



**Valbridge**  
PROPERTY ADVISORS

## Appraisal Report

Land and Buildings  
Carbon County 271.86 Acres  
Northeast of Helper, Carbon County, Utah

Report Date: September 22, 2016



FOR:

Utah State University  
Mr. Joe Peterson  
Central Receiving Price Campus  
530 North 300 East  
Price UT 84501

**Valbridge Property Advisors |  
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UT02-16-0348-000



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September 22, 2016

Mr. Joe Peterson  
Central Receiving Price Campus  
Utah State University  
530 North 300 East  
Price, UT 84501

RE: Appraisal Report  
Land and Buildings  
Carbon County 271.86 Acres  
Northeast of Helper, Carbon County, Utah

Dear Mr. Peterson:

In accordance with your request, we have performed an appraisal of the above referenced property. This appraisal report sets forth the pertinent data gathered, the techniques employed, and the reasoning leading to our value opinions. This letter of transmittal is not valid if separated from the appraisal report.

The subject property, as referenced above, is located on the east and west side of Highway 191 and is further identified as Assessor's Parcel Number (APN) 02-0013-0003, 02-0015-0005, 02-0418-0001. The subject is a 271.860-acre or 11,842,222-square-foot site. The subject is an average quality, one to two-story, light industrial property containing 52,051 gross square feet. The improvements consist of four buildings which were constructed in the 1980's. The building contains 62.6 percent of office space and has a clear height that ranges from 12 feet to 34 feet with an overall average height of 28 feet. The property was vacant as of the date of this appraisal. The subject has average functional utility and competitive rating.

We developed our analyses, opinions, and conclusions and prepared this report in conformity with the Uniform Standards of Professional Appraisal Practice (USPAP) of the Appraisal Foundation; the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute; and the requirements of our client as we understand them.

The client in this assignment is Utah State University and the intended user of this report is Utah State University and no others. The intended use is for selling and purchasing consideration. The value opinions reported herein are subject to the definitions, assumptions and limiting conditions, and certification contained in this report.

The acceptance of this appraisal assignment and the completion of the appraisal report submitted herewith are subject to the General Assumptions and Limiting Conditions contained in the report. The findings and conclusions are further contingent upon the following extraordinary assumptions and/or hypothetical conditions which might have affected the assignment results:

#### Extraordinary Assumptions:

- It is assumed that the information provided to us by the owner and city/county officials is accurate. Any deviation from how this information was represented to us could result in a change in opinion of value.

#### Hypothetical Conditions:

- None

Based on the analysis contained in the following report, our value conclusions are summarized as follows:

<b>Value Conclusions</b>	
<b>Component</b>	<b>As Is</b>
Value Type	Market Value
Property Rights Appraised	Fee Simple
Effective Date of Value	July 13, 2016
<b>Value Conclusion</b>	<b>\$930,000</b>
	<b>\$17.87 psf</b>

Respectfully submitted,  
Valbridge Property Advisors | Free and Associates, Inc.



D. Randall Henderson  
Senior Appraiser

Utah State - Certified General Appraiser  
License # 7171277-CG00 (Exp. 3/30/18)

SCC/ma



Stan C. Craft, MAI  
Managing Director

Utah State - Certified General Appraiser  
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# Summary of Salient Facts

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## Property Identification

Property Name	Land and Buildings
Property Address	Carbon County 271.86 Acres Northeast of Helper, Carbon County, Utah, 00000
Latitude & Longitude	39.772395, -110.806561
Tax Parcel Number	02-0013-0003, 02-0015-0005, 02-0418-0001
Property Owner	College of Eastern Utah

## Site

Zoning	Recreation, Forestry and Mining and HMC: Historic Mining Camp Zone. (RR&M and HMC)
Flood Zone	No Map Printed
Gross Land Area	271.860 acres

## Existing Improvements

Property Use	Office Warehouse
Investment Class	C
Occupancy Type	Vacant
Gross Building Area (GBA)	52,051 sf
Net Rentable Area (NRA)	52,051 sf
Number of Units	4
Number of Buildings	4
Number of Stories	2
Year Built	Between 1970 to 1980
Condition	Fair
Construction Class	C/S
Construction Quality	Average
Percent Office	62.6%
Clear Height	28.0'

## Valuation Opinions

Highest & Best Use - As Vacant	Industrial
Highest & Best Use - As Improved	Industrial
Reasonable Exposure Time	12 to 24 months
Reasonable Marketing Time	12 to 24 months

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**Value Indications**

<b>Approach to Value</b>	<b>As Is</b>
Land Only - Sales Comparison	\$410,000
Cost	\$930,000

**Value Conclusions**

<b>Component</b>	<b>As Is</b>
Value Type	Market Value
Property Rights Appraised	Fee Simple
Effective Date of Value	July 13, 2016
<b>Value Conclusion</b>	<b>\$930,000</b> <b>\$17.87 psf</b>

Our findings and conclusions are further contingent upon the following extraordinary assumptions and/or hypothetical conditions which might have affected the assignment results:

**Extraordinary Assumptions:**

- It is assumed that the information provided to us by the owner and city/county officials is accurate. Any deviation from how this information was represented to us could result in a change in opinion of value.

**Hypothetical Conditions:**

- None

# Aerial and Front Views

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## AERIAL VIEW



## FRONT VIEW



# Location Map

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# Introduction

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## Client and Intended Users of the Appraisal

The client in this assignment is Utah State University and the intended user of this report is Utah State University and no others.

## Intended Use of the Appraisal

The intended use of this report is Selling and purchasing consideration.

## Real Estate Identification

The subject property is located at Carbon County 271.86 Acres, Northeast of Helper, Carbon County, Utah. The subject property is further identified by Assessor Parcel Number 02-0013-0003, 02-0015-0005, 02-0418-0001. The subject is an average quality, one to two-story, light industrial property containing 52,051 gross square feet. The improvements consist of four buildings which were constructed in the 1980's. The building contains 62.6 percent of office space and has a clear height that ranges from 12 feet to 34 feet with an overall average height of 28 feet. The property was vacant as of the date of this appraisal. The subject has average functional utility and competitive rating.

## Legal Description

Parcel # 02-0013-0003

SW4 SEC 31, T12S, R10E, SLB&M. LESS 2-13-2 (.90 AC) ALSO, LESS 2-13-1 (2.66 AC.) 156.42 AC.

Parcel # 02-0015-0005

E2NE4; SEC 1, T13S, R9E, SLB&M. 80.17 AC M/L

Parcel # 02-0418-0001

LOT 4 (NW4NW4) SEC 6, T13S, R10E, SLB&M. LESS 2-13-1 (1.25 AC) & ST HWY 191. 35.27 AC.

## Use of Real Estate as of the Effective Date of Value

As of the effective date of value, the subject was an office warehouse property.

## Use of Real Estate as Reflected in this Appraisal

The subject is an office warehouse property.

## Ownership of the Property

According to County Records, title to the subject property is vested in College of Eastern Utah.

## History of the Property

Ownership of the subject property has not changed within the past three years.

## Listings/Offers/Contracts

The subject is not currently listed for sale or under contract for sale.

## Type and Definition of Value

The appraisal problem (the term "Purpose of Appraisal" has been retired from appraisal terminology) is to develop an opinion of the market value of the subject property. "Market Value," as used in this appraisal, is defined as "the most probable price that a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus." Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

- *Buyer and seller are typically motivated.*
- *Both parties are well informed or well advised, each acting in what they consider their own best interests;*
- *A reasonable time is allowed for exposure in the open market;*
- *Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and*
- *The price represents the normal consideration for the property sold unaffected by special or creative financing or sale concessions granted by anyone associated with the sale."<sup>1</sup>*

The value conclusions apply to the value of the subject property under the market conditions presumed on the effective date(s) of value.

Please refer to the Glossary in the Addenda section for additional definitions of terms used in this report.

## Valuation Scenarios, Property Rights Appraised, and Effective Dates of Value

Per the scope of our assignment we developed opinions of value for the subject property under the following scenarios of value:

<b>Valuation Scenario</b>	<b>Effective Date of Value</b>
As Is Fee Simple Market Value	July 13, 2016

We completed an appraisal inspection of the subject property on July 13, 2016.

## Date of Report

The date of this report is September 22, 2016, which is the same as the date of the letter of transmittal.

## List of Items Requested but Not Provided

- All requested items have been provided.

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<sup>1</sup> Source: *Code of Federal Regulations, Title 12, Banks and Banking, Part 722.2-Definitions*

## Assumptions and Conditions of the Appraisal

The acceptance of this appraisal assignment and the completion of the appraisal report submitted herewith are subject to the General Assumptions and Limiting Conditions contained in the report. The findings and conclusions are further contingent upon the following extraordinary assumptions and/or hypothetical conditions which might have affected the assignment results:

### Extraordinary Assumptions

- It is assumed that the information provided to us by the owner and city/county officials is accurate. Any deviation from how this information was represented to us could result in a change in opinion of value.

### Hypothetical Conditions

- None

## Scope of Work

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The scope of work includes all steps taken in the development of the appraisal. These include 1) the extent to which the subject property is identified, 2) the extent to which the subject property is inspected, 3) the type and extent of data researched, 4) the type and extent of analysis applied, and 5) the type of appraisal report prepared. These items are discussed as follows:

### Extent to Which the Property Was Identified

#### Legal Characteristics

The subject was legally identified via county and city records.

#### Economic Characteristics

Economic characteristics of the subject property were identified via talking with city and county officials, real estate brokers, appraisers, and local property owners, as well as a comparison to properties with similar locational and physical characteristics.

#### Physical Characteristics

The subject was physically identified via an appraisal inspection that consisted of interior and exterior observations.

### Extent to Which the Property Was Inspected

We inspected the subject on July 13, 2016 and performed physical measurement of the improvements.

### Type and Extent of Data Researched

We researched and analyzed: 1) market area data, 2) property-specific market data, 3) zoning and land-use data, and 4) current data on comparable listings, sales, and rentals in the competitive market area. We also interviewed people familiar with the subject market/property type.

### Personal Property/FF&E

All furniture, fixtures, and equipment (FF&E) or any other personal property has been excluded from our analysis. The opinion of market value developed herein is reflective of real estate only.

### Type and Extent of Analysis Applied

The subject site has improvements that contribute to an overall value that exceeds the land value. We observed surrounding land use trends, the condition of the improvements, demand for the subject property, and relevant legal limitations in concluding a highest and best use. We then valued the subject based on the highest and best use conclusion, relying on the Cost Approach. The Sales Comparison Approach was not used because the subject is a unique property and sufficient market data was not available to generate a credible opinion of market value from this approach. The Income Capitalization Approach was not used because the subject is a unique property and sufficient market data was not available to generate a credible opinion of market value from this approach.

