

RESOLUTION R-5735

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KIRKLAND AUTHORIZING THE CITY MANAGER TO EXECUTE A REAL ESTATE PURCHASE AND SALE AGREEMENT RELATED TO PROPERTY LOCATED AT 13220 NE 132ND STREET IN KIRKLAND FOR COMMUNITY AND RECREATION PURPOSES.

1 WHEREAS, the City's 2022 Parks, Recreation, and Open Space Plan identified the  
2 northeast Kingsgate area as underserved by parks and recreational opportunities and  
3 designated the area as a high priority for capital improvements; and  
4

5 WHEREAS, the Church of Jesus Christ of Latter-day Saints is selling its 3.28 acre  
6 property located at 13220 NE 132nd Street in Kirkland ("Property"), which includes a single-  
7 story 15,635 square foot masonry building with a kitchen, gym, and flexible meeting rooms and  
8 211 parking stalls; and  
9

10 WHEREAS, the Council believes that the Property is ideally suited for immediate  
11 community use and well-positioned to help address an identified service gap and support  
12 expanded recreational opportunities in the Kingsgate area; and  
13

14 WHEREAS, the Council approved Resolution R-5731 on April 21, 2026, authorizing  
15 the City Manager to submit a letter of intent to purchase the Property; and  
16

17 WHEREAS, the City commissioned a commercial property appraisal report, received  
18 on April 29, 2026, which appraised the Property at \$11,000,000 when valued based on the  
19 highest and best use; and  
20

21 WHEREAS, the Property owner received multiple offers to purchase the Property but  
22 accepted the City's offer framework and is willing to sell the Property to the City for the sum of  
23 \$10,000,000 under the terms and conditions proposed in the Purchase and Sale Agreement  
24 ("PSA") attached hereto as Exhibit A; and  
25

26 WHEREAS, upon mutual execution of the PSA, the City would have 60 days thereafter  
27 to determine, in its sole discretion, that it is satisfied concerning all aspects of the Property  
28 and, if the City is satisfied at the conclusion of feasibility period, closing on the sale would occur  
29 30 days thereafter; and  
30

31 WHEREAS, funds are needed for costs associated with the purchase of the Property;  
32 and  
33

34 WHEREAS, City staff have recommended that the purchase price for the property could  
35 be funded initially with a short-term interfund loan of up to \$4.8 million from the Development  
36 Services Fund in order to close on the property purchase within the allotted time, and thereafter  
37 could be permanently funded with general obligation bond proceeds, park impact fee funding,  
38 a transfer of REET 2 funding from a transportation capital project, and general fund cash; and  
39

40 WHEREAS, the Council wishes to authorize the purchase of the Property by the City  
41 and to proceed with the recommended short-term interfund loan from the Development  
42 Services Fund; and  
43

44 WHEREAS, the City expects that the funds loaned will be repaid by the bond proceeds,  
45 as authorized in Section 3.

46 NOW, THEREFORE, be it resolved by the City Council of the City of Kirkland as  
47 follows:  
48

49 Section 1. The City Manager is hereby authorized and directed to execute on  
50 behalf of the City of Kirkland, as buyer, a Purchase and Sale Agreement, in a form substantially  
51 similar to that attached to this Resolution as Exhibit A, with The Church of Jesus Christ of  
52 Latter-Day Saints, as seller, related to the property located at 13220 NE 132nd Street in  
53 Kirkland, identified as King County Assessor's Parcel Number 222605-9072, for public  
54 purposes, provided it is modified to revise the use restrictions related to entertainment,  
55 amusement, and alcohol and to address the press release provision.  
56

57 Section 2. The use of \$1.0 million of REET 2 funding from the Transportation  
58 Capital Fund is hereby authorized to fund acquisition of this property.  
59

60 Section 3. The temporary use of \$4.4 million from the General Capital Contingency  
61 is hereby authorized to fund acquisition of this property. These General Capital Contingency  
62 funds shall be repaid from bond proceeds, or other authorized funds, as funding is available.  
63

64 Section 4. A loan in an amount not to exceed \$4.8 million is hereby authorized from  
65 the Development Services Fund to the General Capital Fund (310). This loan shall be used to  
66 fund the remainder of the acquisition for the property identified in Section 1. The loan shall be  
67 repaid from bond proceeds, or other authorized funds, within three years. Interest shall be paid  
68 in the amount of 3.6 percent per annum.  
69

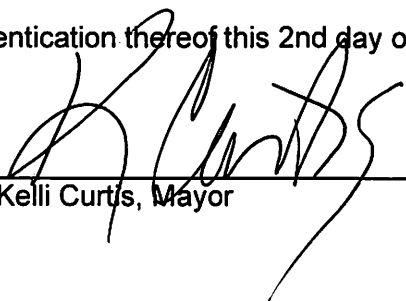
70 Section 5. The Director of Finance and Administration is authorized to advance the  
71 necessary funds from the 119 fund to the 310 fund as authorized by Section 4 for the purpose  
72 of this interfund loan. The Director of Finance and Administration is authorized and directed to  
73 repay sums advanced from monies received by the Capital Fund, plus interest, as required in  
74 Section 4.  
75

76 Section 6. The City Manager is directed to prepare a bond ordinance for Council  
77 consideration and to pursue potential external funding and partnerships, if any, to repay the  
78 interfund loan authorized in Section 4.  
79

80 Section 7. Upon acquisition by the City, the City Manager is hereby directed to take the  
81 steps necessary to designate the zoning of the property to Park.  
82

83  
84 Passed by majority vote of the Kirkland City Council in open meeting this 2nd day of  
85 June, 2026.  
86

87 Signed in authentication thereof this 2nd day of June, 2026.

  
\_\_\_\_\_  
Kelli Curtis, Mayor

Attest:

  
Anastasiya Warhol, City Clerk

**SUMMARY OF  
PURCHASE AND SALE AGREEMENT**  
PN: 520-7541

This Summary of Purchase and Sale Agreement (this “**Term Summary**”) is a part of the Agreement (defined below). Each reference in the Agreement to any term in this Term Summary will have the meaning set forth in this Term Summary. If there is a conflict between the terms in this Term Summary and the Agreement, the terms of the Agreement will prevail.

“ <b>Seller</b> ”:	<b>THE CHURCH OF JESUS CHRIST OF LATTER-DAY SAINTS</b> , a Utah corporation sole f/k/a Corporation of the Presiding Bishop of The Church of Jesus Christ of Latter-day Saints, a Utah corporation sole
“ <b>Seller Address</b> ”:	50 E. North Temple St., 12 <sup>th</sup> Floor Salt Lake City, Utah 84150 Attn: Amanda Fisher Email: <a href="mailto:amanda.fisher@churchofjesuschrist.org">amanda.fisher@churchofjesuschrist.org</a>
“ <b>Seller Representative</b> ”:	<b>Amanda Fisher</b>
“ <b>Buyer</b> ”:	<b>City of Kirkland</b>
“ <b>Buyer Address</b> ”:	123 Fifth Ave., Kirkland, WA 98033 Attn: Lee Ann Skipton Email: <a href="mailto:lskipton@kirklandwa.gov">lskipton@kirklandwa.gov</a>
“ <b>Buyer Representative</b> ”:	Lee Ann Skipton Facilities Manager – City of Kirkland
“ <b>Real Property</b> ”:	Address: 13220 Northeast 132nd Street City/State/Zip: Kirkland, WA 98034 County: King Tax Parcel Nos.: 222605-9072 Legal Description: See <b>Exhibit A</b> to this Agreement.
“ <b>Escrow Agent</b> ”:	Kim Holbrook Old Republic National Title Insurance Company 299 S Main Suite 120 Salt Lake City, UT 84111 T: 801.712.4655 <a href="mailto:kholbrook@oldrepublictitle.com">kholbrook@oldrepublictitle.com</a>
“ <b>Seller Broker</b> ”:	<b>General Broker:</b> CBRE, 222 S. Main St., 4th Floor, Salt Lake City, UT 84101, Attn: Scott Chatwin, Email: <a href="mailto:scott.chatwin@cbre.com">scott.chatwin@cbre.com</a>  <b>Local Broker</b> CBRE, 1420 5th Ave, Suite 3800, Seattle, WA 98101, Attn: Steven Brunette, <a href="mailto:steve.brunette@cbre.com">steve.brunette@cbre.com</a>
“ <b>Buyer Broker</b> ”:	CBRE, Inc.  Joe Steele, <a href="mailto:joe.steele@cbre.com">joe.steele@cbre.com</a> , 206-948-0613  Mary Lynn Molitor, <a href="mailto:marylynn.molitor@cbre.com">marylynn.molitor@cbre.com</a> , 503-729-2254
“ <b>Purchase Price</b> ”:	\$10,000,000.00
“ <b>Earnest Money</b> ”:	\$200,000 in the form of a promissory note and funded in cash upon the expiration of the Feasibility Period

