: (a) in writing; (b) signed by the Buyer or Seller giving notice; and (c) received by the Buyer or the Seller, or their respective agent, no later than the applicable date referenced in the Contract.

19. INSURANCE & RISK OF LOSS.

19.1 Insurance Coverage. As of Closing, Buyer shall be responsible to obtain casualty and liability insurance coverage on the Property in amounts acceptable to Buyer and Buyer's Lender, if applicable.

19.2 Risk of Loss. If prior to Closing, any part of the Property is damaged or destroyed by fire, vandalism, flood, earthquake, or act of God, the risk of such loss or damage shall be borne by Seller; provided however, that if the cost of repairing such loss or damage would exceed ten percent (10%) of the Purchase Price referenced in Section 2, either Seller or Buyer may elect to cancel the Contract by providing written notice to the other party, in which instance the Earnest Money Deposit, or Deposits, if applicable, shall be returned to Buyer.

20. TIME IS OF THE ESSENCE. Time is of the essence regarding the dates set forth in this Contract. Extensions must be agreed to in writing by all

 Buyer's Initials [illegible] **Date** 8/3/2021 **Seller's Initials** [illegible] **Date** 8/11/2021

parties. Unless otherwise explicitly stated in this Contract: (a) performance under each Section of this Contract which references a date shall absolutely be required by 5:00 PM Mountain Time on the stated date; and (b) the term "days" and "calendar days" shall mean calendar days and shall be counted beginning on the day following the event which triggers the timing requirement (e.g. Acceptance). If the performance date falls on a Saturday, Sunday, State or Federal legal holiday, performance shall be required on the next business day. Performance dates and times referenced herein shall not be binding upon title companies, lenders, appraisers and others not parties to this Contract, except as otherwise agreed to in writing by such non-party.

21. ELECTRONIC TRANSMISSION AND COUNTERPARTS. This Contract may be executed in counterparts. Signatures on any of the Documents, whether executed physically or by use of electronic signatures, shall be deemed original signatures and shall have the same legal effect as original signatures. **Notice to the parties shall be as follows:**

San Juan School District	**Town of Bluff**
Attn: Ronald Nielson	**Attn: Ann Leppanen**
200 North Main	**P.O. Box 324**
Blanding, UT 84511 or via email:	**Bluff, UT 84512 or via email:**
Email: nielson@sisd.org	ann@townofbluff.org

22. ACCEPTANCE. "Acceptance" occurs **only** when **all** of the following have occurred: (a) Seller or Buyer has signed the offer or counteroffer where noted to indicate acceptance; (b) Seller or Buyer or their agent has communicated to the other party or to the other party's agent that the offer or counteroffer has been signed as required; and (c) the Contract has been approved by The Board of Education of San Juan School District and the Bluff Town Council in open meetings convened as required by law.

23. CONTRACT DEADLINES. Buyer and Seller agree that the following deadlines shall apply to this Contract:

(a)	**Seller Disclosure Deadline**	10 days from the date of the last signature to this Contract
(b)	**Due Diligence Deadline**	Forty (40) days from the date of last signature to this Contract
(c)	**Financing & Appraisal Deadline**	Fifty-seven (57) days from the date of the last signature to this Contract
(d)	**Settlement Deadline**	Sixty (60) days from the date of last signature to this Contract

24. OFFER AND TIME FOR ACCEPTANCE. **Buyer** offers to buy the Property on the above terms and conditions. If Seller does not accept this offer by 5:00 [ ] **AM** [X] **PM** Mountain Time on 8/12/2021 (Date), this offer shall lapse; and the Brokerage shall return any Earnest Money Deposit to Buyer.

August 4, 2021	8-4-21
(Buyer's Signature) (Date)	(Date)
Mayor Ann Leppanen	Attest: Linda Sosa, Town Recorder

ACCEPTANCE/COUNTEROFFER/REJECTION

CHECK ONE: 8/12/2021

[X] **ACCEPTANCE OF OFFER TO PURCHASE: Seller** Accepts the foregoing offer on the terms and conditions specified above.