### Appraisal Report Type

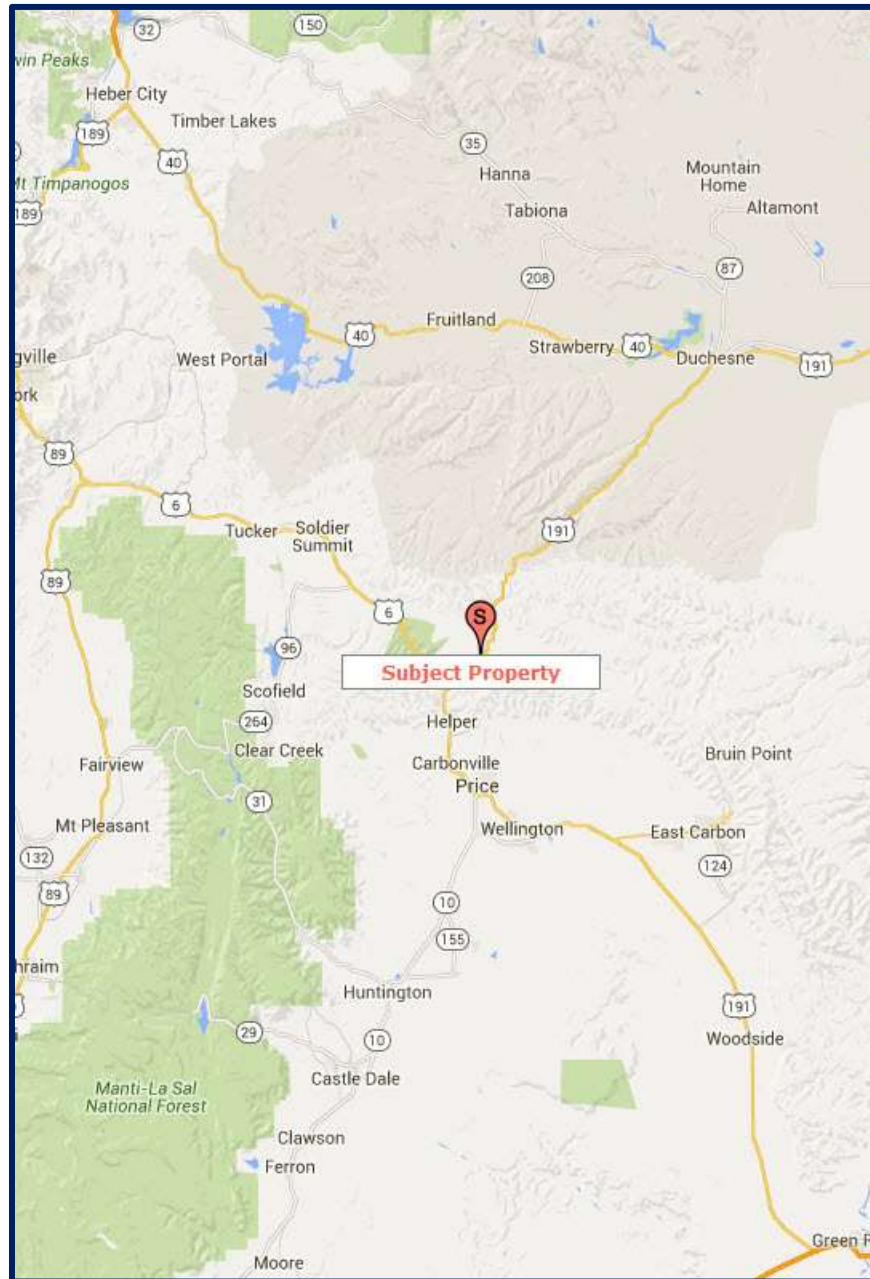
This is an Appraisal Report as defined by the Uniform Standards of Professional Appraisal Practice under Standards Rule 2-2a.

### Appraisal Conformity

We developed our analyses, opinions, and conclusions and prepared this report in conformity with the Uniform Standards of Professional Appraisal Practice (USPAP) of the Appraisal Foundation; the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute; and the requirements of our client as we understand them.

# Regional and Market Area Analysis

## AREA MAP



### Overview

The subject is located in Northeast of Helper, in Carbon County. The subject property is located in central Utah within the official boundaries of Carbon County. The county is bordered by Utah and Duchesne counties on the north, Uintah County on the east, Emery and Grand counties on the south, and Sanpete County on the west. Carbon County is located approximately 120 miles southeast of Salt Lake City and 400 miles west of Denver, Colorado. Price is the largest city in the county and is the Carbon County seat.

## Size and Topography

Carbon County lies in the central region of the state and encompasses a land area of approximately 1,485 square miles. It is the twentieth largest county in the state. The county consists largely of open, low mountains and the Price River Valley. The city of Price sits at 5,564 feet in elevation. Nine Mile Canyon, located in northern Carbon County, is known for its extensive rock art. Manti-La Sal National Forest is located in the southern portion of the county. Carbon County is aptly named due to its vast coal deposits.

## Population

Population characteristics relative to the subject property are presented in the following table.

### POPULATION

Population				Annual %			Annual %
Area	2000	2010	2000 - 10	Change	Estimated	Projected	Change
					2016	2021	2016 - 21
United States	281,421,906	308,745,538	1.0%	323,580,626	337,326,118	0.8%	
Utah	2,233,169	2,763,885	2.4%	3,029,951	3,267,884	1.6%	
Carbon County, UT	20,422	21,403	0.5%	21,269	21,136	-0.1%	

*Source: Site-to-Do-Business (STDB Online)*

## Transportation

Access to the community is provided by State Highway 6, which extends in a northwest to southeast direction between Interstate 15 to the north and Interstate 70 to the south. The county is also serviced by a small county airport located in Price and the Denver and Rio Grande Western Railroad, which mostly hauls coal.

## Employment

Top employers in Carbon County are summarized on the following graph.

## EMPLOYMENT BY SECTOR

### Employment by Industry - Carbon County, UT

Industry	2016 Estimate	Percent of Employment
Agriculture/Mining	675	7.32%
Construction	613	6.65%
Manufacturing	454	4.93%
Wholesale trade	206	2.24%
Retail trade	1,037	11.25%
Transportation/Utilities	870	9.44%
Information	399	4.33%
Finance/Insurance/Real Estate Services	334	3.62%
Services	4,139	44.91%
Public Administration	489	5.31%
<b>Total</b>	<b>9,216</b>	<b>100.0%</b>

Source: Site-to-Do-Business (STDB Online)

In conclusion, the employment base of Carbon County is fairly diversified. Previously, coal mining dominated the county's economic development. While technology has allowed coal mining to remain very productive, it has also meant that fewer workers are needed to extract the product. This transformation has reduced the reliance on mining for employment, and this in turn has helped diversify economic activity into industries such as trade, services, and government. This diversification will continue to help stabilize economic growth in Carbon County.

## Unemployment

The following table exhibits current and past unemployment rates as obtained from the Bureau of Labor Statistics. The Regions unemployment rate is at 5.6% percent.

### Unemployment Rates

Area	YE 2009	YE 2010	YE 2011	YE 2012	YE 2013	YE 2014	YE 2015	2016 YTD
United States	9.9%	9.3%	8.5%	7.9%	6.7%	5.6%	5.0%	4.7%
Utah	7.3%	7.8%	6.7%	5.4%	4.6%	3.8%	3.5%	3.8%
Carbon County, UT	7.9%	8.6%	7.6%	7.0%	6.3%	5.1%	5.6%	6.3%

Source: Bureau of Labor Statistics - Year End - National & State Seasonally Adjusted

## Median Household Income

Total median household income for the region is presented in the following table. Overall, the subject's MSA and county compare favorably to the state and the country.



### Median Household Income

Area	Estimated 2016	Projected 2021	Annual % Change 2016 - 21
United States	\$54,149	\$59,476	2.0%
Utah	\$60,914	\$69,224	2.7%
Carbon County, UT	\$42,290	\$40,694	-0.8%

*Source: Site-to-Do-Business (STDB Online)*

### Conclusions

All factors necessary for a long-term strong economy are in place including an abundance of natural resources, high education level and productivity of the population, a good diversification of employment, and a high quality of life.

# City and Neighborhood Analysis

## NEIGHBORHOOD MAP



### Overview

The subject is located in the City of Northeast of Helper in Carbon County. As presented in the table in the previous section, the city's population as of 2016 was 21,269.

### Neighborhood Location and Boundaries

The subject neighborhood is located northeast of Helper. The area is rural in nature. The neighborhood is bounded by 0.5 miles north to the north, 0.5 miles east to the east, 0.5 miles south to the south, and 0.5 miles west to the west.

### Demographics

The following table depicts the area demographics in Northeast of Helper within a one-, three-, and five-mile radius from the subject.

### Neighborhood Demographics

Radius	5 miles	10 miles	15 miles
<b>Population Summary</b>			
2000 Population	2,525	12,669	17,244
2010 Population	2,708	13,346	18,262
2016 Population	2,629	13,240	18,191
2021 Population Estimate	2,584	13,171	18,105
Annual % Change (2015 - 2020)	-0.3%	-0.1%	-0.1%
<b>Household Summary</b>			
2000 Households	1,173	5,091	6,994
% Owner Occupied	69.8%	68.7%	67.7%
% Renter Occupied	17.2%	21.4%	21.5%
2010 Households	1,306	5,582	7,711
% Owner Occupied	63.8%	63.3%	62.5%
% Renter Occupied	21.7%	25.9%	25.7%
2016 Households	1,312	5,719	7,945
% Owner Occupied	58.8%	59.0%	58.3%
% Renter Occupied	22.8%	26.8%	26.4%
2021 Households Estimate	1,314	5,759	8,019
% Owner Occupied	57.7%	58.3%	57.4%
% Renter Occupied	22.3%	26.3%	25.9%
Annual % Change (2016 - 2021)	0.0%	0.1%	0.2%
<b>Income Summary</b>			
2016 Median Household Income	\$41,910	\$42,139	\$42,642
2021 Median Household Income Estimate	\$39,614	\$43,053	\$42,184
Annual % Change	-1.1%	0.4%	-0.2%
2016 Per Capita Income	\$19,643	\$20,502	\$20,750
2021 Per Capita Income Estimate	\$20,159	\$21,860	\$22,134
Annual % Change	0.5%	1.3%	1.3%

Source: Site-to-Do-Business (STDB Online)

### Transportation Routes

Major travel and commuter routes within the area of the subject include Highway 191 and Highway 6}. Within the immediate area of the subject transportation access helps define the character of its development. This location provides good exposure and access to major transportation routes. Highway 6 is the major north/south traffic artery through the state of Utah and the Wasatch Front area. Access to the area is considered average.

### Description of Neighborhood and Property Uses

The area within the neighborhood boundaries consists largely of mature industrial development. The immediate neighborhood of the subject is influenced primarily by a variety of industrial and vacant land. The general neighborhood is estimated to be less than 10 percent built up.

### Community Facilities and Service

General community facilities such as schools, parks, places of worship, medical facilities, and recreation centers are dispersed in relatively close proximity to the described neighborhood area. Local services are considered to be adequate for businesses and residences. Services provided to the area include street maintenance, garbage pick-up, police and fire protection.

### Summary and Conclusion

In summary, the general neighborhood is a under developed corridor located in Carbon County. The subject is situated near Highway 6, which is a major traffic artery in Carbon County. Property uses in the immediate area of the subject property are predominantly industrial and vacant land. Overall, it is expected that land and property values will remain fairly constant due to these influences on the neighborhood.