<b>Key Dates:</b>				
<b>“Feasibility Period”:</b>		From the Effective Date until 5:00 p.m. (Utah time), on the date which is <b>60</b> days after the Effective Date.		
<b>“Closing Date”:</b>		The date which is <b>30</b> days after the Feasibility Period expires.		
<b>“Intended Use”:</b>		Buyer’s intended use of the Property as: <b>Community Center</b>		
<b>Entitlements:</b>		The following Section will apply and be binding on the parties if checked (if not checked, then such Section will <b>not</b> apply):		
		<input type="checkbox"/> <b>Section 9.1.3</b> (Entitlements)		
		The following actions will be considered <b>“Entitlements”</b> :		
		<input type="checkbox"/> Rezoning of the Property to the ____ zone.		
		<input type="checkbox"/> Obtaining a Conditional Use Permit for the Intended Use.		
<b>Additional Provisions:</b>		The following subsections, romanettes and exhibits will apply and be binding on the parties if checked (if not checked, then such subsections, romanettes and exhibits will <b>not</b> apply):		
		<input checked="" type="checkbox"/> <b>Section 15.1</b> (Decommissioning)		
		<input type="checkbox"/> <b>Section 15.2(i)</b> and <b>Exhibit 15.2(i)</b> (Mineral Reservation)		
		<input checked="" type="checkbox"/> <b>Section 15.2(ii)</b> and <b>Exhibit 15.2(ii)</b> (Use Restriction)		
		<input checked="" type="checkbox"/> <b>Section 15.2(iii)</b> and <b>Exhibit 15.2(iii)</b> (Asbestos)		
<b>“Transaction Expense Chart”:</b>		The following transaction expenses will be allocated as follows:		
<b>#</b>	<b>Closing Item</b>	<b>Buyer’s Share of Costs</b>	<b>Seller’s Share of Costs</b>	<b>Not Applicable (if checked)</b>
1.	Additional Inspections	100%	0%	<input type="checkbox"/>
2.	ALTA Survey	100%	0%	<input type="checkbox"/>
3.	Deed Preparation & Recording Fees	0%	100%	<input type="checkbox"/>
4.	Phase I Report	100%	0%	<input type="checkbox"/>
5.	Standard Owner’s Title Policy	0%	100%	<input type="checkbox"/>
6.	Extended Coverage & Title Endorsements	100%	0%	<input type="checkbox"/>
7.	Transfer Tax	0%	100%	<input type="checkbox"/>
8.	Rollback Tax	0%	100%	<input type="checkbox"/>
9.	Seller’s Broker Commission	0%	100%	<input type="checkbox"/>
10.	Buyer’s Broker Commission	0%	100%	<input type="checkbox"/>
11.	Escrow charges & fees	50%	50%	<input type="checkbox"/>
<b>“Buyer Relationship Disclosure”:</b>		Check the box that applies: N/A		
		<input checked="" type="checkbox"/> Buyer <b>does not</b> have a personal, business or other relationship with Seller or affiliated corporations or groups other than the sale of the Property; or		
		<input type="checkbox"/> Buyer <b>does</b> have a personal, business or other relationship with Seller or affiliated corporations or groups other than the sale of the Property, which is:		
		<input type="checkbox"/> a currently serving ecclesiastical leader of a unit of The Church of Jesus Christ of Latter-day Saints (“ <b>Church</b> ”) where the Property is located;		
		<input type="checkbox"/> an employee of the Seller or any Church affiliate;		

	<input type="checkbox"/>	a relative of an employee of Seller or of any other Church affiliate; and/or
	<input type="checkbox"/>	a hired agent of the Seller or any Church affiliate.

**Buyer's Initials:** \_\_\_\_\_

**Seller's Initials:** \_\_\_\_\_

## PURCHASE AND SALE AGREEMENT

THIS PURCHASE AND SALE AGREEMENT (this “**Agreement**”) is effective as of the Effective Date by and between **THE CHURCH OF JESUS CHRIST OF LATTER-DAY SAINTS**, a Utah corporation sole f/k/a Corporation of the Presiding Bishop of The Church of Jesus Christ of Latter-day Saints, a Utah corporation sole (“**Seller**”), and **CITY OF KIRKLAND** (“**Buyer**”).

### RECITALS

**A.** Seller is the owner of the Real Property located in the county and state set forth in the Term Summary, as more fully described on **Exhibit A**, together with those items included in the definition of “**Property**.”

**B.** Buyer desires to purchase from Seller, and Seller is willing to sell to Buyer, the Property upon the terms and conditions in this Agreement.

### TERMS AND CONDITIONS

NOW, THEREFORE, in consideration of the terms and conditions of this Agreement, and for other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Seller and Buyer hereby agree as follows:

**1. Definitions.** The capitalized terms used in this Agreement will have the meaning given them in this Agreement and **Schedule 1**.

**2. Purchase Agreement.** Seller shall sell to Buyer, and Buyer shall purchase from Seller, the Property subject to this Agreement.

**3. Purchase Price.** The Purchase Price will be due and payable as follows:

**3.1. Earnest Money.** Buyer shall deposit the Earnest Money promissory note with Escrow Agent no later than three (3) Business Days after the Effective Date. If the Earnest Money promissory note is not timely delivered by Buyer to Escrow Agent, then this Agreement will be null and void. The promissory note shall be funded in cash upon the expiration of the Feasibility Period.

**3.2. Balance of Purchase Price.** Buyer shall pay the Purchase Price, less the Earnest Money, to Seller at Closing, subject to the prorations, credits and adjustments in this Agreement.

**4. Disposition of Earnest Money.** Seller and Buyer instruct Escrow Agent to (i) hold the Earnest Money, when the promissory note is funded in cash, in an FDIC-insured, interest-bearing account with no penalty for early withdrawal, and (ii) disburse the Earnest Money as follows:

**4.1. Distribution to Buyer.** If the Purchase and Sale Transaction is not consummated due to (i) the timely termination of this Agreement pursuant to an existing termination right wherein the express terms of such termination right provide that Buyer is to receive the Earnest Money, or (ii) the termination of this Agreement by Buyer pursuant to **Section 14.2** due to a Seller Default, then the Earnest Money, or Earnest Money promissory note, as applicable, will be returned to Buyer, less \$100.00 of independent consideration which will be disbursed to Seller.

**4.2. Distribution to Seller.** If the Purchase and Sale Transaction is not consummated due to (i) the termination of this Agreement by Seller as a result of a Buyer Default, or (ii) any termination of this Agreement by any party for any reason other than as expressly set forth in **Section 4.1**, then the Earnest Money will be disbursed to Seller.

**4.3. Application.** If the Purchase and Sale Transaction is consummated, the Earnest Money will be applied to the Purchase Price and paid to Seller at Closing.

## 5. Feasibility Period.

5.1. **Feasibility Review.** Seller issues to Buyer and Buyer's employees, contractors and agents a nonexclusive right and license to enter upon the Real Property, at Buyer's sole risk, to inspect the Property and conduct any studies, tests, assessments or other matters deemed necessary by Buyer to assess the condition of the Property and determine whether to acquire the Property ("**Feasibility Review**") during the Feasibility Period. Notwithstanding the foregoing, Buyer shall not perform any invasive or intrusive testing at, in, on or under the Property (including, without limitation, any Phase II environmental site assessment) without the prior written consent of Seller, which consent may be withheld in Seller's sole discretion. Buyer shall minimize any inconvenience or disturbance of any tenants or occupants of the Property in connection with the Feasibility Review. Seller shall have the right to have a Seller representative accompany Buyer and Buyer's Consultants during any entry onto the Property.

5.1.1. **Repair.** Buyer shall immediately repair any damage to the Property resulting from Buyer's entry upon, or testing of, the Property to the same or better condition that existed before such entry upon or testing of the Property.

5.1.2. **Indemnity.** Buyer shall indemnify, defend, save and hold Seller harmless from any losses, costs, expenses, damages, injuries, deaths, causes of action, liens, penalties, fines, and liabilities of any kind whatsoever (including, without limitation, reasonable attorneys' fees and costs) ("**Losses**") caused by, or in any way related to, the acts or omissions of Buyer and its employees, contractors and agents during and in connection with the Feasibility Review; provided, however, such indemnification does not apply to the mere discovery by Buyer of any preexisting condition to the Property as a result of any testing permitted under this Agreement. The obligations of Buyer in the preceding sentence will survive the termination or Closing of this Agreement.

5.1.3. **Insurance.** Buyer shall obtain a Commercial General Liability Insurance Policy with a limit of not less than \$1,000,000.00 each occurrence, covering the activities of Buyer and Buyer's Consultants while on the Real Property, and naming Seller as an additional insured, which policy will be non-cancelable without thirty (30) days' prior written notice to Seller. A certificate evidencing such insurance and Seller as an additional insured shall be delivered to Seller prior to Buyer or Buyer's Consultants entry onto the Real Property. Buyer is a municipal corporation and has liability coverage through a liability risk pool, the Washington Cities Insurance Authority ("WCIA"). The Seller agrees that all insurance requirements in this section are satisfied by Buyer's membership in the WCIA risk pool, and Buyer will provide Seller with a coverage letter from the WCIA in lieu of a certificate of insurance.

5.1.4. **Termination.** If the results of the Feasibility Review are unsatisfactory to Buyer for any reason, then Buyer may terminate this Agreement before the Feasibility Period expires by giving Seller written notice of termination ("**Termination Notice**"), whereupon the Earnest Money will be returned to Buyer and this Agreement will terminate. If Buyer does not timely terminate this Agreement before the Feasibility Period expires, then Buyer: (i) will be deemed to have waived its right to terminate under this **Section 5.1.4** and approved the condition of the Property in all respects (subject to the satisfaction of the terms of this Agreement); (ii) the Earnest Money will be deemed nonrefundable to Buyer, subject to **Section 4.1**; and (iii) Buyer and Seller shall continue to consummate the Purchase and Sale Transaction subject to the terms of this Agreement.