[ ] **COUNTEROFFER:** Seller presents for Buyer's Acceptance the terms of Buyer's offer subject to the exceptions or modifications as specified in the attached ADDENDUM NO.

[ ] **REJECTION:** Seller rejects the foregoing offer.

	8/11/2021	6:51pm		8/11/21
(Seller's Signature)	(Date)	(Time)		

EXHIBIT A

Legal Description of Property:

Parcel 1:

Lots 2 and 3 of Block 1, Bluff Townsite Survey, Plat "A" embraced within the Northeast quarter and the East half of the Northwest quarter of Section 25, Township 40 South, Range 21 East, Salt Lake Base Meridian, Utah.

EXCEPTING and RESERVING all the oil, gas, and minerals in and upon said land.

Parcel 2:

East half of Lots 1 and 4, Block 1, Plat A, Bluff Townsite.

Buyer's Initials _____ Date 8/3/2021

Seller's Initials _____ Date 8/11/2021

EXHIBIT B

BILL OF SALE

This BILL OF SALE is entered into as of this 11 day of Aug, 2021 (the "**Effective Date**"), by and between San Juan School District ("**Assignor**") and the Town of Bluff ("**Assignee**").

RECITALS

A. Assignor presently owns the personal property described in this Bill of Sale (the "**Personal Property**").

B. Pursuant to that certain Commercial Real Estate Purchase Contract, dated as of the 3 day of Aug, 2021, between Assignor and Assignee (as may have been amended from time to time, the "**Contract**"), Assignor is, transferring to Assignee all of its right, title and interest in certain Personal Property under the terms and conditions more fully set forth in the Contract.

AGREEMENTS

FOR VALUABLE CONSIDERATION, the receipt and adequacy of which are hereby acknowledged, Assignor and Assignee each hereby agree as follows:

1. Personal Property. The Personal Property subject to this Assignment includes: washer(s), dryer(s), refrigerator(s), microwave oven(s), and all cooking equipment in the kitchen at Old Mountain Highway 191, Bluff, San Juan County, State of Utah, 84511, as set forth in Section 1.1 and 1.2 of the Contract, as of the date of Settlement.

2. Warranty as to Title. Assignor hereby represents and warrants that it has good title to the Personal Property, free and clear of all liens, encumbrances and charges whatsoever, and has the right to sell, transfer and convey the same.

3. Bill of Sale. Assignor hereby transfers, grants, assigns, and conveys to Assignee all of Assignor's right, title and interest in and to that Personal Property set forth in Section 1 above.

4. Assignment and Assumption. Effective as of the Effective Date, Assignor assigns, transfers, sets over, and conveys to Assignee, to the fullest extent the same are assignable, all of Assignor's rights, title, and interest, in and to (i) any and all warranties and/or guaranties of any kind, express or implied, written or oral, relating to the Personal Property, including without limitation, any and all warranties and/or guaranties from contractors, builders, manufacturers, and/or suppliers, and (ii) any and all benefits, rights or assets in any way related to the Personal Property. Effective as of the Effective Date, Assignee hereby agrees to assume the aforementioned rights, title and interests.

5. Binding Effect. This Assignment shall inure to the benefit of and be binding upon

 Buyer's Initials ake Date 8/12/2021 Seller's Initials Jm Date 8/11/2021

the parties hereto and their respective successors and assigns.

6. Construction; Definitions. This Assignment shall be construed according to Utah law. Capitalized terms used and not otherwise defined herein shall have the meanings given to such terms in the Contract.

7. Counterparts. This Agreement may be executed in any number of counterparts, each of which when executed and delivered shall be deemed to be an original, and all of which shall together constitute one and the same instrument.

IN WITNESS WHEREOF, Assignor has executed this Assignment as of the Effective Date.