## Site Description

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The subject site is located on the east and west side of Highway 191. The characteristics of the site are summarized as follows:

### Site Characteristics

Location:	The east and west side of Highway 191
Gross Land Area:	271.860 Acres or 11,842,222 SF
Usable Land Area:	271.860 Acres or 11,842,222 SF
Usable Land %:	100.0%
Shape:	Irregular
Topography:	Hillside and level
Drainage:	Average
Grade:	at or above street grade
Utilities:	Electric
Off-Site Improvements:	Asphalt paved street
Interior or Corner:	Interior
Signalized Intersection:	No: No traffic signal at, or near, the site
Excess Land:	None
Surplus Land:	None

### Street Frontage / Access

Frontage Road	Primary
Street Name:	Highway 191
Street Type:	2-lane asphalt paved street
Number of Curb Cuts:	1

### Additional Access

Alley Access:	No
Water or Port Access:	No
Rail Access:	No

### Flood Zone Data

Flood Zone:	No Map Printed
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### Other Site Conditions

Soil Type:	Soil conditions appear to be adequate to support development.
Environmental Issues:	No environmental issues were noted at the time of inspection or disclosed by involved parties that would impact value.
Easements/Encroachments:	None known that would adversely affect development of the site.

### Adjacent Land Uses

North:	Vacant land
South:	Industrial and vacant land
East:	Vacant land
West:	Vacant land

### Site Ratings

Access:	Average
Visibility:	Average

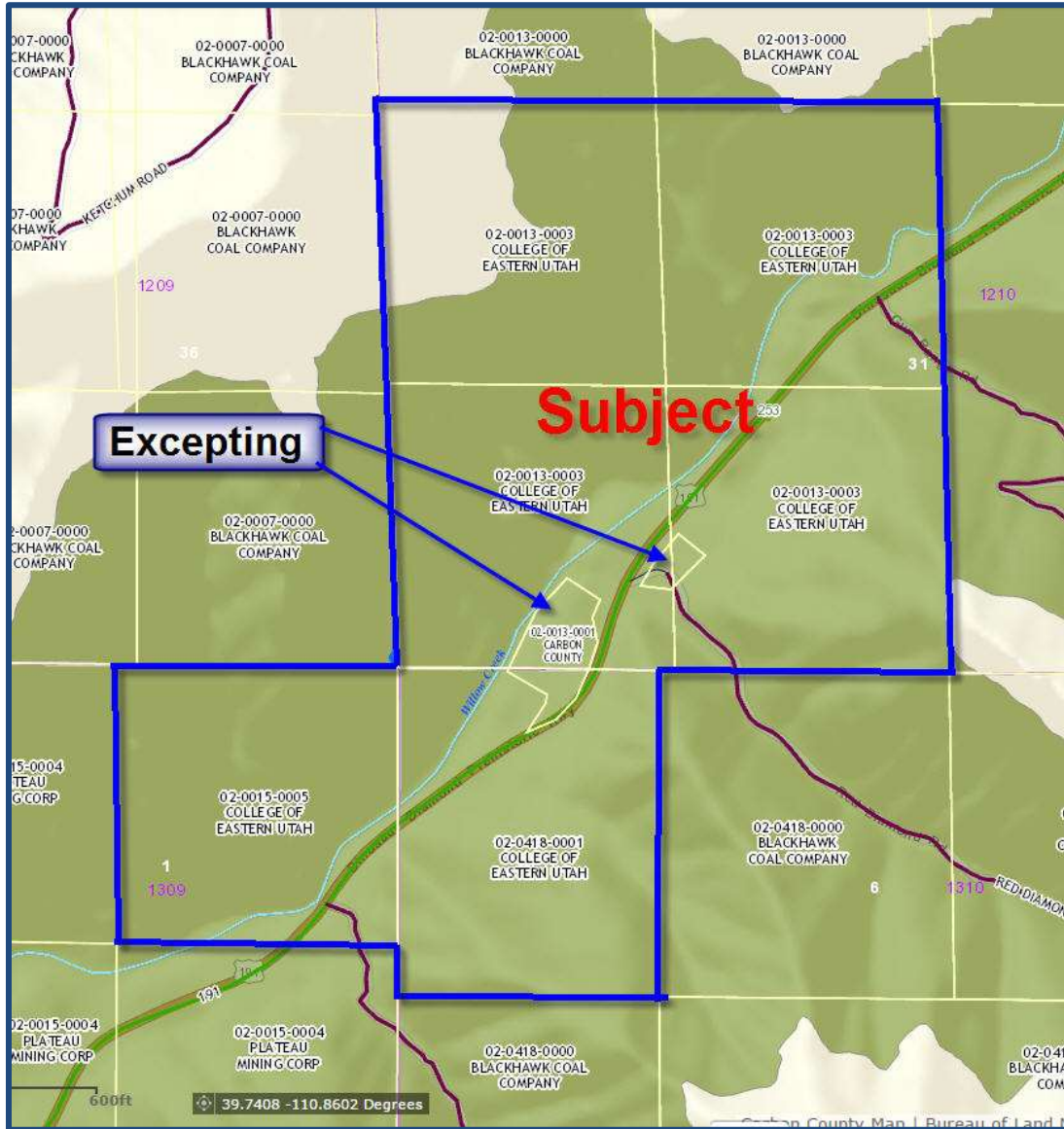
### Zoning Designation

Zoning Jurisdiction:	Carbon County
Zoning Classification:	RR&M and HMC, Recreation, Forestry and Mining and HMC: Historic Mining Camp Zone.
Permitted Uses:	Agriculture, mining, residential
Zoning Comments:	Minimum lot size are as approved or 5 to 10 acres for single family dwellings.

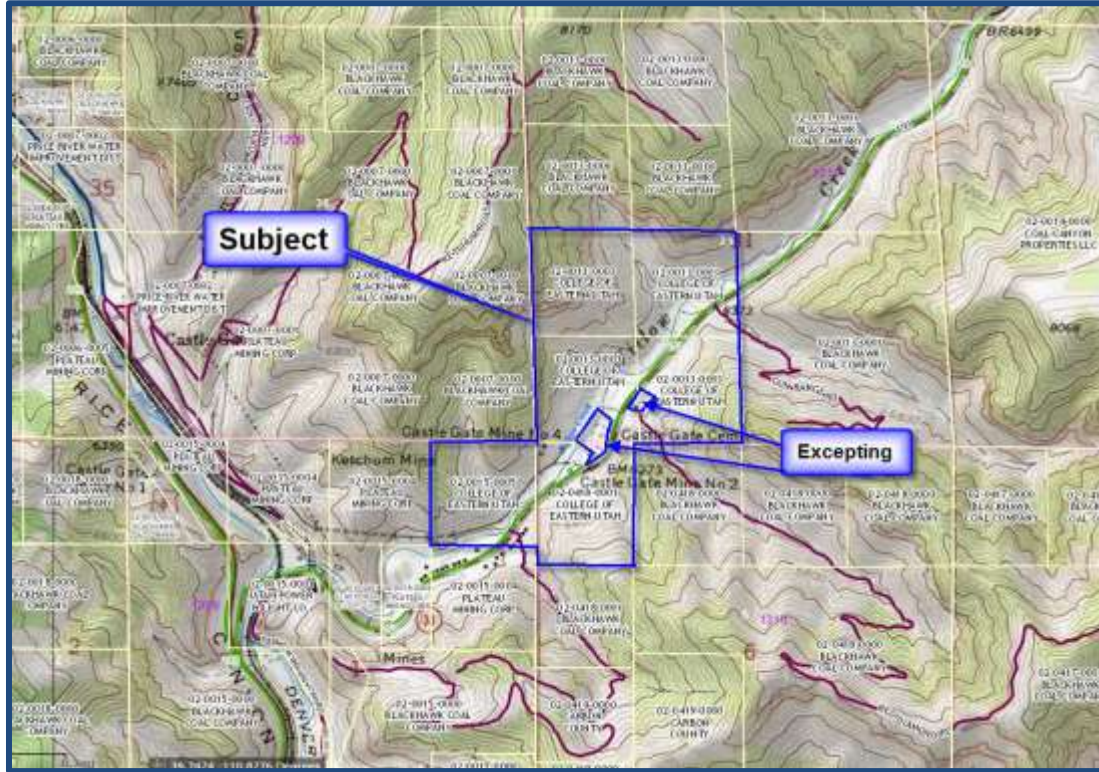
### Analysis/Comments on Site

Based on the characteristics above, the site is suitable for a variety of legal uses.

**TAX/PLAT MAP**

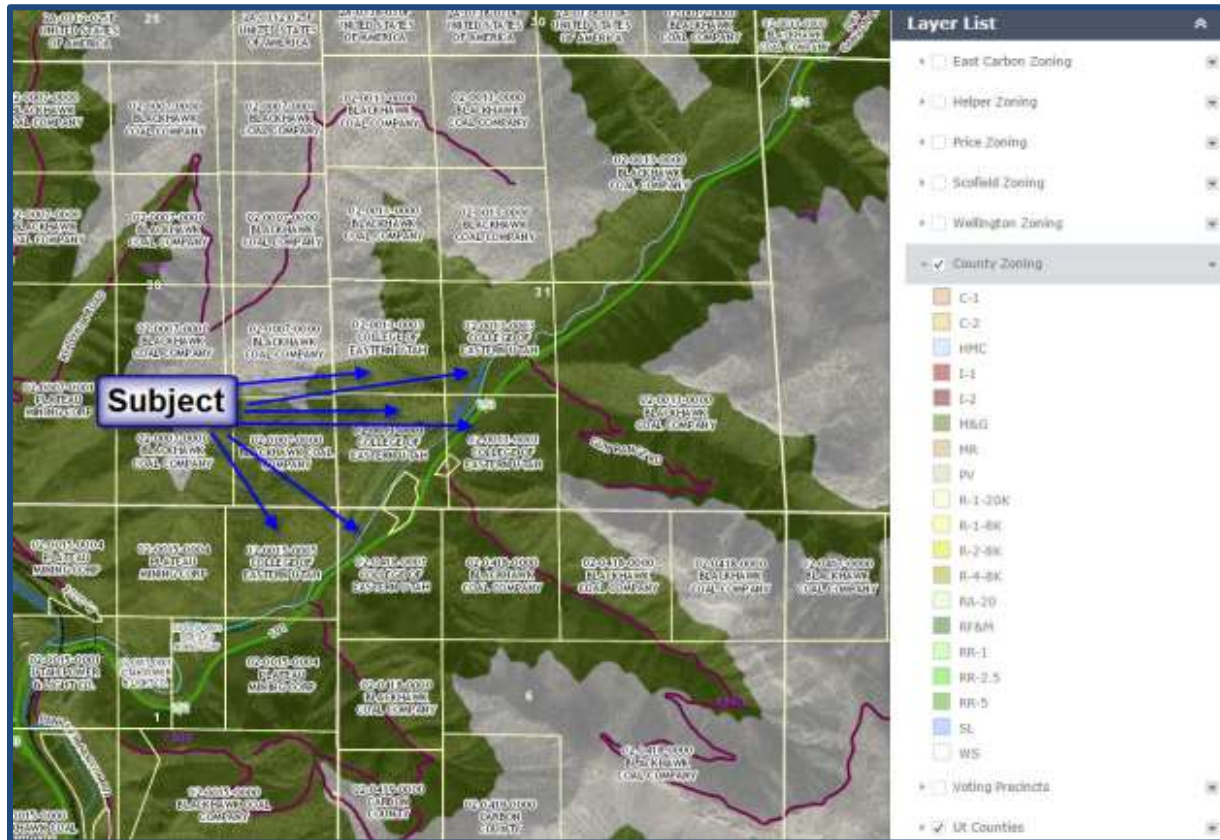


**TOPO MAP**





### ZONING MAP



## Improvements Description

The subject is an average quality, one to two-story, light industrial property containing 52,051 gross square feet. The improvements consist of four buildings which were constructed in the 1980's. The building contains 62.6 percent of office space and has a clear height that ranges from 12 feet to 34 feet with an overall average height of 28 feet. The property was vacant as of the date of this appraisal. The subject has average functional utility and competitive rating.