## 5.2. Inspection Materials.

5.2.1. **Delivery.** Within five (5) Business Days after the Opening of Escrow, Seller shall make available the following materials to Buyer to the extent within Seller's possession or control ("**Inspection Materials**"): (i) the most recent survey of the Real Property, if any; and (ii) a title commitment with respect to the Real Property issued by the Escrow Agent and committing to issue a standard owner's policy of title insurance with respect to the Property ("**Title Report**"). In no event shall Seller be required to provide to Buyer any materials or documentation that are attorney-work product, attorney-client privileged, materials relating to other real property, or appraisals of the Property. All Inspection Materials are furnished to Buyer "AS IS" with no warranty or representations of any kind whatsoever from Seller.

5.2.2. **Return.** If this Agreement terminates, then Buyer shall furnish to Seller no later than ten (10) days thereafter: (i) copies of any and all Inspection Materials furnished to Buyer by Seller or written

confirmation that Seller has destroyed all hard copies and deleted all electronic copies of all Inspection Materials; and (ii) copies of any third-party reports prepared for Buyer relating to the Property. This **Section 5.2.2** will survive the termination of this Agreement.

## 6. Survey and Title Review.

6.1. **Survey.** Buyer may, at Buyer's expense, during the Feasibility Period obtain an ALTA survey for the Property by either obtaining a new survey or updating any survey furnished by Seller ("**Survey**"). If Buyer elects to obtain a Survey, then such Survey shall be certified to both Seller and Buyer.

6.2. **Title Review.** Buyer shall have until the Feasibility Period expires to review any matters disclosed in the Title Report or shown on the Survey. If Buyer does not approve the condition of title to the Property, then Buyer may terminate this Agreement pursuant to **Section 5.1.4**. If Buyer does not timely terminate this Agreement before the Feasibility Period pursuant to **Section 5.1.4**, then (i) all items, exceptions, and conditions shown on the then-current Title Report and the Survey will be deemed approved as "**Permitted Exceptions**" to the title of the Property; and (ii) Buyer and Seller shall continue to consummate the Purchase and Sale Transaction subject to this Agreement. Notwithstanding anything in this Agreement to the contrary, Seller shall cause the release or removal of any deeds of trust, mortgages or other monetary encumbrances created by, through or under Seller and recorded against the Property ("**Mandatory Cure Items**") and the same will not constitute Permitted Exceptions; provided, however, in no event will any monetary encumbrance created by, through or under Buyer be deemed a Mandatory Cure Item. If, following use of good faith efforts, Seller is unable to remove any Mandatory Cure Items on or before Closing, then Seller may extend the Closing Date for a period not to exceed thirty (30) days to effectuate the removal or release of such Mandatory Cure Items.

## 6.3. Title Policy.

6.3.1. **Form of Policy.** At the Closing, Escrow Agent will issue to Buyer, at Seller's expense, a standard owner's policy of title insurance in the amount of the Purchase Price insuring Buyer as the fee owner of the Property, subject to the Permitted Exceptions and standard exceptions relating to a standard owner's policy of title insurance ("**Title Policy**"). Buyer may, at its expense, obtain extended coverage or such endorsements to the Title Policy as Buyer may reasonably request. Obtaining extended coverage or any endorsements will not be a condition or contingency of the Closing.

6.3.2. **Primary Recourse.** Notwithstanding anything contained in this Agreement to the contrary, with respect to all matters affecting title to the Property, Buyer acknowledges and agrees that it is relying upon the Title Policy. If Buyer has a claim under the Title Policy and the subject matter of that claim also constitutes a breach of any representation, warranty or covenant made by Seller in this Agreement or the Deed, then Buyer agrees that it will first seek recovery under the Title Policy, and Buyer may only assert any claim against Seller for recovery of such claim after all remedies available to Buyer under the Title Policy have been exhausted and any recovery from Seller will be reduced by any recourse received by Buyer under the Title Policy. This **Section 6.3.2** will survive the Closing and recording of the Deed.

7. **Entitlements.** Buyer, at its expense, will have until the Feasibility Period expires to design and plan its development of the Property for the Intended Use. Buyer, at its sole expense, will have until the Closing Date to obtain necessary governmental approvals to secure the Entitlements ("**Entitlement Approvals**"). In all events, in pursuing such Entitlements, Buyer shall act in strict accordance with the provisions of **Exhibit 7**, which include, without limitation, a prohibition against any land use approval action or rezoning pursued by Buyer becoming final and binding on the Property prior to Closing and Seller having the right to review and approve any land use or rezoning applications prior to their submission to the governmental authority. Except as set forth in this **Section 7** and for the purpose of securing information that is publicly available or otherwise needed to obtain a zoning report, Buyer shall not communicate with any governmental authority or employee thereof with respect to any matter concerning the Property, including, without limitation, correspondences relating to the environmental condition of the Property, without the prior written consent of Seller.

## 8. Closing.

8.1. **Time & Place.** The Closing for the Purchase and Sale Transaction will take place in the offices of Escrow Agent, or its affiliate if required, on the Closing Date.

8.2. **Seller's Deliverables.** At the Closing, Seller shall deliver, or cause to be delivered to Escrow Agent and Buyer, as applicable:

8.2.1. **Deed.** The Deed, fully executed and properly acknowledged by Seller.

8.2.2. **FIRPTA.** An affidavit on Seller's approved form, fully executed and properly acknowledged by Seller, as required by Internal Revenue Code Section 1445(b)(2).

8.2.3. **General Assignment.** A general assignment and bill of sale related to the Property in the form of **Exhibit 8.2.3**, fully executed by Seller ("**General Assignment**").

8.2.4. **Settlement Statement.** A settlement statement signed by Seller that accurately reflects the payments, credits and prorations required in this Agreement.

8.2.5. **Other Deliverables.** Such other funds, instruments and documents reasonably necessary to effect or carry out the purposes of this Agreement; provided, however, that such funds, instruments and documents will be subject to Seller's prior approval thereof, which approval may not be unreasonably withheld.

8.3. **Buyer's Deliverables.** At the Closing, Buyer shall deliver to Escrow Agent:

8.3.1. **Purchase Price.** The Purchase Price (less the Deposit), and any additional funds required by this Agreement for closing costs, prorations, title policies and other fees and expenses related to the Closing.

8.3.2. **General Assignment.** The General Assignment, fully executed by Buyer.

8.3.3. **Settlement Statement.** A settlement statement signed by Buyer, which is reasonably acceptable to Buyer and accurately reflects the payments, credits and prorations required herein.

8.3.4. **Other Deliverables.** Such other funds, instruments and documents reasonably necessary to effect or carry out the purposes of this Agreement (which funds, instruments and documents will be subject to Buyer's prior approval thereof, which approval shall not be unreasonably withheld).

8.4. **Prorations & Closing Costs.**

8.4.1. **Own Costs.** Except as expressly set forth in this Agreement, each party shall bear its own costs (including attorneys' fees) in connection with its negotiation, due diligence investigation and conduct of the Purchase and Sale Transaction. The parties shall pay those expenses allocated to such party on the Transaction Expense Chart.

8.4.2. **Taxes.** All real property taxes and assessments accrued for the current year will be prorated between the parties as of Closing. To the extent that a real tax bill is unavailable for the year in which the Closing occurs, then the parties shall estimate the real estate taxes based on the prior year. Not later than December 31 of the calendar year in which the Closing occurs (or such earlier date as possible), Seller and Buyer may re-prorate real property taxes based upon actual real estate tax bills received after Closing. This **Section 8.4.2** will survive the Closing.

8.4.3. **Utilities.** Payments to all utility and other service providers related to the Property will be prorated between the parties as of Closing.

8.4.4. **Sales Tax.** All sales or use taxes, proceeds or other taxes (not including general state and federal income taxes of Seller, if any) imposed upon this transaction by any state or local entity shall be paid by Buyer; provided, however, that any Transfer Tax and Rollback Tax shall be paid by Seller.

8.5. **Possession.** Buyer shall be entitled to possession of the Property at Closing.

8.6. **Governing Approvals.** CLOSING IS CONTINGENT UPON SELLER RECEIVING APPROVAL FROM SELLER'S GOVERNING CORPORATE COMMITTEES BEFORE THE FEASIBILITY PERIOD EXPIRES ("**Governing Approvals**"). Buyer agrees that the foregoing condition is intended solely for the benefit of Seller and is a material inducement to Seller entering into this Agreement and consummating the Purchase and Sale Transaction. If Seller has not obtained the Governing Approvals before the Feasibility Period expires, then this Agreement will automatically terminate and the Earnest Money will be returned to Buyer.

## 9. **Closing Conditions.**

9.1. **Buyer's Conditions.** Buyer's obligations to consummate the Purchase and Sale Transaction is specifically conditioned and contingent on the satisfaction of each of the following at Closing:

9.1.1. **Deliverables.** Seller's delivery of the materials required under **Section 8.2** and Seller's material satisfaction of its obligations in this Agreement.

9.1.2. **Title Policy.** Title Company is irrevocable committed to issue the Title Policy, subject only to the Permitted Exceptions.