ASSIGNOR:

SAN JUAN SCHOOL DISTRICT

[EXHIBIT NOT FOR EXECUTION]

By: _____
Name (Print): _____
Its: _____

By: _____
Name (Print): _____
Its: _____

ACKNOWLEDGED BY ASSIGNEE:

TOWN OF BLUFF

[EXHIBIT NOT FOR EXECUTION]

By: _____
Name (Print): _____
Its: _____

 Buyer's Initials _____ Date 9/3/2024 Seller's Initials _____ Date _____

EXHIBIT C

AFFIDAVIT PURSUANT TO
SECTION 1445 OF THE INTERNAL REVENUE CODE

STATE OF UTAH)
ss.
COUNTY OF SAN JUAN)

Section 1445 of the Internal Revenue Code provides that a transferee of a U.S. real property interest must withhold tax if the transferor is a foreign person. To inform the transferee that withholding of tax is not required upon the disposition of a U.S. real property interest by SAN JUAN SCHOOL DISTRICT (the "**District**"), the undersigned hereby certifies the following on behalf of the District:

1. The District is not a foreign person for purpose of U.S. income taxation. If the District is a corporation, trust, partnership or estate, the District is not a foreign corporation, foreign partnership, foreign trust or foreign estate (as those terms are defined in the Internal Revenue Code and Income Tax Regulations).

2. If the District is a corporation, trust, partnership or estate, transferor is not a disregarded entity as defined in § 1.1445-2(b)(2)(iii).

3. The District's U.S. employer identification number is _____.

4. The District's office address is: 200 N Main Street, Blanding, Utah 84511.

Under penalties of perjury, I declare that I have examined this certificate and, to the best of my knowledge, it is true, correct and complete. I further declare that I have authority to sign and deliver this certificate on behalf of the District.

DATED as of March __, 2021.

SAN JUAN SCHOOL DISTRICT

[EXHIBIT NOT FOR EXECUTION]

By: _____
Name (Print): _____
Its: _____

EXHIBIT D

WHEN RECORDED, MAIL TO:
Town of Bluff
P.O. Box 324
Bluff, UT 84512
Attn: Mayor Ann Leppanen

Affecting Tax Parcel Nos. C00000010020, C00000010010

WARRANTY DEED

Board of Education of San Juan County School District, also known as San Juan School District, a political subdivision of the state of Utah, **Grantor**, of San Juan County, Utah, hereby CONVEYS AND WARRANTS to the **Town of Bluff**, a political subdivision of the state of Utah, **Grantee**, of San Juan County, Utah, for the sum of ten dollars and other good and valuable consideration, the following described tract of land in San Juan County, Utah, to wit:

Lots 2 and 3 of Block 1, Bluff Townsite Survey, Plat "A" embraced within the Northeast quarter and the East half of the Northwest quarter of Section 25, Township 40 South, Range 21 East, Salt Lake Base Meridian, Utah; and

the East half of Lots 1 and 4, Block 1, Plat A, Bluff Townsite;

EXCEPTING and RESERVING all the oil, gas, and minerals in and upon said land.

Subject to an Owner Use Restrictive Covenant wherein Grantee and its successors in interest, assigns, or heirs shall not use the Property to provide educational instruction or advancement that competes with the educational offerings provided by the San Juan School District for as long as the San Juan School District operates in San Juan County, State of Utah, as expressly defined in the Use Restriction contained in the Restrictive Covenant.

Subject further to easements, restrictions, encumbrances and rights of way appearing of record or enforceable in law and equity.

WITNESS THE HAND of said Grantor this __ day of March, 2021.