### Improvement Characteristics

Property Type:	Industrial
Property Subtype:	Office, Warehouse
Occupancy Type:	Vacant
Tenancy:	Single-Tenant
Investment Class:	Class C
Number of Buildings:	4
Number of Stories	2
Construction Class:	C/S per Marshall Valuation Service
Construction Quality:	Average
Gross Building Area (GBA):	52,051 SF (based on appraiser's measurements)
Net Rentable Area (NRA):	52,051 SF (based on appraiser's measurements)
Office/Showroom Area:	32,578 square feet or 62.6% of GBA

### Building Area Calculation

Bld./Level	Usable	Gross	Efficiency
Bld./Level	Office	Warehouse	Total
1	30,238	0	30,238
2	3,070	6,367	9,437
3	1,176	9,890	11,066
4	0	1,310	1,310
<b>Total</b>	<b>34,484</b>	<b>17,567</b>	<b>52,051</b>

All	Office	Warehouse	Total
Occupied	0	0	0
Available	34,484	17,567	52,051
<b>Total</b>	<b>34,484</b>	<b>17,567</b>	<b>52,051</b>

### Features

Clear Height:	28 feet
Dock High Doors:	0
Drive-In Doors:	12
Cranes/Other Features:	N/A

## Ratio

Land-to-Building Ratio: 227.51 to 1 (Usable Land/GBA)

## Age / Life

Year Built: Between 1970 to 1980  
Renovated/Yr. Renovated: No  
Yr. Blt./Renovated Comments: Between 1970 to 1980  
Condition: Fair  
Actual Age: Unknown  
Effective Age: 30 years  
Typical Building Life: 45 years  
Remaining Economic Life: 15 years

## Structural Characteristics

Foundation: Concrete  
Building Frame: Concrete block  
Exterior Walls: Masonry and Metal  
Roof Type / Material: Flat and pitched / Rubber membrane with asphalt gravel

## Interior Characteristics

Floors: Carpet, ceramic tile, linoleum, and concrete  
Walls: Concrete block and painted drywall  
Ceiling: Acoustical grid tiles and exposed metal trusses and decking  
Lighting: Incandescent and fluorescent  
Restrooms: The south building and the north buildings have restrooms and the south building has a bath house

## Mechanical Systems

Electrical: Typical wiring and power  
Plumbing: The property has adequate plumbing for the intended use.  
Heating: Forced air  
Air Conditioning: Central air conditioning  
Fire Protection/Sprinklers: 100 percent sprinklered for fire protection  
Number of Elevators: 1

## Site Improvements

Site Improvements: Gravel road and parking, and fencing  
Landscaping: None

### Legal, Conforming Status

Legally Permitted Use: Yes  
 Conforms to Parking: Yes  
 Conformity Conclusion: The existing improvements appear to meet the zoning requirements.

### Deferred Maintenance

The subject property does suffer from deferred maintenance and the cost to cure each deferred maintenance item is listed in the table below.

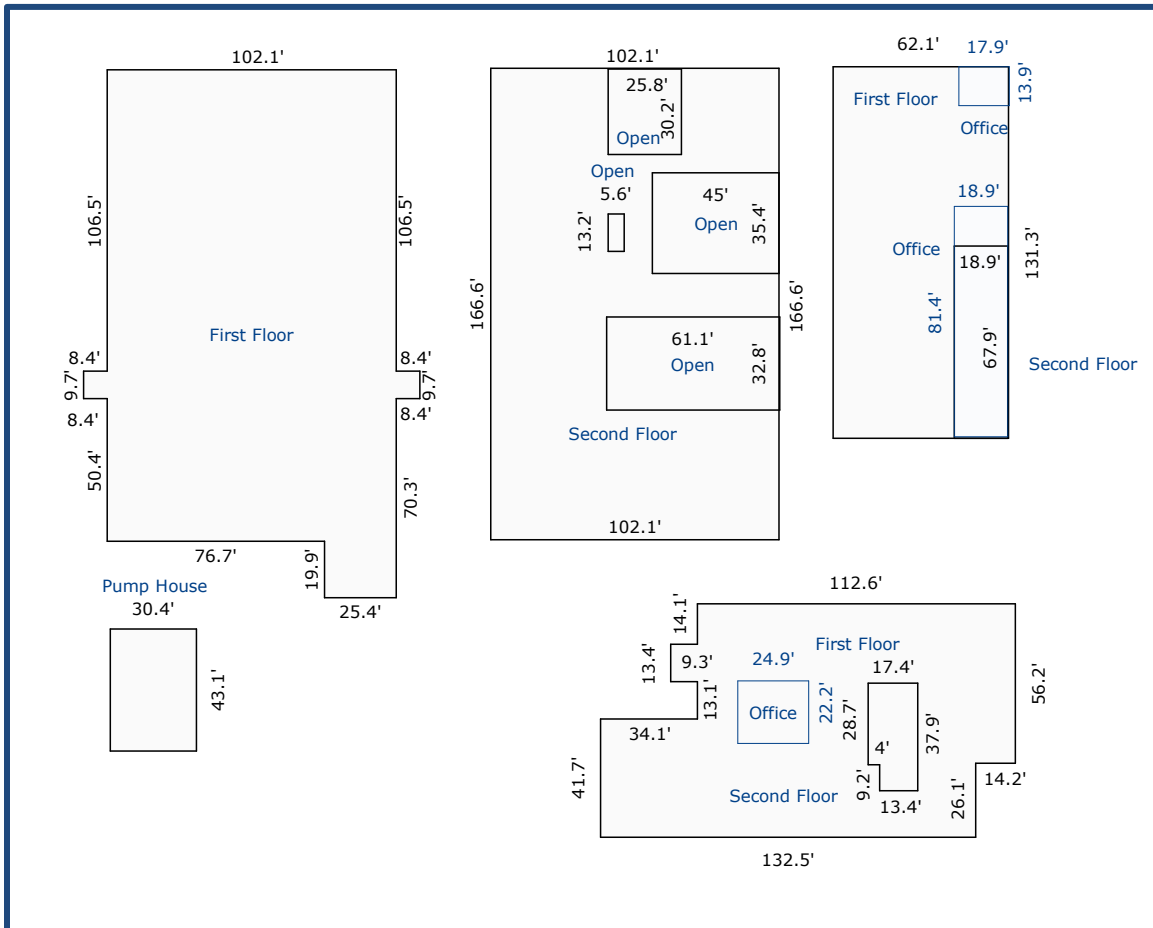
#### Curable Deterioration (Deferred Maintenance)

Item	Replacement Cost
Electrical, cleaning, and maint	\$10,000
<b>Total</b>	<b>\$10,000</b>

### Analysis/Comments on Improvements

The design, construction type, quality, height, and condition of the improvements are below average for the market. The interior configuration is atypical and slightly unusual for the use. The building contains both office and warehouse space. The warehouse is not air-conditioned. It contains industrial grade lighting, ventilation, exhaust fans, and a sprinkler system. There appears to be an adequate number of delivery doors to service the property. All of the land is considered a primary site and there is no excess or surplus land area. The function and utility of the property is fair based upon a comparison of similar properties in the market area.

### BUILDING SKETCH



Sketch by Apex Sketch v5 Standard™

Comments:

AREA CALCULATIONS SUMMARY			
Code	Description	Net Size	Net Totals
GLA2	Office	248.81	
	Office	1538.46	1787.27
GLA3	Office	552.78	552.78
GBA1	First Floor	17678.28	
	Open	-2004.08	
	Open	-1593.00	
	Open	-73.92	
	Open	-779.16	
	Second Floor	17009.86	30237.98
GBA2	First Floor	8153.73	
	Second Floor	1283.31	9437.04
GBA3	Second Floor	622.66	
	First Floor	10442.95	11065.61
GBA4	Pump House	1310.24	1310.24
	Net LIVABLE Area	(rounded)	2340
	Net BUILDING Area	(rounded)	52051

LIVING/BUILDING AREA BREAKDOWN			
Breakdown			Subtotals
Office			
	17.9	x 13.9	248.81
	18.9	x 81.4	1538.46
	24.9	x 22.2	552.78
First Floor			
	102.1	x 106.5	10873.65
	118.9	x 9.7	1153.33
	50.4	x 102.1	5145.84
	19.9	x 25.4	505.46
Open			
	32.8	x 61.1	-2004.08
	35.4	x 45.0	-1593.00
	5.6	x 13.2	-73.92
	25.8	x 30.2	-779.16
Second Floor			
	102.1	x 166.6	17009.86
First Floor			
	62.1	x 131.3	8153.73
Second Floor			
	18.9	x 67.9	1283.31
	28.7	x 17.4	499.38
	9.2	x 13.4	123.28
First Floor			
	112.6	x 14.1	1587.66
5			10165.53
22 Items		(rounded)	54391

## Assessment and Tax Data

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### Assessed Values and Property Taxes

The subject is owned by the university and is exempt from taxation and has not been assessed due to the exemption.

## Highest and Best Use

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The Highest and Best Use of a property is the use that is legally permissible, physically possible, and financially feasible which results in the highest value. An opinion of the highest and best use results from consideration of the criteria noted above under the market conditions or likely conditions as of the effective date of value. Determination of highest and best use results from the judgment and analytical skills of the appraiser. It represents an opinion, not a fact. In appraisal practice, the concept of highest and best use represents the premise upon which value is based.

### Analysis of Highest and Best Use As If Vacant

In determining the highest and best use of the property as if vacant, we examine the potential for: 1) near term development, 2) a subdivision of the site, 3) an assemblage of the site with other land, or 4) holding the land as an investment.

#### Legally Permissible

The subject site is zoned RR&M and HMC, Recreation, Forestry and Mining and HMC: Historic Mining Camp Zone. This zoning controls the general nature of permissible uses but is appropriate for the location and physical elements of the subject property, providing for a consistency of use with the general neighborhood. The location of the subject property is appropriate for the uses allowed, as noted previously, and a change in zoning is unlikely. There are no known easements, encroachments, covenants or other use restrictions that would unduly limit or impede development.

#### Physically Possible

The physical attributes allow for a number of potential uses. Elements such as size, shape, availability of utilities, known hazards (flood, environmental, etc.), and other potential influences are described in the Site Description and have been considered. There are no items of a physical nature that would materially limit appropriate and likely development.