9.1.3. **Representations.** Seller's representations made in this Agreement will be true and correct in all material respects.

9.1.4. **Entitlements.** Buyer has obtained the Entitlement Approvals.

9.2. **Seller's Conditions.** Seller's obligations to consummate the Purchase and Sale Transaction is specifically conditioned and contingent on the satisfaction of each of the following at Closing:

9.2.1. **Deliverables.** Buyer's delivery of the materials and funds required under **Section 8.3** and Buyer's material satisfaction of its obligations in this Agreement.

9.2.2. **Representations.** Buyer's representations made in this Agreement will be true and correct in all material respects.

9.2.3. **Governing Approvals.** Seller has obtained the Governing Approvals as more fully set forth in **Section 8.6**.

9.3. **Failure of Condition.**

9.3.1. **Failure of Buyer Condition.** If any Buyer Condition is not satisfied at Closing, then Buyer may either: (i) waive such unsatisfied Buyer Condition and proceed to consummate the Purchase and Sale Transaction; or (ii) terminate this Agreement by giving Seller written notice thereof, whereupon the Earnest Money will be returned to Buyer and this Agreement will terminate. If a Buyer Condition is not satisfied due to a Seller Default, then Buyer will, in addition to the foregoing, have the remedies in **Section 14.2**.

9.3.2. **Failure of Seller Condition.** If any Seller Condition is not satisfied at Closing, then Seller may either: (i) waive such unsatisfied Seller Condition and proceed to consummate the Purchase and Sale Transaction; or (ii) terminate this Agreement by giving Buyer written notice thereof, whereupon the Earnest Money will be returned to Buyer, except if such unsatisfied Seller Condition is a result of a Buyer Default, in which event Seller will have the remedies in **Section 14.1**, including, without limitation, the right to receive the Earnest Money.

## 10. Representations.

10.1. **Seller Representations.** Seller, to Seller's Current Knowledge, as of the Effective Date and again at the Closing, represents to Buyer that:

10.1.1. **Organization & Standing.** Seller is duly formed, validly existing and in good standing under the laws of the state of its formation. Subject to satisfaction of the condition set forth in **Section 8.6**, Seller has full power and authority to enter into and perform this Agreement and all documents, instruments and agreements entered into by Seller pursuant to this Agreement, and to carry out the transactions contemplated hereby and thereby. This Agreement has been executed, and such other documents, instruments and agreements have been or will be executed, by a duly authorized representative of Seller.

10.1.2. **Binding Agreement.** Subject to obtaining the Governing Approvals, this Agreement will be binding and enforceable against Seller in accordance with its terms, and upon Seller's execution of the additional documents contemplated by this Agreement, they will be binding and enforceable against Seller in accordance with their terms.

10.1.3. **No Litigation.** There are no current actions, suits, or proceedings at law or in equity before any judicial body or governmental agency affecting or involving the Property.

10.1.4. **No Bankruptcy.** Seller has not made any assignment for the benefit of creditors, filed any petition in bankruptcy, been adjudicated insolvent or bankrupt, petitioned or applied for any receiver, conservator or trustee of it or any of its property or assets, or commenced any action or proceeding under any reorganization arrangement, readjustment of debt, conservation, dissolution or liquidation law or statute of any jurisdiction.

10.1.5. **Non-Foreign Person.** Seller is not a "foreign person" as defined in the Internal Revenue Code Section 1445 and the regulations promulgated thereunder.

The representations by Seller in this **Section 10.1** will terminate at and not survive the Closing.

10.2. **Buyer's Representations.** Buyer, to Buyer's Current Knowledge, as of the date of this Agreement and again at Closing, represents to Seller that:

10.2.1. **Organization & Standing.** Buyer is duly formed, validly existing and in good standing under the laws of the State of its formation. Buyer has full power and authority to enter into and perform this Agreement and all documents, instruments and agreements entered into by Buyer pursuant to this Agreement, and to carry out the transactions contemplated hereby and thereby. This Agreement has been executed, and such other documents, instruments and agreements have been or will be executed, by a duly authorized representative of Buyer.

10.2.2. **Binding Agreement.** This Agreement will be binding and enforceable against Buyer in accordance with its terms, and upon Buyer's execution of the additional documents contemplated by this Agreement, they will be binding and enforceable against Buyer in accordance with their terms.

10.2.3. **No Bankruptcy.** Buyer has not made any assignment for the benefit of creditors, filed any petition in bankruptcy, been adjudicated insolvent or bankrupt, petitioned or applied for any receiver, conservator or trustee of it or any of its property or assets, or commenced any action or proceeding under any reorganization arrangement, readjustment of debt, conservation, dissolution or liquidation law or statute of any jurisdiction.

10.2.4. **Buyer Relationship Disclosure.** The Buyer Relationship Disclosure set forth on the Term Summary is true and correct in all material respects.

The representations by Buyer set forth in this **Section 10.2** will terminate at and not survive the Closing.

## 11. As Is Purchase.

11.1. **Disclaimer.** Except as expressly set forth in the Deed delivered at Closing, Seller has not made, and Buyer acknowledges that Seller has not made, any warranty, certification, or representation, express or implied, written or oral, statutory or otherwise, concerning the Property or the Inspection Materials. Without limiting the generality of the foregoing, Seller has not made, and Buyer acknowledges that Seller has not made, any warranty, certification, or representation related to: (i) the condition of title to the Property; (ii) the nature, physical condition or any other aspect of the Property; (iii) the existence of Hazardous Materials in, on, about, under or affecting the Property; (iv) the compliance of the Property with any federal, state or local laws, ordinances, statutes, rules, codes or regulations (including, without limitation, any environmental laws or any zoning codes); (v) the size, dimensions or square footage of the Property; (vi) the fitness of the Property for any particular purpose (including without limitation the current or any future use thereof); or (vii) the completeness, adequacy, truthfulness, or accuracy of the Inspection Materials.

11.2. **Acceptance.** SUBJECT TO THE EXPRESS TERMS OF THIS AGREEMENT, BUYER ACKNOWLEDGES FOR BUYER AND BUYER'S SUCCESSORS AND ASSIGNS THAT BUYER WILL BE ACQUIRING THE PROPERTY BASED SOLELY UPON BUYER'S OWN INVESTIGATION AND INSPECTION THEREOF. SELLER AND BUYER AGREE THAT, EXCEPT AS EXPRESSLY SET FORTH IN THE DEED DELIVERED AT CLOSING, THE PROPERTY WILL BE SOLD AND BUYER WILL ACCEPT TITLE TO AND POSSESSION OF THE PROPERTY AT CLOSING IN ITS "AS IS, WHERE IS CONDITION, WITH ALL FAULTS," WITH NO RIGHT OF SET OFF OR REDUCTION IN THE PURCHASE PRICE, AND THAT EXCEPT AS SET FORTH IN THE DEED DELIVERED AT CLOSING, SUCH SALE WILL BE WITHOUT REPRESENTATION, CERTIFICATION OR WARRANTY OF ANY KIND, EXPRESS OR IMPLIED, ORAL OR WRITTEN, STATUTORY OR OTHERWISE, AND SELLER DOES HEREBY DISCLAIM AND RENOUNCE ANY SUCH REPRESENTATION, CERTIFICATION OR WARRANTY.

11.3. **General Release.** Buyer, on behalf of itself and its successors, assigns and representatives, does hereby release Seller, except as expressly set forth in the Deed, and Seller's employees, officers, directors, agents, representatives, managers, members, affiliates, parent companies, and the successors and assigns of each of the foregoing from any and all claims, actions, causes of action, demands, liabilities, damages, costs, expenses, or compensation whatsoever, including attorneys' fees, whether direct or indirect, known or unknown, foreseeable or unforeseeable, which Buyer may have at Closing or which may arise in the future on account of or in any way arising out of or connected with this Agreement. Buyer understands the significance of executing this Agreement and the general release of claims set forth above.

11.4. **Material Inducement.** Buyer hereby agrees and acknowledges that this **Section 11** and, if applicable, **Section 15.2**, are each a material inducement to Seller's sale of the Property, and that Seller would not sell or transfer all or any part of the Property to Buyer without Buyer's express agreement to this **Section 11**. This **Section 11** will survive the Closing and the recording of the Deed.

## 12. Risk of Loss.

12.1. **Risk of Loss.** Except as set forth in this **Section 12**, the risk of loss with respect to the Property will be upon Seller with respect to any executory period related to this Agreement.

12.2. **Condemnation.** If a portion of the Property becomes the subject of condemnation proceedings, Seller shall notify Buyer of such proceedings, and this Agreement will not terminate, but will remain in full force and effect. In such event, at Closing (i) Seller shall pay to Buyer all condemnation awards or proceeds from any such proceedings or actions in lieu thereof received by Seller to the date of Closing; (ii) Seller shall assign to Buyer all of Seller's rights to defend such proceedings or actions in lieu thereof; and (iii) Buyer shall take the Property subject to any such proceedings. The Purchase Price will not be adjusted or reduced for any such proceedings or for any land taken by condemnation. As used herein, the phrase "becomes the subject of condemnation proceedings" means the service upon Seller of a formal notice of condemnation by a governmental authority with the power of eminent domain, specifying that all or a portion of the Property is subject to such proceeding or action.