SAN JUAN SCHOOL DISTRICT

[EXHIBIT NOT FOR EXECUTION]

By: _____
Name (Print): Lori K. Maughan
Its: _____

[ADD ACKNOWLEDGEMENT]

1. Purpose. The purpose of this Restrictive Covenant and Agreement is to ensure that so long as School District operates in San Juan County, State of Utah, the owners, occupants, and any other person or entity having any right, title, or interest in or to any of the Property or any part thereof shall not be authorized to use or operate the Property for providing public or private educational instruction or advancement for students in grades kindergarten through twelfth grade, or any one or more of those grades, that would compete with the educational offerings provided by the School District. No provision in this Restrictive Covenant and Agreement shall limit, restrict, or preclude School District (or any of its successors and assigns) from providing educational instruction or advancement consistent with its purposes.

2. Use Restriction. For as long as School District operates in San Juan County, State of Utah, the Property shall not be used to provide public or private educational instruction or advancement for students in grades kindergarten through twelfth grade, or any one or more of those grades, that competes with the educational offerings provided by the School District (defined herein as the "Use Restriction"). The Parties expressly agree that the Use Restriction shall not be defined to prohibit or restrict other uses or activities on the Property, including: i) use for administrative offices, use for public or private meetings or events, or use for municipal or other governmental functions; ii) use for recreational, cultural, artistic, or vocational programs or activities or use for child-care programs; iii) use for kitchen or culinary purposes; iv) use for business or non-profit activities; or v) or any other lawful use not expressly prohibited under this Agreement. Bluff, and all of its successors and assigns in title, shall have exclusive use, possession, and control over the Property, or the disposition, development, or conveyance of all or any interest in same, subject only to the restrictions in this Agreement. It is further agreed that the Use Restriction described in this Section Two, and no other, is the sole limitation upon use of the Property as between the Parties.

3. Inclusion in Leases. Bluff, and any successor in interest, assigns, or heirs, shall include in any lease of the Property a provision that prohibits the use of the Property consistent with Section 2 above.

4. Default and Remedies. If either Party violates the terms of this Restrictive Covenant and Agreement, the other Party may notify that Party in writing of such violation. If the Party receiving notice thereafter fails within thirty (30) days of written notice to correct or abate such violation the notifying Party may declare the other to be in default under this Restrictive Covenant and Agreement. Such declaration of default shall be in writing.

a. The Parties agree that the obligations of the Parties under this Restrictive Covenant and Agreement are unique and further important public policies encouraging efficient use and utilization of the Property and the functioning of the School District, and that in the event of default, money damages are inadequate compensation for such default. Consequently, the Parties agree that either Party shall have the right to specifically enforce performance of any of the terms of this Restrictive Covenant and Agreement and the right to obtain from any court of competent jurisdiction a temporary restraining order, preliminary injunction, and/or permanent injunction to obtain such performance.

b. No delay or omission to exercise any right or power accruing upon any default under this Restrictive Covenant and Agreement shall impair any such right or

EXHIBIT 1-A

(Restrictive Covenant)

Upon recording, return to:

San Juan School District
Attn: Ron Nielson, Superintendent
200 North Main Street
Blanding, UT 84511

Affects Parcel ID No. C00000010020 and C00000010010

OWNER USE RESTRICTIVE COVENANT AND AGREEMENT

THIS OWNER USE RESTRICTIVE COVENANT AND AGREEMENT (this "Restrictive Covenant and Agreement" or the "Agreement"), is effective as of the date the last Party executes this Restrictive Covenant and Agreement (the "Effective Date"), by SAN JUAN SCHOOL DISTRICT, a political subdivision of the State of Utah, with an address of 200 North Main Street, Blanding, Utah 84511 ("School District"), and the TOWN OF BLUFF, a political subdivision of the State of Utah, with a business address of 190 N 3rd East #1, PO Box 324, Bluff, Utah 84512 ("Bluff") with reference to the following:

A. Bluff is the contract purchaser of the property commonly known as Old Mountain Highway 191, Bluff, San Juan County, State of Utah, 84511, and legally described in Exhibit "A" (the "Property") attached hereto and by this reference made a part hereof.

B. Bluff has agreed to purchase the Property from School District on the terms and conditions set forth in the Commercial Real Estate Purchase Contract with an effective date of Aug 11, 2021.