#### Financially Feasible

The probable use of the site for industrial development conforms to the pattern of land use in the market area. A review of published yield, rental and occupancy rates suggest that there is an oversupply and demand is insufficient to support construction costs and ensure timely absorption of additional inventory in this market. Therefore, near-term speculative development of the subject site is not financially feasible.

#### Maximally Productive

Among the financially feasible uses, the use that results in the highest value (the maximally productive use) is the highest and best use. Considering these factors, the maximally productive use as though vacant is for industrial use.

#### Conclusion of Highest and Best Use As If Vacant

The conclusion of the highest and best use as if vacant is for industrial use.

### Analysis of Highest and Best Use as Improved

In determining the highest and best use of the property as improved, the focus is on three possibilities for the property: 1) continuation of the existing use, 2) modification of the existing use, or 3) demolition and redevelopment of the land.

Retaining the improvements as they exist meets the tests for physical possibility, legal permissibility and financial feasibility. The improvements are in fair condition and any alternative use of the existing improvements is unlikely to be economically feasible. The market value of the property as improved exceeds the combination of vacant site value plus cost of demolition of the improvements. Therefore demolition and redevelopment of the site is not maximally productive.

#### Conclusion of Highest and Best Use As Improved

The highest and best use of the subject property, as improved, is industrial use.

#### Most Probable Buyer

As of the date of value, the most probable buyer of the subject property is owner occupant.



# Appraisal Methodology

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## Three Approaches to Value

There are three traditional approaches typically available to develop indications of real property value: the cost, sales comparison, and income capitalization approaches.

### Cost Approach

The cost approach is based upon the principle that a prudent purchaser would pay no more for a property than the cost to purchase a similar site and construct similar improvements without undue delay, producing a property of equal desirability and utility. This approach is particularly applicable when the improvements being appraised are relatively new or proposed, or when the improvements are so specialized that there are too few comparable sales to develop a credible Sales Comparison Approach analysis.

### Sales Comparison Approach

In the sales comparison approach, the appraiser analyzes sales and listings of similar properties, adjusting for differences between the subject property and the comparable properties. This method can be useful for valuing general purpose properties or vacant land. For improved properties, it is particularly applicable when there is an active sales market for the property type being appraised – either by owner-users or investors.

### Income Capitalization Approach

The income capitalization approach is based on the principle that a prudent investor will pay no more for the property than he or she would for another investment of similar risk and cash flow characteristics. The income capitalization approach is widely used and relied upon in appraising income-producing properties, especially those for which there is an active investment sales market.

## Subject Valuation

As stated within the Scope of Work, we have relied upon the Cost Approach. If an approach has been omitted, the reason for that exclusion is also stated within the Scope of Work.

# Land Valuation

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## Methodology

Site Value is most often estimated using the sales comparison approach. This approach develops an indication of market value by analyzing closed sales, listings, or pending sales of properties similar to the subject, focusing on the difference between the subject and the comparables using all appropriate elements of comparison. This approach is based on the principles of supply and demand, balance, externalities, and substitution, or the premise that a buyer would pay no more for a specific property than the cost of obtaining a property with the same quality, utility, and perceived benefits of ownership.

## Unit of Comparison

The unit of comparison depends on land use economics and how buyers and sellers use the property. The unit of comparison in this analysis is per gross acre.

## Elements of Comparison

Elements of comparison are the characteristics or attributes of properties and transactions that cause the prices of real estate to vary. The primary elements of comparison considered in sales comparison analysis are as follows: (1) property rights conveyed, (2) financing terms, (3) conditions of sale, (4) expenditures made immediately after purchase, (5) market conditions, (6) location, and (7) physical characteristics.

## Comparable Sales Data

To obtain and verify comparable sales of vacant land properties, we conducted a search of public records, field surveys, interviews with knowledgeable real estate professionals in the area, and a review of our internal database.

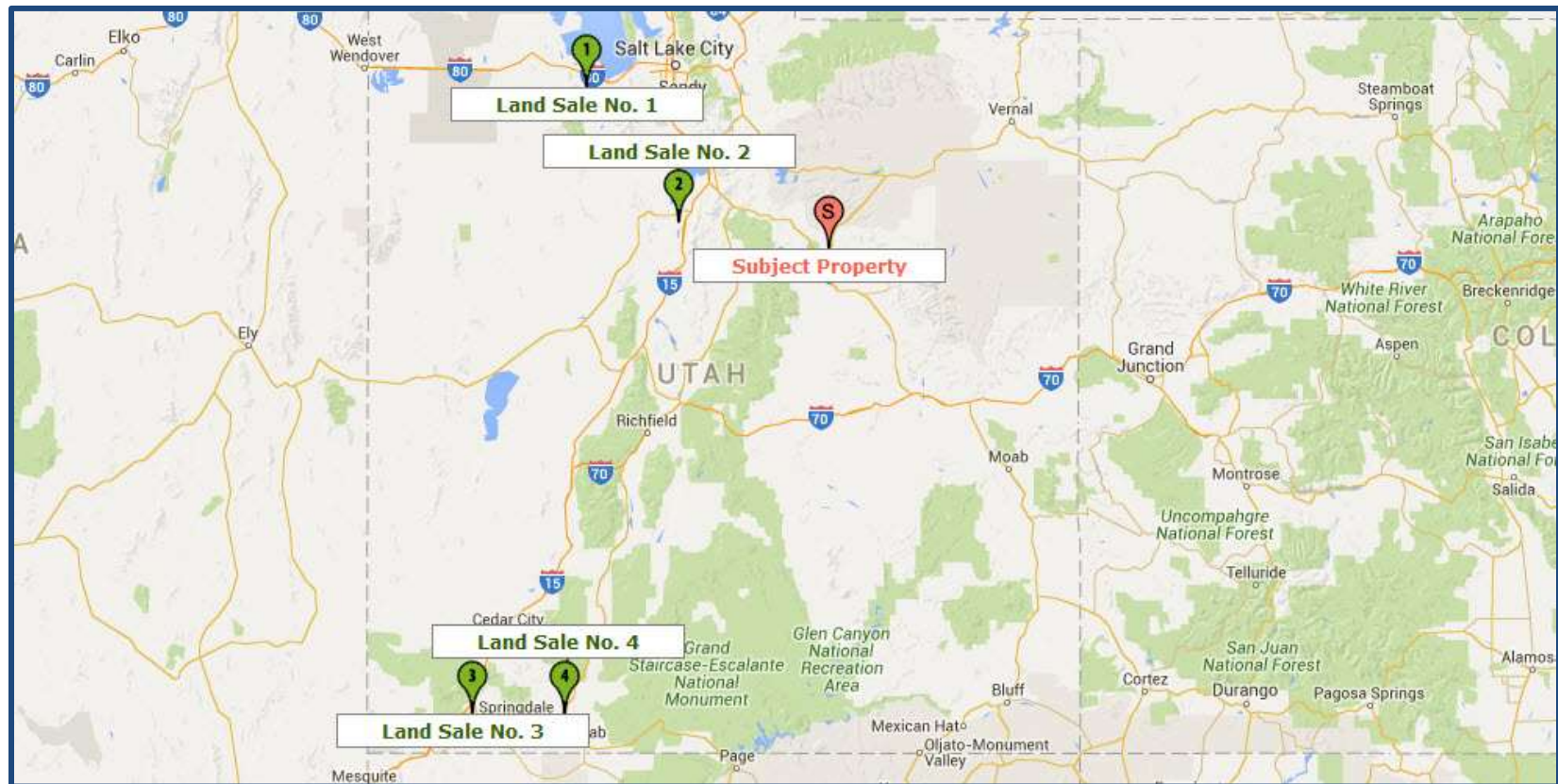
We included four sales in our analysis, as these sales were judged to be the most comparable to develop an indication of market value for the subject property.

The following is a table summarizing each sale comparable and a map illustrating the location of each in relation to the subject. Details of each comparable follow the location map.

### Land Sales Summary

Comp. No.	Date of Sale	Gross Acres	Location	Zoning	Sale Price Actual	Per Acre
1	May-16	175.560	300 North 600 West Grantsville, Utah	MU-40 / A-10	\$350,000	\$1,994
2	December-14	489.840	5000 North 232 West Mona, Utah	A1-160	\$315,000	\$643
3	July-14	160.000	Sec16 T41S R13W Toquerville, Utah	Ag	\$320,000	\$2,000
4	January-15	491.340	State Rt. 9 Mount Carmel, Utah	AG	\$450,000	\$916

### COMPARABLE SALES MAP





### LAND SALE 1

<b>Sale ID</b>	12013	<b>Price/SF</b>	\$.05
<b>Address</b>	300 North 600 West Grantsville, Tooele County, Utah	<b>Price/Acre</b>	\$1,994
<b>TaxID/APN</b>	01-118-0-0005, 05-073-0-0004, 01-115-0-0012	<b>Adj. Price/SF</b>	\$0.05
		<b>Adj. Price/Acre</b>	\$1,994

#### Property Description

<b>Land SF</b>	7,647,394
<b>Land Acres</b>	175.560
<b>Zoning</b>	MU-40 / A-10
<b>Zoning Description</b>	Multiple Use / Agricultural
<b>Topography</b>	Basically level
<b>Shape</b>	Irregular
<b>Utilities</b>	Power
<b>Visibility</b>	Average
<b>Primary Frontage</b>	600 West
<b>Access</b>	Gravel road from Old Lincoln Hwy
<b>Corner</b>	Interior
<b>Improvements</b>	Gravel road

#### Sales Data

<b>Sale Status</b>	Closed
<b>Sale Date</b>	5/11/2016
<b>Sale Price</b>	\$350,000
<b>Financing</b>	Typical
<b>Adjusted Sale Price</b>	\$350,000
<b>Grantor (Seller)</b>	Chartway Federal CU
<b>Grantee (Buyer)</b>	Preston and Wendy Shepherd; JT
<b>Property Rights</b>	Fee Simple
<b>Conditions of Sale</b>	Bank owned

#### Verification

<b>Confirmed By</b>	BJ Clark
<b>Confirmed With</b>	Scott Jessop, RE/MAX, (801) 725-8566

#### Comments

Sale of 175.56 acres of grazing / agricultural land just north of Grantsville. Property is accessed from a dirt road extending north from Old Lincoln Highway. Property was bank owned and was originally listed at \$650,000 but was reduced to \$350,000 due to lack of activity. The property sold for full asking after 402 days of marketing. The longer marketing period and conversations with the agent indicated that the sale price likely reflected market value. Power is available nearby. East portion of the property is zoned MU-40, west portion is zoned A-10.