### 12.3. Casualty.

12.3.1. **Minor Casualty.** If the Property is damaged by any casualty before Closing, and the loss in value to the Property because of such casualty (“**Casualty Loss Value**”), as estimated by Seller, in its sole but reasonable discretion, is less than or equal to ten percent (10%) of the Purchase Price, then this Agreement will continue in full force and effect and the Closing will occur as otherwise provided herein, without any adjustment to the Purchase Price. Notwithstanding the foregoing, in no event shall Seller commit any waste of the Property.

12.3.2. **Major Casualty.** If the Property is damaged by any casualty before Closing, and the Casualty Loss Value, as estimated by Seller, in its sole but reasonable discretion, is more than ten percent (10%) of the Purchase Price, then either Seller or Buyer may elect to terminate this Agreement, by written notice to the other party given not more than ten (10) days after receipt of written notice from Seller to Buyer of Seller’s estimate of the valuation loss, which notice Seller shall give no later than thirty (30) days after the casualty. If neither party elects to so terminate this Agreement pursuant to this **Section 12.3.2**, then this Agreement will continue in full force and effect and the Closing will occur as otherwise provided in this Agreement, without any adjustment to the Purchase Price.

**13. Broker Commission.** Except as disclosed in the Term Summary, Buyer and Seller each represents and warrants that they have not dealt with any broker or finder in connection with this Agreement or the Purchase and Sale Transaction. Except as set forth in the Term Summary, Buyer and Seller shall each indemnify the other against, and agree to hold the other harmless from, any claim, demand or suit for any brokerage or real estate commission, finder’s fee or similar fee or charge with respect to this Agreement based on any act by or agreement or contract with the indemnifying party asserted by anyone, and for all losses, obligations, costs, expenses and fees (including reasonable attorneys’ fees) incurred by the other party on account of or arising from any such claim, demand or suit following the Closing. Any brokerage agreement between Buyer and Seller with their respective broker(s) will be memorialized by separate agreement. No brokerage fees or commissions will be based on or governed by this Agreement. This **Section 13** will survive the Closing.

#### **14. Remedies & Termination.**

14.1. **Seller’s Remedies.** If Buyer defaults in any of its agreements, covenants or other obligations under this Agreement (“**Buyer Default**”), then Seller shall give Buyer written notice of such default and thereafter Buyer shall have five (5) Business Days to cure such default. If such Buyer Default remains uncured after any applicable cure period, then Seller may, as its remedies for such Buyer Default, either: (i) waive the effect of such Buyer Default and proceed to consummate the Purchase and Sale Transaction; or (ii) terminate this Agreement, whereupon Escrow Agent will disburse the Earnest Money to Seller as liquidated damages. SELLER AND BUYER AGREE THAT IT WOULD BE IMPRACTICAL OR EXTREMELY DIFFICULT TO FIX THE ACTUAL DAMAGES TO SELLER DUE TO A BUYER DEFAULT AND THAT A REASONABLE ESTIMATE OF SUCH DAMAGES IS THE AMOUNT OF THE EARNEST MONEY. Notwithstanding anything in this Agreement contrary, this **Section 14.1** will not limit any right to indemnification and restoration in favor of Seller in this Agreement.

14.2. **Buyer’s Remedies.** If Seller defaults in any of its agreements, covenants, or other obligations under this Agreement (“**Seller Default**”), then Buyer shall give Seller written notice of such Seller Default and thereafter Seller shall have five (5) Business Days to cure such default. If such Seller Default remains uncured after any applicable cure period, Buyer may, as its sole remedies for such Seller Default, either: (i) waive the effect of such default and proceed to consummate the Purchase and Sale Transaction; (ii) terminate this Agreement in accordance with **Section 14.3** below; or (iii) bring an appropriate action for specific performance of this Agreement. All rights and remedies contained in this **Section 14.2** will be non-cumulative and exclusive. In no event shall Buyer be entitled to any punitive, special, or consequential damages of any kind.

14.3. **Termination.** If Buyer or Seller elects to terminate this Agreement pursuant to its terms, the terminating party shall deliver written notice of such termination to the other party and Escrow Agent (provided, any failure to deliver written notice to Escrow Agent will not invalidate such termination notice). Upon delivery of written notice of termination in the preceding sentence, or upon an automatic termination in accordance with this Agreement, Escrow Agent will disburse the Earnest Money in accordance with **Section 4**, return all documents deposited with Escrow Agent to the party who supplied such documents this Agreement will terminate and the parties shall have no further rights or obligations other than those that expressly survive the termination of this Agreement. Seller and Buyer shall each pay half of any escrow termination fees or costs, except for a termination due to Seller Default or Buyer Default, in which instance the defaulting party shall pay such fees and costs.

## 15. Meetinghouse & Adjacent Property.

15.1. **Decommissioning.** Buyer acknowledges that Seller has certain established protocols for decommissioning any Meetinghouse Structure. Prior to Closing, Seller shall decommission any Meetinghouse Structure located on the Real Property in accordance with Seller's protocols and standards, which decommissioning may include, without limitation, removing or modifying religious iconography, signage, steeple improvements and baptismal font. Buyer acknowledges that Seller shall decommission the Meetinghouse Structure prior to Closing, and the changes to the Property that result therefrom is permitted under this Agreement; provided, however, that any damage to the Property resulting from the decommission shall be repaired at Seller's expense prior to Closing.

15.2. **Reservations & Restrictions.** Seller may, in its sole discretion, include in the Deed, and Buyer acknowledges that such reservations, restrictions, and acknowledgments and covenants will be binding on the Property and Buyer notwithstanding any failure to include the following in the Deed: (i) the mineral rights reservation on **Exhibit 15.2(i)**; (ii) the use restrictions on **Exhibit 15.2(ii)**; and (iii) the asbestos acknowledgments and covenants on **Exhibit 15.2(iii)**. Buyer acknowledges that such reservations, restrictions and covenants will be binding on the Property and Buyer notwithstanding any failure to include the foregoing in the Deed. This **Section 15.2** will survive the Closing and the recording of the Deed.

## 16. Notices.

16.1. **Means of Delivery.** Except as otherwise required by law, any notice, demand or request given in connection with this Agreement will be in writing and will be given by either: (i) personal delivery; (ii) recognized, national overnight courier service; (iii) United States certified mail, return receipt requested, postage or other delivery charge prepaid; or (iv) email. In all events, notice will only be deemed given if properly addressed to Seller or Buyer as applicable, at the addresses (or at such other address as Seller or Buyer or the person receiving copies may designate in writing given in accordance with this Section) set forth in the Term Summary. Copies of all notices given to Seller or Buyer shall be given to Escrow Agent (provided, however, any omission on the part of either party to provide a copy of the applicable notice to Escrow Agent will not affect the effectiveness of the notice if properly provided to the other parties as described above).

16.2. **Timing.** Notice will be deemed to have been given on the date on which notice is delivered, if notice is given by personal delivery or email, on the date of delivery to the overnight courier service, if such a service is used, and on the date of deposit in the mail, if mailed; provided, however, such notice is given after 5:00 pm Utah time, then such notice will be deemed given on the next Business Day. Notice will be deemed to have been received on the date on which the notice is actually received or delivery is refused; provided, however, if such notice is received after 5:00 pm Utah time, then such notice will be deemed received on the next Business Day.

## 17. Miscellaneous.

17.1. **Entire Agreement.** This Agreement sets forth the entire understanding of the parties with respect to the matters in this Agreement, and supersedes all prior oral and written agreements, discussions and understandings of the parties hereto as to the matters set forth herein and cannot be altered or amended except pursuant to an instrument in writing signed by both Buyer and Seller.

17.2. **Successors & Assigns.** Seller shall have the right to assign its rights and obligations under this Agreement to any entity to which it transfers the Property prior to Closing, provided such entity assumes Seller's obligations under this Agreement and thereafter notice of such assignment is given to Buyer. Buyer shall not have the right to assign, transfer or convey any of its rights and obligations under this Agreement to any other person or entity, without Seller's prior written consent, which consent Seller may withhold in its sole discretion. Notwithstanding the preceding sentence, Buyer may designate a different entity to take title to the Property at Closing (provided Buyer delivers Seller notice thereof no later than five Business Days prior to Closing). This Agreement will be binding upon and inure to the benefit of the parties hereto and their respective permitted successors and assigns.

17.3. **Additional Acts.** The parties will promptly execute and deliver such other documents and perform such other acts as may be reasonably necessary to carry out the purposes and intent of this Agreement.

17.4. **Headings.** The headings in this Agreement are for reference only and will not limit or define the meaning of any provision of this Agreement.

17.5. **Business Days.** If this Agreement requires any act to be done or action to be taken on a date which is not a Business Day, such act or action will be deemed to have been validly done or taken if done or taken on the next succeeding Business Day.

17.6. **Time of the Essence.** With respect to all dates and periods in this Agreement, time is of the essence and such dates and periods will be strictly enforced.

17.7. **Construction.** This Agreement is the result of negotiations between the parties, neither of whom has acted under any duress or compulsion, whether legal, economic or otherwise. Accordingly, the terms in this Agreement will be construed in accordance with their usual and customary meanings. The parties hereby waive the application of any rule of law which otherwise would be applicable in connection with the construction of this Agreement that provides in effect that ambiguous or conflicting terms should be construed against the party who (or whose attorney) prepared this Agreement or any earlier draft of the same.