C. As a condition of, and as part of the consideration for, Bluff's purchase of the Property from School District, Bluff grants School District the restrictive covenant contained in this Restrictive Covenant and Agreement protecting School District from competition and prohibiting the use or operation of the Property to provide educational instruction or advancement that would directly compete with the educational offerings provided by the School District.

E. School District and Bluff may hereafter be referred to collectively as the "Parties" or individually as a "Party".

NOW THEREFORE, in consideration of the premises recited above, and other good and valuable consideration, the sufficiency of which is hereby acknowledged, the Parties agree that the above-described Property shall be held, sold, and conveyed subject to the following covenants, conditions and restrictions upon the use and enjoyment of the Property.

power or shall be construed to be a waiver thereof.

c. Any equitable relief provided for in this paragraph 4 may be sought singly or in combination with such other legal remedies or damages that may be available to either Party, in law or equity, either pursuant to the provisions of this Restrictive Covenant and Agreement or under the laws of the State of Utah. It is expressly agreed that the conveyance to Bluff shall be deemed absolute, and no subsequent dispute shall result in defeasance or invalidity of the deed or conveyance from the School District, which remedy is expressly disclaimed by the School District.

5. Binding Effect and Running with the Land. Bluff hereby declares the Property shall be held, conveyed, hypothecated, encumbered, used and occupied subject to these covenants, conditions, restrictions and limitations. This Restrictive Covenant and Agreement shall be binding upon, and inure to the benefit of the Parties, their respective heirs, successors, assigns, legal representatives and personal representatives, and all subsequent owners of the Property or any interest therein.

a. Bluff agrees this Restrictive Covenant and Agreement does not constitute an unreasonable restraint on alienation of the Property or any interest therein, that any and all requirements of the laws of the State of Utah have been satisfied to constitute this Restrictive Covenant and Agreement as a restrictive covenant running with the land, and that any requirements of privity of estate have been satisfied, or in the alternative, that an equitable servitude has been created to insure the covenants, conditions, and restrictions set forth herein run with the land.

b. Each and every contract, deed, or other instrument hereinafter executed conveying the Property or any portion thereof is subject to this Restrictive Covenant and Agreement. The covenants, conditions, and restrictions contained herein shall survive and be effective as to successors or assigns of all or any of the Property, regardless of whether a subsequent contract, deed or other instrument hereafter executed conveying the Property or any portion thereof provides that such conveyance is subject to this Restrictive Covenant and Agreement. Violation of this paragraph shall be an event of default under this Restrictive Covenant and Agreement.

6. Duration. This Restrictive Covenant and Agreement shall continue in full force and effect so long as School District operates in San Juan County, State of Utah.

7. Amendment. No amendment, change, or modification to this Restrictive Covenant and Agreement shall be valid unless in writing signed by both Parties hereto, or their successors in interest.

8. Reporting Requirements. Upon written request by School District, which request may be issued no more than once per calendar year, Bluff shall provide to School District a report of compliance with the provisions of this Restrictive Covenant and Agreement ("Report"). The Report shall include Bluff's statement that Bluff has or has not complied with all provisions of this Restrictive Covenant and Agreement. If a violation has occurred, Bluff shall provide an explanation of the violation. Failure by Bluff to respond within thirty (30) days after a written

request for a Report shall constitute a default under this Restrictive Covenant and Agreement.

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

10. Attorneys' Fees. In the event any action is instituted by a Party to enforce any of the terms and provisions contained herein, the prevailing Party in such action shall be entitled to receive from the other Party reasonable attorney's fees, costs, and expenses incurred in enforcing this Restrictive Covenant and Agreement.

11. Successors and Assigns. All of the terms and provisions contained herein shall inure to the benefit of and shall be binding upon the Parties hereto and their respective successors and assigns.