## LAND SALE 2

<b>Sale ID</b>	10769	<b>Price/SF</b>	\$.01
<b>Address</b>	5000 North 232 West Mona, Juab County, Utah	<b>Price/Acre</b>	\$643
<b>TaxID/APN</b>	XB:1411:A:1	<b>Adj. Price/SF</b>	\$0.01
		<b>Adj. Price/Acre</b>	\$643

### Property Description

<b>Land SF</b>	21,337,430
<b>Land Acres</b>	489.840
<b>Zoning</b>	A1-160
<b>Zoning Description</b>	Agriculture
<b>Topography</b>	Hilly
<b>Shape</b>	Irregular
<b>Utilities</b>	W
<b>Visibility</b>	Good
<b>Primary Frontage</b>	5000 North
<b>Access</b>	Fair
<b>Corner</b>	Interior
<b>Improvements</b>	Gravel Road

### Sales Data

<b>Sale Status</b>	Closed
<b>Sale Date</b>	12/6/2014
<b>Sale Price</b>	\$315,000
<b>Financing</b>	Typical
<b>Adjusted Sale Price</b>	\$315,000
<b>Grantor (Seller)</b>	Central Bank
<b>Grantee (Buyer)</b>	Poulson
<b>Property Rights</b>	Fee Simple
<b>Conditions of Sale</b>	Typical
<b>Exposure Time</b>	300

### Verification

<b>Confirmed By</b>	Roland Robison
<b>Confirmed With</b>	Jeff Anderson, Agent, (801) 376-9478

### Comments

Mr. Anderson said this is a one-of-a-kind buyer who purchased the property to build an 'off-grid' home. 85% of this parcel is in Juab County and 15% is in Utah County. It has enough water for one home. The parcel is mostly very steep with large boulders. Very little of it is actually usable.



### LAND SALE 3

<b>Sale ID</b>	10237	<b>Price/SF</b>	\$0.05
<b>Address</b>	Sec16 T41S R13W Toquerville, Washington County, Utah	<b>Price/Acre</b>	\$2,000
<b>TaxID/APN</b>	T-3290	<b>Adj. Price/SF</b>	\$0.05
		<b>Adj. Price/Acre</b>	\$2,000

#### Property Description

<b>Land SF</b>	6,969,600
<b>Land Acres</b>	160.000
<b>Zoning</b>	Ag
<b>Zoning Description</b>	Agricultural
<b>Topography</b>	Gently sloping and steep
<b>Shape</b>	Rectangular
<b>Utilities</b>	None
<b>Visibility</b>	Poor
<b>Primary Frontage</b>	None
<b>Access</b>	Dirt road
<b>Corner</b>	Interior
<b>Improvements</b>	Dirt road

#### Sales Data

<b>Sale Status</b>	Closed
<b>Sale Date</b>	7/2/2014
<b>Sale Price</b>	\$320,000
<b>Financing</b>	Typical
<b>Adjusted Sale Price</b>	\$320,000
<b>Grantor (Seller)</b>	STTAR5, LLC
<b>Grantee (Buyer)</b>	Zerkle
<b>Property Rights</b>	Fee Simple
<b>Conditions of Sale</b>	Typical
<b>Exposure Time</b>	141

#### Verification

<b>Confirmed By</b>	N/A
<b>Confirmed With</b>	Danny Holt (agent)

#### Comments

Within Toquerville City but very secluded. Topography is steep on portions. MLS #14-152274.



#### LAND SALE 4

<b>Sale ID</b>	11633	<b>Price/SF</b>	\$.02
<b>Address</b>	State Rt. 9 Mount Carmel, Kane County, Utah	<b>Price/Acre</b>	\$916
<b>TaxID/APN</b>	O-28-1	<b>Adj. Price/SF</b>	\$0.02
		<b>Adj. Price/Acre</b>	\$916

#### Property Description

<b>Land SF</b>	21,402,770
<b>Land Acres</b>	491.340
<b>Zoning</b>	AG
<b>Zoning Description</b>	Agricultural
<b>Topography</b>	Basically level with some gradual slopes
<b>Shape</b>	Irregular
<b>Utilities</b>	W
<b>Visibility</b>	Fair
<b>Primary Frontage</b>	State Route 9
<b>Access</b>	Fair
<b>Corner</b>	Interior
<b>Improvements</b>	Dirt road

#### Sales Data

<b>Sale Status</b>	Closed
<b>Sale Date</b>	1/30/2015
<b>Sale Price</b>	\$450,000
<b>Financing</b>	Typical
<b>Adjusted Sale Price</b>	\$450,000
<b>Grantor (Seller)</b>	Sorenson Family Trust
<b>Grantee (Buyer)</b>	Confidential
<b>Property Rights</b>	Fee Simple
<b>Conditions of Sale</b>	Typical
<b>Exposure Time</b>	31 Days

#### Verification

<b>Confirmed By</b>	Roland Robison
<b>Confirmed With</b>	Dan Roberts, 435-559-2221

#### Comments

Dan Roberts indicated that this is a beautiful ranch property located near southern Utah national parks and Lake Powell. It include 1/6 ownership in water right 81-65. This allows grazing 135 head of cattle.

## Land Sales Comparison Analysis

When necessary, adjustments were made for differences in various elements of comparison, including property rights conveyed, financing terms, conditions of sale, expenditures made immediately after purchase, market conditions, location, and other physical characteristics. If the element in comparison is considered superior to that of the subject, we applied a negative adjustment. Conversely, a positive adjustment was applied if inferior. A summary of the elements of comparison follows.

### Transaction Adjustments

Transaction adjustments include 1) real property rights conveyed, 2) financing terms, 3) conditions of sale, and 4) expenditures made immediately after purchase. These items, which are applied prior to the market conditions and property adjustments, are discussed as follows:

### Real Property Rights Conveyed

Real property rights conveyed influence sale prices and must be considered when analyzing a sale comparable. The appraised value and sale comparables all reflect the fee simple interest with no adjustments required.

### Financing Terms

The transaction price of one property may differ from that of an identical property due to different financial arrangements. Sales involving financing terms that are not at or near market terms require adjustments for cash equivalency to reflect typical market terms. A cash equivalency procedure discounts the atypical mortgage terms to provide an indication of value at cash equivalent terms. All of the sale comparables involved typical market terms by which the sellers received cash or its equivalent and the buyers paid cash or tendered typical down payments and obtained conventional financing at market terms for the balance. Therefore, no adjustments for this category were required.

### Conditions of Sale

When the conditions of sale are atypical, the result may be a price that is higher or lower than that of a normal transaction. Adjustments for conditions of sale usually reflect the motivations of either a buyer or a seller who is under duress to complete the transaction. Another more typical condition of sale involves the downward adjustment required to a comparable property's for-sale listing price, which usually reflects the upper limit of value.

Sale 1: an upward adjustment of 10.0% was warranted since it was bank owned.

### Expenditures Made Immediately After Purchase

A knowledgeable buyer considers expenditures required upon purchase of a property, as these costs affect the price the buyer agrees to pay. Such expenditures may include: costs to demolish and remove any portion of the improvements, costs to petition for a zoning change, and/or costs to remediate environmental contamination.

The relevant figure is not the actual cost incurred, but the cost anticipated by both the buyer and seller. Unless the sales involved expenditures anticipated upon the purchase date, no adjustments to the comparable sales are required for this element of comparison. The parties to these transactions did not anticipate expenditures were required immediately after purchase; therefore, no adjustments were warranted.



## Market Conditions Adjustment

Market conditions change over time because of inflation, deflation, fluctuations in supply and demand, or other factors. Changing market conditions may create a need for adjustment to comparable sale transactions completed during periods of dissimilar market conditions.

The sale comparables represent recent sale transactions and current listings near the date of value with no market conditions adjustments necessary.

## Property Adjustments

Property adjustments are usually expressed quantitatively as percentages or dollar amounts that reflect the differences in value attributable to the various characteristics of the property. In some instances, however, qualitative adjustments are used. These adjustments are based on locational and physical characteristics and are applied after transaction and market conditions adjustments.

Our reasoning for the property adjustments made to each sale comparable follows. The discussion analyzes each adjustment category deemed applicable to the subject property.

### Location

Location adjustments may be required when the locational characteristics of a comparable are different from those of the subject. These characteristics can include general neighborhood characteristics, freeway accessibility, street exposure, corner- versus interior-lot location, neighboring properties, view amenities, and other factors.

The subject site is located along Highway 191 with average access and average visibility.

- Sale 1: no adjustment was warranted.
- Sale 2: an upward adjustment of 20.0% was warranted.
- Sale 3: an upward adjustment of 10.0% was warranted.
- Sale 4: an upward adjustment of 10.0% was warranted.

### Size

The size adjustment addresses variance in the physical size of the comparables and that of the subject, as a larger parcel typically commands a lower price per unit than a smaller parcel. This inverse relationship is due, in part, to the principle of "economies of scale."

The subject site consists of 271.860 acres of useable land.

- Sale 1: a downward adjustment of 10.0% was warranted.
- Sale 2: an upward adjustment of 10.0% was warranted.
- Sale 3: a downward adjustment of 15.0% was warranted.
- Sale 4: an upward adjustment of 10.0% was warranted.

### Frontage

The subject property features average frontage characteristics along a single thoroughfare.

Sale 1: an upward adjustment of 5.0% was warranted.

Sale 2: an upward adjustment of 5.0% was warranted.

Sale 3: an upward adjustment of 5.0% was warranted.

Sale 4: an upward adjustment of 5.0% was warranted.

### Utilities

The subject property does have electrical available on the date of value.

Sale 1: no adjustment was warranted.

Sale 2: an upward adjustment of 5.0% was warranted.

Sale 3: an upward adjustment of 5.0% was warranted.

Sale 4: an upward adjustment of 5.0% was warranted.

### Topography

The subject has a hillside and level topography.

Sale 1: a downward adjustment of 20.0% was warranted.

Sale 2: no adjustment was warranted.

Sale 3: no adjustment was warranted.

Sale 4: a downward adjustment of 10.0% was warranted.

### Zoning

The highest and best use of sale comparables should be very similar to that of the subject property. When comparables with the same zoning as the subject are lacking or scarce, parcels with slightly different zoning, but a highest and best use similar to that of the subject may be used as comparables. These comparables may require an adjustment for differences in utility if the market supports such adjustment.

The subject site is zoned Recreation, Forestry and Mining and HMC: Historic Mining Camp Zone..

Sale 1: no adjustment was warranted.

Sale 2: an upward adjustment of 20.0% was warranted.

Sale 3: an upward adjustment of 10.0% was warranted.

Sale 4: an upward adjustment of 10.0% was warranted.

### Summary of Adjustments

Presented on the following page is a summary of the adjustments made to the sale comparables. As noted earlier, these quantitative adjustments were based on our market research, best judgment, and experience in the appraisal of similar properties.