17.8. **Interpretation.** If there is any specific and direct conflict between, or any ambiguity resulting from, the terms of this Agreement and the terms of any document, instrument or other agreement executed in connection herewith or in furtherance hereof, including any exhibits hereto, the same will be consistently interpreted in such manner as to give effect to the general purposes and intentions as expressed in this Agreement, which will be deemed to prevail and control. Wherever the context requires in construing of this Agreement, the use of a gender will include both genders, use of the singular will include the plural, and use of the plural will include the singular.

17.9. **No Third-Party Beneficiary.** No term of this Agreement or the exhibits hereto is intended to be, nor will any such term or provision be construed to be, for the benefit of any person or entity (including any broker) not a party hereunder.

17.10. **Press Release.** The parties do not desire any publicity with respect to this transaction, and therefore each party agrees, for itself and its employees, contractors and agents (including specifically real estate brokers and agents), that no publication of this transaction will be made and no information with respect to this transaction will be given to any media. Each party shall instruct any broker working with that party of this requirement and obtain the signed agreement of that broker to abide by the terms of this **Section 17.10**. Buyer shall keep in strict confidences the Inspection Materials, the results of any Feasibility Review and the existence of this Agreement and any negotiations between the parties, and Buyer shall not disclose the same to any other party, other than disclosures to Buyer's Consultants to the extent necessary to allow Buyer to conduct its Feasibility Review and consummate the Purchase and Sale Transaction. This **Section 17.10** will survive any termination of this Agreement.

17.11. **Survival.** Only as specifically provided in this Agreement will any terms of this Agreement survive Closing or termination. Any such matters that expressly survive Closing or the termination of this Agreement will be subject to any time limitations set forth herein, and, with respect to terms that survive Closing, will not merge into any deed, assignment or other instrument executed or delivered pursuant hereto. All claims for breach of such surviving terms or for material misrepresentation and indemnity made in writing during the applicable period limitation will survive such period.

17.12. **Governing Law; Jurisdiction.** This Agreement is governed by, and construed and enforced in accordance with, the laws of the State of Utah, except with respect to real property related issues which is governed by the laws of the state where the Real Property is located.

17.13. **Attorneys' Fees.** If there is any dispute between the parties to enforce or interpret this Agreement, the unsuccessful party in such dispute shall pay to the successful party all costs and expenses, including, without limitation, to reasonable attorneys' fees, incurred by the successful party.

17.14. **Severability.** If any term or condition of this Agreement (or portion thereof) is deemed to be invalid, illegal or unenforceable, such invalidity, illegality or unenforceability will not alter the remaining portion

of such term or condition, or any other term or condition hereof, as each term or condition of this Agreement will be deemed severable from all other provisions hereof so long as removing the severed portion does not materially alter the overall intent of this Agreement.

17.15. **No Waiver.** The waiver by any party hereto of any right granted to it hereunder will not be deemed to be a waiver of any other right granted hereunder, nor will the same be deemed to be a waiver of a subsequent right obtained by reason of the continuation of any matter previously waived.

17.16. **Counterparts.** The parties may sign this Agreement in multiple identical counterparts, all of which taken together will constitute one and the same agreement. The parties shall consider a copy of the signed Agreement for all purposes as an original of the Agreement to the maximum extent permitted by law, and no party to this Agreement will have any obligation to retain a version of this Agreement that contains original signatures in order to enforce this Agreement, or for any other purpose.

*[signature to follow]*

IN WITNESS WHEREOF, Seller and Buyer have executed this Agreement as of the Effective Date.

**SELLER:**

**THE CHURCH OF JESUS CHRIST OF  
LATTER-DAY SAINTS,**

a Utah corporation sole f/k/a Corporation of the  
Presiding Bishop of The Church of Jesus Christ  
of Latter-day Saints, a Utah corporation sole

By: \_\_\_\_\_

Name: \_\_\_\_\_

Its: Authorized Agent

Date: \_\_\_\_\_

**BUYER:**

**City of Kirkland**

By: \_\_\_\_\_

Name: Kurt Triplett

Its: City Manager

Date: \_\_\_\_\_

**ESCROW AGENT ACCEPTANCE**

This Purchase and Sale Agreement dated \_\_\_\_\_, 20\_\_, and the Earnest Money, are accepted and the Escrow is opened this \_\_\_\_ day of \_\_\_\_\_, 20\_\_. Escrow Agent hereby agrees to act as the Escrow Agent, as defined in this Agreement, and to perform its duties in accordance with this Agreement and to comply with state and local laws relating to acting as an escrow or closing agent for real property transactions. Further, Escrow Agent hereby agrees to act as “the person responsible for closing” the Purchase and Sale Transaction within the meaning of Section 6045(a) of the Internal Revenue Code of 1986, as amended, and to file all forms and returns required thereby.

**ESCROW AGENT:**      Old Republic National Title Insurance Company

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: \_\_\_\_\_

## LIST OF EXHIBITS

<b>Schedule 1</b>	-	Definitions
<b>Exhibit A</b>	-	Real Property Description
<b>Exhibit 1.33</b>	-	Personal Property
<del>Exhibit 7</del>	-	<del>Entitlements</del>
<b>Exhibit 8.2.1</b>	-	Deed
<b>Exhibit 8.2.3</b>	-	General Assignment
<del>Exhibit 15.2(i)</del>	-	<del>Mineral Rights Reservation</del>
<b>Exhibit 15.2(ii)</b>	-	Use Restrictions
<b>Exhibit 15.2(iii)</b>	-	Asbestos Acknowledgement and Covenants

## SCHEDULE 1

### DEFINITIONS

- 1.1. **Agreement** – Defined in the opening paragraph and including the Term Summary and all exhibits and schedules attached hereto.
- 1.2. **Business Day** – A day other than a Saturday, Sunday or day on which banking institutions in the state where the Real Property is located are authorized or required by law or executive order to be closed.
- 1.3. **Buyer** – Defined in the Term Summary.
- 1.4. **Buyer Condition** and **Buyer Conditions** – The conditions to Buyer’s closing obligations set forth in **Section 9.1**, individually and collectively, as the context may require.
- 1.5. **Buyer’s Consultants** – The attorneys, lenders, and consultants of Buyer that are specifically working with Buyer on the Purchase and Sale Transaction.
- 1.6. **Buyer Default** – Defined in **Section 14.1**.
- 1.7. **Cash** – United States currency represented by certified or cashier’s check, wire transfer or other readily available funds.
- 1.8. **Casualty Loss Value** – Defined in **Section 12.3.1**.
- 1.9. **Church** – Defined in the Term Summary.
- 1.10. **Closing** or **Close of Escrow** – The closing and consummation of the Purchase and Sale Transaction, as evidenced by the delivery of all required funds to Seller and the recording of the Deed.
- 1.11. **Closing Date** – Defined in the Term Summary.
- 1.12. **Current Knowledge** – With respect to Seller, the current, actual knowledge, without a duty to investigate, of the Seller Representative, and with respect to Buyer, the current, actual knowledge of Buyer; provided, however, such Seller Representative and Buyer Representative will not have any personal liability with respect to any representations and warranties in this Agreement.
- 1.13. **Deed** – A special or limited warranty deed, or its equivalent in the state where the Real Property is located, in the substance of **Exhibit 8.2.1**.
- 1.14. **Earnest Money** – The earnest money in Cash to be deposited by Buyer with Escrow Agent in the amount set forth in the Term Summary, together with any interest earned thereon.
- 1.15. **Effective Date** – The later of the dates that Buyer or Seller acknowledges receipt of a fully executed Agreement, as evidenced by Buyer’s or Seller’s signatures and the date inserted following their signatures on the signature page herein.
- 1.16. **Entitlements** – Defined in the Term Summary.
- 1.17. **Entitlement Approvals** – Defined in **Section 7**.
- 1.18. **Entitlement Documents** – Defined in **Exhibit 7**.
- 1.19. **Escrow** – The escrow created with the Escrow Agent pursuant to this Agreement.