12. Entire Restrictive Covenant and Agreement. This Restrictive Covenant and Agreement constitutes the entire understanding and agreement of the Parties with respect to the subject matter of this Restrictive Covenant and Agreement and hereby supersedes any prior written or oral agreement between the Parties.

13. Applicable Law; Venue; Jury Waiver. This Restrictive Covenant and Agreement shall, in all respects, be governed by and construed in accordance with the laws of the State of Utah. The sole venue for any dispute concerning or arising under this Agreement shall be the courts of San Juan County, Utah. Regardless of the denomination of any claims that may be brought in such a suit, the parties irrevocably agree that the matter shall be decided by the court sitting without a jury.

14. Waiver of Covenants, Conditions, or Remedies. The waiver by any Party hereto of the performance of any covenant, condition, or promise, or of the time for performing any act under this Restrictive Covenant and Agreement shall not invalidate this Restrictive Covenant and Agreement nor shall it be considered a waiver by such Party of any other covenant, condition, or promise, or of the time for performing any other act required under this Restrictive Covenant and Agreement. The exercise of any remedy provided in this Restrictive Covenant and Agreement shall not be a waiver of any other remedy provided by law, and the provisions of this Restrictive Covenant and Agreement for any remedy shall not exclude any other remedies unless they are expressly excluded.

15. Construction. All Parties to this Restrictive Covenant and Agreement and their counsel have reviewed and have had the opportunity to revise this Restrictive Covenant and Agreement, and the normal rule of construction to the effect that any ambiguities in this Restrictive Covenant and Agreement are to be resolved against the drafting Party shall not be employed in the interpretation of this Restrictive Covenant and Agreement.

16. Severability. Invalidation of any portion of this Restrictive Covenant and Agreement by judgment or court order shall in no way affect any of the other provisions of this Restrictive Covenant and Agreement which shall remain in full force and effect.

17. Counterparts. This Restrictive Covenant and Agreement may be executed in counterparts. A signature on any counterpart shall function and have the effect of a signature on all counterparts.

IN WITNESS WHEREOF, this Restrictive Covenant and Agreement has been executed as of the Effective Date as defined above.

[*Signature pages follow*]

SIGNATURE PAGE OF
OWNER USE RESTRICTIVE COVENANT AND AGREEMENT

TOWN OF BLUFF,
a political subdivision of the State of Utah

[EXHIBIT NOT FOR EXECUTION]

By: _____
Name:
Its:
Date: _____

STATE OF UTAH)
: ss.
COUNTY OF _____)

On the ____ day of March, 2021, personally appeared before me, _____, who being by me duly sworn did say that he/she is the _____ of the TOWN OF BLUFF, a political subdivision of the State of Utah, and acknowledged that he/she executed the foregoing instrument on behalf of the Town of Bluff for its stated purpose.

_____
NOTARY PUBLIC

[*Signature of School District Follows on Next Page*]

SIGNATURE PAGE OF
OWNER USE RESTRICTIVE COVENANT AND AGREEMENT

SAN JUAN COUNTY SCHOOL DISTRICT,
a political subdivision of the State of Utah

[EXHIBIT NOT FOR EXECUTION]

By: _____
Name: Ron Nielson
Its: Superintendent
Date: 8/11/21

By: _____
Name: Lori L. Maughan
Its: Board President
Date: 8/11/2021

STATE OF UTAH)
: ss.
COUNTY OF SAN JUAN)

MATTHEW D KEYES
Notary Public, State of Utah
Commission # 708368
My Commission Expires On
November 21, 2023

On the 11 day of ~~March~~ April, 2021, personally appeared before me, Ron Nielson and Lori Maughan, who being by me duly sworn did say that they are the Superintendent and Board President of the SAN JUAN COUNTY SCHOOL DISTRICT, a body corporate and politic of the State of Utah and acknowledged that he or she executed the foregoing instrument on behalf of the School District for its stated purpose.

_____
NOTARY PUBLIC

EXHIBIT 1

EXHIBIT 1