### LAND SALES ADJUSTMENT GRID

	Subject	Sale # 1	Sale # 2	Sale # 3	Sale # 4
Sale ID		12013	10769	10237	11633
Date of Value & Sale	July 13, 2016	May-16	December-14	July-14	January-15
Unadjusted Sale Price		\$350,000	\$315,000	\$320,000	\$450,000
Gross Acres	271.860	175.560	489.840	160.000	491.340
<b>Unadjusted Sale Price per Gross Acre</b>		<b>\$1,994</b>	<b>\$643</b>	<b>\$2,000</b>	<b>\$916</b>
<b>Transactional Adjustments</b>					
<b>Property Rights Conveyed</b>	<i>Fee Simple</i>	<i>Fee Simple</i>	<i>Fee Simple</i>	<i>Fee Simple</i>	<i>Fee Simple</i>
Adjustment		-	-	-	-
Adjusted Sale Price		\$1,994	\$643	\$2,000	\$916
<b>Financing Terms</b>	<i>Cash to Seller</i>	<i>Typical</i>	<i>Typical</i>	<i>Typical</i>	<i>Typical</i>
Adjustment		-	-	-	-
Adjusted Sale Price		\$1,994	\$643	\$2,000	\$916
<b>Conditions of Sale</b>	<i>Typical</i>	<i>Bank owned</i>	<i>Typical</i>	<i>Typical</i>	<i>Typical</i>
Adjustment		10.0%	-	-	-
Adjusted Sale Price		\$2,193	\$643	\$2,000	\$916
<b>Expenditures after Sale</b>		<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>
Adjustment		-	-	-	-
<b>Adjusted Sale Price</b>		<b>\$2,193</b>	<b>\$643</b>	<b>\$2,000</b>	<b>\$916</b>
<b>Market Conditions Adjustments</b>					
<b>Elapsed Time from Date of Value</b>		<i>0.17 years</i>	<i>1.60 years</i>	<i>2.03 years</i>	<i>1.45 years</i>
Market Trend Through		-	-	-	-
<b>Adjusted Sale Price</b>		<b>\$2,193</b>	<b>\$643</b>	<b>\$2,000</b>	<b>\$916</b>
<b>Physical Adjustments</b>					
<b>Location</b>	<i>Carbon County</i>	<i>300 North 600 West</i>	<i>5000 North 232 West</i>	<i>Sec16 T41S R13W</i>	<i>State Rt. 9</i>
	<i>271.86 Acres</i>				
Adjustment	<i>Northeast of Helper</i>	<i>Grantsville, Utah</i>	<i>Mona, Utah</i>	<i>Toquerville, Utah</i>	<i>Mount Carmel, Utah</i>
		-	20.0%	10.0%	10.0%
<b>Size</b>	<i>271.860 acres</i>	<i>175.560 acres</i>	<i>489.840 acres</i>	<i>160.000 acres</i>	<i>491.340 acres</i>
Adjustment		-10.0%	10.0%	-15.0%	10.0%
<b>Frontage</b>	<i>Asphalt</i>	<i>Gravel</i>	<i>Gravel</i>	<i>Dirt</i>	<i>Dirt</i>
Adjustment		5.0%	5.0%	5.0%	5.0%
<b>Utilities</b>	<i>Electric</i>	<i>Power</i>	<i>W</i>	<i>None</i>	<i>W</i>
Adjustment		-	5.0%	5.0%	5.0%
<b>Topography</b>	<i>Hillside and level</i>	<i>Basically level</i>	<i>Hilly</i>	<i>Gently sloping and steep</i>	<i>Basically level with some gradual slopes</i>
Adjustment		-20.0%	-	-	-10.0%
<b>Zoning</b>	<i>RR&amp;M and HMC</i>	<i>MU-40 / A-10</i>	<i>A1-160</i>	<i>Ag</i>	<i>AG</i>
Adjustment		-	20.0%	10.0%	10.0%
Net Physical Adjustment		-25.0%	60.0%	15.0%	30.0%
<b>Adjusted Sale Price per Gross Acre</b>		<b>\$1,645</b>	<b>\$1,029</b>	<b>\$2,300</b>	<b>\$1,191</b>

## Conclusion

From the market data available, we used four land sales in competitive market areas which were adjusted based on pertinent elements of comparison. The following table summarizes the unadjusted and adjusted unit prices:

### Land Sale Statistics

Metric	Unadjusted	Adjusted
Minimum Sale Price per Gross Acre	\$643	\$1,029
Maximum Sale Price per Gross Acre	\$2,000	\$2,300
Median Sale Price per Gross Acre	\$1,455	\$1,418
Mean Sale Price per Gross Acre	\$1,388	\$1,541

Based on the adjusted prices, a unit value for the subject property is near the middle of the adjusted range, or \$1,500 per gross acre. This indicates a market value of \$410,000.

Based on this analysis, the land value indication is summarized as follows:

### Land Value Indication

Reasonable Adjusted Comparable Range

271.860 acres	x	\$1,030 per acre	=	\$280,016
271.860 acres	x	\$2,300 per acre	=	\$625,278

### Market Value Opinion

271.860 acres	x	<b>\$1,500 per acre</b>	=	<b>\$410,000</b>
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(Rounded)

# Cost Approach

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## Methodology

The cost approach develops an indication of market value by estimating replacement or reproduction cost of the improvements, deducting all appropriate forms of depreciation and adding land value. This approach is based on the premise that an investor or buyer of real estate would pay no more for a specific property than the cost to replace or reproduce the improvements less any accrued depreciation plus payment of entrepreneurial incentive and land value.

## Direct Costs

To estimate direct costs of the building, we used replacement cost. Marshall Valuation Service is a national cost contracting service with years of evaluation experience and continued analysis of the cost of new construction. The calculator method was used to determine the replacement cost of the improvements.

## Direct Building Cost

Marshall Valuation Service cost figures indicated total direct building construction costs of \$4,479,521 or \$86.06 per square foot of gross building area. A calculation of total direct building costs for the subject property follows.

**Direct Cost - Building**

Building Identification/Name	Bldg1	Bldg 2	Bldg 3	Bldg 4	All
Gross Building Area	30,238 sf	9,437 sf	11,066 sf	1,310 sf	52,051
Story Height (average in feet)	12'	22'	30'	12'	17.6'
Number of Floors	2	1	1	1	1.6
Year Built	1975	1975	1975	1975	1975
Effective Age	30 years	30 years	30 years	30 years	30 years
<b>Marshall Valuation Service</b>					
Date	Nov-15	Feb-16	Feb-16	Feb-16	
Section	15	14	14	14	
Page	17	14	14	14	
Type	Office Bldg	Light Manuf.	Light Manuf.	Light Manuf.	
Class	C	C	C	S	
Quality	Average	Average	Average	Low Cost	
<b>Base Cost/SF of GBA</b>	<b>\$109.26</b>	<b>\$49.96</b>	<b>\$49.96</b>	<b>\$29.46</b>	<b>\$83.89</b>
<b>Base Cost Adjustments</b>					
Sprinklers	\$3.08	\$3.06	\$3.06	\$0.00	<b>\$2.99</b>
<b>Base Cost Subtotal</b>	<b>\$112.34</b>	<b>\$53.02</b>	<b>\$53.02</b>	<b>\$29.46</b>	<b>\$86.89</b>
<b>Multipliers</b>					
Current	0.990(x)	1.010(x)	1.010(x)	1.010(x)	
Local	0.960(x)	0.960(x)	0.960(x)	0.960(x)	
Perimeter	0.937(x)	1.040(x)	1.030(x)	1.360(x)	
Story Height	1.000(x)	1.181(x)	1.382(x)	0.960(x)	
Number of Floors	1.000(x)	1.000(x)	1.000(x)	1.000(x)	
<b>Net Multiplier</b>	<b>0.891(x)</b>	<b>1.191(x)</b>	<b>1.380(x)</b>	<b>1.266(x)</b>	<b>0.990(x)</b>
<b>Adj. Direct Building Cost/SF of GBA</b>	<b>\$100.04</b>	<b>\$63.14</b>	<b>\$73.18</b>	<b>\$37.29</b>	<b>\$86.06</b>
<b>Adj. Total Direct Building Cost</b>	<b>\$3,025,010</b>	<b>\$595,852</b>	<b>\$809,810</b>	<b>\$48,850</b>	<b>\$4,479,521</b>

**Direct Site Improvement Cost**

Direct site improvement costs were estimated at \$744,098, as presented in the following table:

**Direct Cost - Site Improvements**

Item	Size/Quantity	Unit Cost	Total Cost
Asphalt paving	300,924 square feet x	\$2.00 =	\$601,848
Water Tank 30,000 Gal (estimated)	1 x	\$54,250 =	\$54,250
Water Tank 100,000 Gal (estimated)	1 x	\$88,000 =	\$88,000
<b>Total Site Improvement Costs</b>			<b>\$744,098</b>

**Indirect Costs**

Comparable properties indicated indirect costs of 1 to 5 percent of direct costs, most of which is included in the Marshall Valuation Service figures above. We estimated an additional expense of 2.00% of direct costs for items not included, or \$104,472. The calculation is presented in the following table:

### Indirect Cost

Item	Building + Site			Total Cost
	Direct Costs		Rate	
Professional Fees Excluded from MVS	\$5,223,619	x	2.00%	= \$104,472
<b>Total Indirect Costs</b>				<b>\$104,472</b>

### Total Direct and Indirect Cost

#### Marshall Valuation Service

The Marshall Valuation Service cost figures indicated a total direct and indirect cost of \$5,328,091, as presented in the following table:

#### Marshall Valuation Service Direct and Indirect Cost

Component	Cost Estimate
Direct Building Cost	\$4,479,521
Direct Site Improvement Cost	\$744,098
Indirect Cost	\$104,472
<b>Total Direct and Indirect Cost</b>	<b>\$5,328,091</b>

### Entrepreneurial Incentive

For this analysis, entrepreneurial incentive was estimated at 0.0% percent of construction cost, or \$0, which is appropriate for industrial oriented development in this area

### Replacement Cost New

Adding entrepreneurial incentive to the reconciled total direct and indirect cost resulted in a replacement cost new of \$5,328,091.

### Depreciation

The next step is to estimate depreciation applicable to the subject improvements. The various forms of depreciation are discussed as follows:

#### Physical Deterioration

Physical deterioration is a reduction in utility resulting from an impairment of physical condition and is delineated into curable and incurable components.

#### Curable Physical

Based on our property visit and discussions with the property owners, the subject property exhibits deferred maintenance totaling \$10,000, which must be deducted from the preliminary value estimate

#### Incurable Physical

Total incurable short-lived deterioration is presented in the following table:

**Incurable - Short-Lived Deterioration**

Item	Cost New	Effective Age	Economic Life	Percent Deteriorated	=	Total Deterioration
Asphalt paving	\$601,848	7	8	87.5%	=	\$526,617
Water Tank 30,000 Gal (estimated)	\$54,250	10	17	58.8%	=	\$31,912
Water Tank 100,000 Gal (estimated)	\$88,000	10	17	58.8%	=	\$51,765
<b>Total</b>						<b>\$610,293</b>

Total incurable physical depreciation was estimated at 66.7%, or \$3,049,329. The calculation is presented in the following table:

**Incurable - Long-Lived Deterioration**

Replacement Cost New	\$5,328,091
Less: Short-Lived Items	-\$744,098
Less: Physical Curable	-\$10,000
Adjusted Cost New	<u>\$4,573,993</u>
Effective Age	30 years
Economic Life	45 years
Indicated Deterioration Ratio	66.7%
<b>Indicated Deterioration</b>	<b><u>\$3,049,329</u></b>

Functional Obsolescence

The subject property has superadequate features that are not recognized in the market, indicating functional obsolescence. We estimated functional obsolescence at \$159,843 (0.03 x \$5,328,091).

External Obsolescence

The subject property suffers from external obsolescence, which was calculated at \$1,065,618 (0.20 x \$5,328,091). The property is located in a remote location that has very limited uses or applicability to typical market properties. Therefore, we have estimated the obsolescence to be 20% of the total cost new.