- 1.20. **Escrow Agent** – Defined in the Term Summary.
- 1.21. **Feasibility Period** – Defined in the Term Summary.
- 1.22. **Feasibility Review** – Defined in **Section 5**.
- 1.23. **General Assignment** – Defined in **Section 8.2.3**.
- 1.24. **Hazardous Materials** – Any (i) hazardous, harmful, dangerous, or toxic waste, item, substance, material, or product (including, without limitation, all asbestos or petroleum based products) as presently defined by any federal, state, or local environmental or health law, act, edict, directive, decree, rule, statute, ordinance, or regulation, including without limitation, (a) the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C.A. Section 9601, et. seq., (b) the Hazardous Materials Transportation Act, 49 U.S.C.A. Section 5101, et. seq., (c) the Resource Conservation and Recovery Act, 42 U.S.C.A. Section 6901, et. seq., (d) the Toxic Substances Control Act, 15 U.S.C.A. Section 2601, et. seq., (e) the Federal Water Pollution Control Act, 33 U.S.C.A. Section 1251, et. seq., (f) all state or local environmental laws, and (g) all regulations related to any of the foregoing; or (ii) other item, substance, material, or product prohibited, limited, or regulated by or under any of the laws, acts, edicts, directives, decrees, rules, statutes, ordinances, or regulations described above.
- 1.25. **Inspection Materials** – Defined in **Section 5.2.1**.
- 1.26. **Intended Use** – Defined in the Term Summary.
- 1.27. **Losses** – Defined in **Section 5.1.2**.
- 1.28. **Mandatory Cure Items** – Defined in **Section 6.2**.
- 1.29. **Meetings** – Defined in **Exhibit 7**.
- 1.30. **Meetinghouse Structure** – Any religious meetinghouse or other structure located on the Real Property for religious purposes.
- 1.31. **Opening of Escrow** – The date of delivery to and acceptance by Escrow Agent of a fully executed original of this Agreement.
- 1.32. **Permitted Exceptions** – All (i) taxes and assessments against the Property which are not yet due and payable as of the Closing Date, (ii) then-current laws and regulations applicable to the Property, (iii) any patent claims and reservations, (iv) and other matters of record or discoverable by an inspection or survey affecting title to the Property including, without limitations, those matters contained in the Title Report or shown on the Survey.
- 1.33. **Personal Property** – All personal property, furniture, equipment, facilities, and items listed on **Exhibit 1.33** attached hereto, if any.
- 1.34. **Property** – The Real Property, together with: (i) all buildings, structures and improvements currently included thereon; (ii) any and all easements, rights of way, and appurtenances running with or pertaining thereto, including without limitation any rights to use adjacent streets or alleyways; (iii) the Personal Property; and (iv) Water Rights, all subject to the reservations set forth in the Deed; but excluding the applicable reservations set forth in **Section 15.2**.
- 1.35. **Purchase Price** – The purchase price for the Property to be paid in Cash by Buyer to Seller in the amount set forth in the Term Summary.
- 1.36. **Purchase and Sale Transaction** – The purchase of the Property by Buyer, and the sale of the Property by Seller, all as contemplated by this Agreement.

- 1.37. **Real Property** – Defined in Recital A.
- 1.38. **Relationship Disclosure** – Buyer’s relationship disclosure set forth in the Term Summary.
- 1.39. **Seller** – Defined in the Term Summary.
- 1.40. **Seller Condition** and **Seller Conditions** – The conditions to Seller’s closing obligations set forth in **Section 9.2**, individually and collectively, as the context may require.
- 1.41. **Seller Default** – Defined in **Section 14.2**.
- 1.42. **Seller Representative** – Defined in the Term Summary.
- 1.43. **Survey** – Defined in **Section 6.1**.
- 1.44. **Termination Notice** – Defined in **Section 5.1.4**.
- 1.45. **Term Summary** – The Summary of Purchase and Sale Agreement.
- 1.46. **Title Company** – The party listed in **Section 1.17** of **Schedule 1**.
- 1.47. **Title Policy** – Defined in **Section 6.3.1**.
- 1.48. **Title Report** – Defined in **Section 5.2.1**.
- 1.49. **Transaction Expense Chart** – The allocation of transaction costs and expenses set forth in the Term Summary.
- 1.50. **Water Rights** – Any water rights that are appurtenant to the Real Property.

**EXHIBIT A**

**REAL PROPERTY DESCRIPTION**

The land referred to is situated in the County of King, City of Kirkland, State of Washington, and is described as follows:

That portion of the South half of the Southwest quarter of the Southwest quarter of Section 22, Township 26 North, Range 5 East, W.M., in King County, Washington, described as follows:

Beginning at the Southwest corner of said South half, said Southwest corner also being the Southwest corner of Section 22 and the centerline intersection of 132nd Avenue N.E. and N.E. 132nd Street, which bears South 88°11'04" East;  
THENCE North 65°18'44" East, a distance of 33.61 feet to the intersection point of the Northerly margin of N.E. 132nd Street and the Easterly margin of 132nd Avenue N.E., said point being the True Point of Beginning;  
THENCE North 02°07'16" East along the Easterly margin of said 132nd Avenue N.E., a distance of 280.11 feet;  
THENCE along a curve to the right having a radius of 20.00 feet and an arc length of 31.31 feet through a central angle of 89°41'40";  
THENCE South 88°11'04" East, a distance of 328.23 feet;  
THENCE along a curve to the right having a radius of 126.00 feet and an arc length of 91.06 feet through a central angle of 41°24'32" to a point of reverse curve;  
THENCE along a curve to the left which has a radius of 174.00 feet and an arc distance of 67.40 feet through a central angle of 22°11'43";  
THENCE South 02°02'02" West, a distance of 234.69 feet to the Northerly margin of N.E. 132nd Street;  
THENCE North 88°11'04" West along said Northerly margin a distance of 490.00 feet to the True Point of Beginning;

EXCEPT that portion conveyed to King County by deed recorded under Recording No. 8804280520 and re-recorded under Recording No. 8806240973, records of King County, Washington.

SITUATE in the County of King, State of Washington

**ABBREVIATED LEGAL**

Portion of the Southwest quarter of the Southwest quarter of Section 22, Township 26 North, Range 5 East, W.M.

Tax Account No. 222605-9072-03

**EXHIBIT 1.33**

**PERSONAL PROPERTY LIST**

- 1) Classroom furniture, including tables, chairs, and podiums.
- 2) Recreational sports equipment, including rackets, balls, and nets (if any)

## EXHIBIT 7

### ENTITLEMENTS

A. Buyer may, as part of planning its proposed development of the Property, but subject to the remaining provisions of this **Exhibit 7**, seek and pursue the Entitlements. In no event will the Entitlements include, and in no event shall Buyer cause to occur, any action or matter not set forth above, including without limitation, rezoning of the property, final plat approval, final subdivision approval, the recording of any subdivision plat, and any similar governmental action, it being understood that such actions and filings may not occur without the prior written consent of Seller, which consent Seller may withhold in its sole and absolute discretion.

B. As to any Entitlement action allowed herein that will have a permanent effect on the Property prior to Closing, such as rezoning, Seller will have the right to reasonably approve such action, after written notice from Buyer which includes the pertinent materials and information. If Seller has not responded within fifteen (15) Business Days after receipt of all necessary information, Seller's approval will be deemed given.

C. Buyer shall keep Seller informed of the status of any Entitlements Buyer is pursuing, and from time to time (but no less frequently than once every month) shall report in writing to Seller the current status of any Entitlements Buyer is pursuing and other pertinent information relating to the Entitlements. At least five (5) Business Days prior to Buyer's delivery to any governmental entity or agency of any applications, subdivisions, studies, plans, site plans, master plans, and other documents and materials related to the Entitlements ("**Entitlement Documents**"), copies thereof shall be delivered to Seller. Buyer shall not submit any Entitlement Documents to any governmental entity or agency until Seller has reviewed and approved the same (which approval may not be unreasonably withheld). Further, Buyer shall notify Seller at least fifteen (15) days in advance of any and all meetings (including city, committee, planning staff and neighborhood meetings), hearings, conferences and study sessions related to the Entitlements (collectively "**Meetings**"), and Seller may attend and to participate in such Meetings.

D. Buyer and Seller shall cooperate with each other in good faith in connection with the Entitlements, and Buyer shall freely provide Seller with the Entitlement Documents and all other pertinent information related to the Entitlements in an expeditious manner. In no event shall Buyer amend or otherwise modify the Entitlements applications or any of the Entitlement Documents in any material way without obtaining the prior written consent of Seller.

E. Buyer shall not file or record any Plats before Closing.

F. If the Purchase and Sale Transaction is not consummated at Closing, then Buyer shall assign to Seller, upon the request of and at no cost to Seller, all Entitlement Document (and applications, materials and approvals relating thereto), and Seller may assign such Entitlement Documents (and applications, materials and approvals relating thereto) to another buyer or proceed with such approvals on its own behalf or abandon any such applications.

G. In addition to Seller's right to review and approve all Entitlement Documents, Buyer shall deliver to Seller, for Seller's review and approval (which approval may not be unreasonably withheld), all site plans, architectural plans and development plans (but in no event shall Buyer be obligated to provide Seller with any financial information). If Seller has not responded ten (10) Business Days after receipt of the applicable site plans, architectural plans and development plans, then Seller's approval will be deemed given.

H. If (i) Seller has approved Buyer's Entitlement Documents, and (ii) all other terms and provisions of this **Exhibit 7** are satisfied, then Seller shall (x) work together in good faith with Buyer and (y) use commercially reasonable efforts (at no out-of-pocket cost to itself) to cooperate with Buyer in obtaining the Entitlements as more fully set forth above, including without limitation, executing any applicable documentation requested by Buyer.

I. All capitalized terms referred to in this Agreement will have the same meaning provided in the Agreement, except where expressly defined otherwise herein.

**EXHIBIT 8.2.1**

**DEED**

*[Subject to conformance to state and local recording and form requirements]*

Recording requested by  
and when recorded mail to:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
(space above for recorder's use only)

**SPECIAL WARRANTY DEED**

FOR VALUABLE CONSIDERATION, the receipt of which is hereby acknowledged, **THE CHURCH OF JESUS CHRIST OF LATTER-DAY SAINTS**, a Utah corporation sole f/k/a Corporation of the Presiding Bishop of The Church of Jesus Christ of Latter-day Saints, a Utah corporation sole ("**Grantor**"), hereby conveys and warrants against all who claim by, through or under Grantor, but only against Grantor's own actions (and no other), to \_\_\_\_\_, a \_\_\_\_\_ ("**Grantee**"), whose address is \_\_\_\_\_, all that certain real property located in \_\_\_\_\_ County, \_\_\_\_\_, and being more particularly described on **Exhibit A** attached hereto and incorporated herein by reference, together with all improvements located on such land ("**Property**").

SUBJECT TO (i) current and future taxes and assessments and (ii) all reservations, easements, covenants, conditions, restrictions, encumbrances, and other matters, rights or interests of record or would be disclosed by an accurate survey of the Property or an inspection of Property would disclose.

*[applicable restrictions referenced in **Section 15.2** to be inserted]*

*[signature to follow]*

IN WITNESS WHEREOF, Grantor has executed this Special Warranty Deed this \_\_\_\_ day of \_\_\_\_\_ 20\_\_.

**GRANTOR:**

**THE CHURCH OF JESUS CHRIST OF LATTER-DAY SAINTS,**

a Utah corporation sole f/k/a Corporation of the Presiding Bishop of The Church of Jesus Christ of Latter-day Saints

**[EXHIBIT NOT FOR EXECUTION]**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Its: Authorized Agent

STATE OF UTAH                    )  
  :SS  
COUNTY OF SALT LAKE        )

On this \_\_\_\_ day of \_\_\_\_\_ 20\_\_, personally appeared before me \_\_\_\_\_, personally known to me to be an Authorized Agent of **THE CHURCH OF JESUS CHRIST OF LATTER-DAY SAINTS**, a Utah corporation sole f/k/a Corporation of the Presiding Bishop of The Church of Jesus Christ of Latter-day Saints, who acknowledged before me that he signed the foregoing instrument as Authorized Agent for said Corporation, and that said instrument is the free and voluntary act of said Corporation, for the uses and purposes therein mentioned, and on oath stated that he was authorized to execute said instrument on behalf of said Corporation and that said Corporation executed the same.

WITNESS my hand and official seal.

\_\_\_\_\_  
Notary Public for the State of Utah

Exhibit A  
to  
Deed

Legal Description of Property

### EXHIBIT 8.2.3

#### GENERAL ASSIGNMENT

THIS GENERAL ASSIGNMENT AND BILL OF SALE (this “**Assignment**”) is entered into as of this \_\_\_ day of \_\_\_\_\_, 20\_\_ (“**Effective Date**”), by and between **THE CHURCH OF JESUS CHRIST OF LATTER-DAY SAINTS**, a Utah corporation sole f/k/a Corporation of the Presiding Bishop of The Church of Jesus Christ of Latter-day Saints (“**Assignor**”) and \_\_\_\_\_, a \_\_\_\_\_ (“**Assignee**”).

#### RECITALS

A. Assignor presently owns the real property described in **Exhibit A** to this Assignment and any and all improvements and personal property located thereon (“**Property**”).

B. Pursuant to that certain Purchase and Sale Agreement, dated as of \_\_\_\_\_, 20\_\_, between Assignor and Assignee (as amended, the “**Agreement**”), Assignor is, simultaneously with the execution of this Assignment, transferring to Assignee all of its right, title and interest in the Property (“**Property Transfer**”) under the terms and conditions more fully set forth in the Agreement.

C. In connection with the Property Transfer, Assignor desires to assign, transfer, give and convey to Assignee, and Assignee desires to acquire from Assignor, all of Assignor’s interest, in and to the following described rights, interests and property relating to the Property.

#### AGREEMENTS

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

1. **Bill of Sale.** Assignor hereby transfers, grants, assigns, and conveys to Assignee all of Assignor’s right, title and interest in and to the personal property set forth on **Exhibit B** to this Assignment (collectively, the “**Personal Property**”). The transfer, grant, assignment and conveyance set forth herein is done without warranty or representation by Assignor of any kind whatsoever, whether express or implied, written or oral, or statutory or otherwise. Without limiting the generality of the foregoing, Assignor has not made, and Assignee acknowledges that Assignor has not made, any warranty, certification, or representation related to: (i) the condition of title to the Personal Property; (ii) the nature, physical condition or any other aspect of the Personal Property; or (iii) the fitness of the Personal Property for any particular purpose (including without limitation the current use thereof).

2. **Assignment.** Assignor assigns, transfers, sets over, and conveys to Assignee, to the extent assignable, all of Assignor’s right, title, and interest, in and to (i) all warranties and guaranties of any kind from third parties (but not from Assignor), express or implied, written or oral, relating to the Property and the Personal Property, including without limitation, any and all warranties and guaranties from contractors, subcontractors, builders, manufacturers, vendors and suppliers; and (ii) all licenses or permits relating to the Property, the Personal Property, and the use thereof.

3. **Binding Effect.** This Assignment will inure to the benefit of and be binding upon the parties hereto and their respective successors and assigns.

4. **Construction; Definitions.** This Assignment will be construed according to the laws of State of Utah, except with respect to real property related issues which is governed by the state where the Real Property is located. Capitalized terms used and not otherwise defined herein will have the meanings given to such terms in the Agreement.

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

IN WITNESS WHEREOF, Assignor and Assignee have executed this Assignment as of the Effective Date.

**ASSIGNOR:**

**THE CHURCH OF JESUS CHRIST OF LATTER-DAY SAINTS,**

a Utah corporation sole

f/k/a Corporation of the Presiding Bishop of The Church of Jesus Christ of Latter-day Saints, a Utah corporation sole

**[EXHIBIT NOT FOR EXECUTION]**

By: \_\_\_\_\_

Name (Print): \_\_\_\_\_

Its: Authorized Agent

**ASSIGNEE:**

\_\_\_\_\_,

a \_\_\_\_\_

**[EXHIBIT NOT FOR EXECUTION]**

By: \_\_\_\_\_

Name (Print): \_\_\_\_\_

Its: \_\_\_\_\_

Exhibit A  
to  
General Assignment

Legal Description of Property

Exhibit B  
to  
General Assignment  
List of Personal Property

**EXHIBIT 15.2(i)**

**MINERAL RIGHTS RESERVATIONS**

RESERVING specifically unto Grantor: (i) to the fullest extent allowable under applicable law, all minerals, coal, carbons, hydrocarbons, oil, gas, chemical elements and compounds, whether in solid, liquid or gaseous form, and all steam and other forms of thermal energy, on, in, or under the above-described Property, and (ii) all subsurface rights of any and all kinds to the extent not included in subsection (i) above.

## EXHIBIT 15.2(ii)

### USE RESTRICTIONS

This conveyance of the Property is made and is subject to the following restrictive covenants, each created by Grantor to protect the image and integrity of the Property and the improvements placed thereon as former places of worship, that Grantee or any of Grantee's heirs, successors or assigns shall not use the Property for the following: (i) any public or private nuisance; (ii) any business, trade or activity which, in Grantor's reasonable opinion, is noxious, unreasonably noisy, or offensive; (iii) the making, storing, reading, showing, viewing, playing, listening, renting, selling, transmitting, receiving or distributing of any material, regardless of form or medium, having, in Seller's reasonable opinion, morally offensive content appealing to prurient interest in sex; (iv) the manufacture, storage, sale or consumption of drugs, alcoholic beverages, or tobacco products; (v) any form of gambling or betting; (vi) loitering; (vii) a place of public entertainment or amusement (as defined by local statutes or ordinances); or (viii) any other conduct or condition which is illegal and is not otherwise expressly mentioned above (collectively, the "**Use Restrictions**"). The foregoing Use Restrictions shall be binding upon all persons now having or hereafter acquiring any right, title or interest in the Property. If Grantee or any of its heirs, successors or assigns transfers the Property, Grantee and its heirs, successors or assigns shall include the Use Restrictions in the deed of such conveyance. If a violation of the Use Restrictions occurs, then Grantor may obtain an injunction enforcing the Use Restrictions and Grantor will be entitled to reasonable attorneys' fees and costs from Grantee incurred in the enforcement thereof. A violation of any of the Use Restrictions, or injunctive relief obtained by Grantor by reason of such breach, will not defeat or render invalid the lien of any mortgage or deed of trust made in good faith and for value as to the Property or any part thereof, but the Use Restrictions will remain binding upon, and effective against, any owner whose title to the Property or any part thereof, is acquired by foreclosure, trustee's sale or otherwise. The Use Restrictions will terminate and be of no further force or effect upon the earlier to occur of: (a) the demolition of Grantor's buildings on the Property; and (b) the 50-year anniversary of the date of the recording of this conveyance.

**EXHIBIT 15.2(iii)**

**ASBESTOS ACKNOWLEDGMENT & COVENANTS**

GRANTEE ACKNOWLEDGES that Grantor has informed Grantee that the Property has not been tested for and cannot be confirmed to be free from asbestos. Grantee hereby releases Grantor from any liability to Grantee with regard to asbestos existing or found on the Property and Grantee hereby indemnifies, defends and holds Grantor harmless from any injury or damage to persons or property caused by or resulting from contact, directly or indirectly, with asbestos on the Property following the date of this conveyance. Upon any renovation, demolition or other occurrence requiring handling, repair or removal of asbestos or materials containing asbestos by Grantee, Grantee shall remove, cover or repair said asbestos or asbestos containing materials, at Grantee's own expense, and comply with all laws applicable to asbestos.