Total Depreciation

Adding all forms of depreciation indicated total accrued depreciation of \$4,895,084.

### Market Value of Land

The final step in the cost approach is the addition of the market land value, estimated at \$410,000.

### As Is Fee Simple Market Value Indication

The preceding cost analysis indicated an as is fee simple market value indication for the subject property of \$843,008. The cost schedule is presented as follows:



### Cost Approach Schedule

#### Replacement Cost New

Direct and Indirect Cost New	\$5,328,091
Entrepreneurial Incentive	\$0
Replacement Cost New	<u>\$5,328,091</u>

#### Accrued Depreciation

Physical Deterioration	
Curable (deferred maintenance)	-\$10,000
Incurable (short-lived)	-\$610,293
Incurable (long-lived)	<u>-\$3,049,329</u>
Total Physical Deterioration	-\$3,669,622
Obsolescence	
External is 20% of Cost New	-\$1,065,618
Functional is 3% of Cost New	<u>-\$159,843</u>
Total Obsolescence	-\$1,225,461
Total Accrued Depreciation	<u>-\$4,895,084</u>
Depreciated Cost of Improvements	<u>\$433,008</u>
<b>Estimated Market Value of Land</b>	<u>\$410,000</u>
<b>As Is Fee Simple Market Value Indication</b>	<u><b>\$843,008</b></u>

### As Is Fee Simple Market Value Indication

#### Deferred Maintenance

As previously discussed in the Improvements Description, the subject property exhibits deferred maintenance of \$10,000, which was deducted with the depreciation.

The subject has five 2 ton cranes that will stay with the property and one 50 ton crane with a 20 ton option. The cost new for these items per *Marshall and Swift* is \$350,000. It is estimated that the equipment will last approximately 20 years and is estimated to have an effective age of 15 years. Therefore, a 75% deduction will be taken from the cost new. The depreciated value is \$90,000 (\$350,000 x 0.25) after rounding to an appropriate indicator.

Based on this analysis, the cost approach indication is summarized as follows:

### Cost Approach Value Indication

<b>Preliminary As Stabilized Fee Simple Value Indication</b>	<b>\$843,008</b>
Plus Cranes:	\$90,000
<b>As Is Fee Simple Market Value Indication</b>	<u><b>\$930,000</b></u>

# Reconciliation

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## Summary of Value Indications

The indicated values from the approaches used and our concluded market values for the subject property are summarized in the following table.

<b>Value Indications</b>	
<b>Approach to Value</b>	<b>As Is</b>
Land Only - Sales Comparison	\$410,000
Cost	\$930,000
<b>Value Conclusions</b>	
<b>Component</b>	<b>As Is</b>
Value Type	Market Value
Property Rights Appraised	Fee Simple
Effective Date of Value	July 13, 2016
<b>Value Conclusion</b>	<b>\$930,000</b>
	<b>\$17.87 psf</b>

To reach a final opinion of value, we considered the reliability and relevance of each value indication based upon the quality of the data and applicability of the assumptions underlying each approach. Given the availability and reliability of data within the Sales Comparison Approach, we gave this approach primary weight in arriving at our final value conclusions. Furthermore, industrial properties such as the subject property are typically purchased by owner occupants, who primarily rely upon the methods employed by the Sales Comparison Approach.

## Exposure Time and Marketing Periods

Based on statistical information about days on market, escrow length, and marketing times gathered through national investor surveys, sales verification, and interviews of market participants, marketing and exposure time estimates of 12 to 24 months and 12 to 24 months, respectively, are considered reasonable and appropriate for the subject property.

# General Assumptions and Limiting Conditions

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This appraisal is subject to the following limiting conditions:

1. The legal description – if furnished to us – is assumed to be correct.
2. No responsibility is assumed for legal matters, questions of survey or title, soil or subsoil conditions, engineering, availability or capacity of utilities, or other similar technical matters. The appraisal does not constitute a survey of the property appraised. All existing liens and encumbrances have been disregarded and the property is appraised as though free and clear, under responsible ownership and competent management unless otherwise noted.
3. Unless otherwise noted, the appraisal will value the property as though free of contamination. Valbridge Property Advisors | Free and Associates, Inc. will conduct no hazardous materials or contamination inspection of any kind. It is recommended that the client hire an expert if the presence of hazardous materials or contamination poses any concern.
4. The stamps and/or consideration placed on deeds used to indicate sales are in correct relationship to the actual dollar amount of the transaction.
5. Unless otherwise noted, it is assumed there are no encroachments, zoning violations or restrictions existing in the subject property.
6. The appraiser is not required to give testimony or attendance in court by reason of this appraisal, unless previous arrangements have been made.
7. Unless expressly specified in the engagement letter, the fee for this appraisal does not include the attendance or giving of testimony by Appraiser at any court, regulatory, or other proceedings, or any conferences or other work in preparation for such proceeding. If any partner or employee of Valbridge Property Advisors | Free and Associates, Inc. is asked or required to appear and/or testify at any deposition, trial, or other proceeding about the preparation, conclusions or any other aspect of this assignment, client shall compensate Appraiser for the time spent by the partner or employee in appearing and/or testifying and in preparing to testify according to the Appraiser's then current hourly rate plus reimbursement of expenses.
8. The values for land and/or improvements, as contained in this report, are constituent parts of the total value reported and neither is (or are) to be used in making a summation appraisal of a combination of values created by another appraiser. Either is invalidated if so used.

9. The dates of value to which the opinions expressed in this report apply are set forth in this report. We assume no responsibility for economic or physical factors occurring at some point at a later date, which may affect the opinions stated herein. The forecasts, projections, or operating estimates contained herein are based on current market conditions and anticipated short-term supply and demand factors and are subject to change with future conditions.
10. The sketches, maps, plats and exhibits in this report are included to assist the reader in visualizing the property. The appraiser has made no survey of the property and assumed no responsibility in connection with such matters.
11. The information, estimates and opinions, which were obtained from sources outside of this office, are considered reliable. However, no liability for them can be assumed by the appraiser.
12. Possession of this report, or a copy thereof, does not carry with it the right of publication. Neither all, nor any part of the content of the report, or copy thereof (including conclusions as to property value, the identity of the appraisers, professional designations, reference to any professional appraisal organization or the firm with which the appraisers are connected), shall be disseminated to the public through advertising, public relations, news, sales, or other media without prior written consent and approval.
13. No claim is intended to be expressed for matters of expertise that would require specialized investigation or knowledge beyond that ordinarily employed by real estate appraisers. We claim no expertise in areas such as, but not limited to, legal, survey, structural, environmental, pest control, mechanical, etc.
14. This appraisal was prepared for the sole and exclusive use of the client for the function outlined herein. Any party who is not the client or intended user identified in the appraisal or engagement letter is not entitled to rely upon the contents of the appraisal without express written consent of Valbridge Property Advisors | Free and Associates, Inc. and Client. The Client shall not include partners, affiliates, or relatives of the party addressed herein. The appraiser assumes no obligation, liability or accountability to any third party.
15. Distribution of this report is at the sole discretion of the client, but third-parties not listed as an intended user on the face of the appraisal or the engagement letter may not rely upon the contents of the appraisal. In no event shall client give a third-party a partial copy of the appraisal report. We will make no distribution of the report without the specific direction of the client.
16. This appraisal shall be used only for the function outlined herein, unless expressly authorized by Valbridge Property Advisors | Free and Associates, Inc..

17. This appraisal shall be considered in its entirety. No part thereof shall be used separately or out of context.
18. Unless otherwise noted in the body of this report, this appraisal assumes that the subject property does not fall within the areas where mandatory flood insurance is effective. Unless otherwise noted, we have not completed nor have we contracted to have completed an investigation to identify and/or quantify the presence of non-tidal wetland conditions on the subject property. Because the appraiser is not a surveyor, he or she makes no guarantees, express or implied, regarding this determination.
19. The flood maps are not site specific. We are not qualified to confirm the location of the subject property in relation to flood hazard areas based on the FEMA Flood Insurance Rate Maps or other surveying techniques. It is recommended that the client obtain a confirmation of the subject property's flood zone classification from a licensed surveyor.
20. If the appraisal is for mortgage loan purposes 1) we assume satisfactory completion of improvements if construction is not complete, 2) no consideration has been given for rent loss during rent-up unless noted in the body of this report, and 3) occupancy at levels consistent with our "Income and Expense Projection" are anticipated.
21. It is assumed that there are no hidden or unapparent conditions of the property, subsoil, or structures which would render it more or less valuable. No responsibility is assumed for such conditions or for engineering which may be required to discover them.
22. Our inspection included an observation of the land and improvements thereon only. It was not possible to observe conditions beneath the soil or hidden structural components within the improvements. We inspected the buildings involved, and reported damage (if any) by termites, dry rot, wet rot, or other infestations as a matter of information, and no guarantee of the amount or degree of damage (if any) is implied. Condition of heating, cooling, ventilation, electrical and plumbing equipment is considered to be commensurate with the condition of the balance of the improvements unless otherwise stated. Should the client have concerns in these areas, it is the client's responsibility to order the appropriate inspections. The appraiser does not have the skill or expertise to make such inspections and assumes no responsibility for these items.
23. This appraisal does not guarantee compliance with building code and life safety code requirements of the local jurisdiction. It is assumed that all required licenses, consents, certificates of occupancy or other legislative or administrative authority from any local, state or national governmental or private entity or organization have been or can be obtained or renewed for any use on which the value conclusion contained in this report is based unless specifically stated to the contrary.

24. When possible, we have relied upon building measurements provided by the client, owner, or associated agents of these parties. In the absence of a detailed rent roll, reliable public records, or "as-built" plans provided to us, we have relied upon our own measurements of the subject improvements. We follow typical appraisal industry methods; however, we recognize that some factors may limit our ability to obtain accurate measurements including, but not limited to, property access on the day of inspection, basements, fenced/gated areas, grade elevations, greenery/shrubbery, uneven surfaces, multiple story structures, obtuse or acute wall angles, immobile obstructions, etc. Professional building area measurements of the quality, level of detail, or accuracy of professional measurement services are beyond the scope of this appraisal assignment.
25. We have attempted to reconcile sources of data discovered or provided during the appraisal process, including assessment department data. Ultimately, the measurements that are deemed by us to be the most accurate and/or reliable are used within this report. While the measurements and any accompanying sketches are considered to be reasonably accurate and reliable, we cannot guarantee their accuracy. Should the client desire a greater level of measuring detail, they are urged to retain the measurement services of a qualified professional (space planner, architect or building engineer). We reserve the right to use an alternative source of building size and amend the analysis, narrative and concluded values (at additional cost) should this alternative measurement source reflect or reveal substantial differences with the measurements used within the report.
26. In the absence of being provided with a detailed land survey, we have used assessment department data to ascertain the physical dimensions and acreage of the property. Should a survey prove this information to be inaccurate, we reserve the right to amend this appraisal (at additional cost) if substantial differences are discovered.
27. If only preliminary plans and specifications were available for use in the preparation of this appraisal, then this appraisal is subject to a review of the final plans and specifications when available (at additional cost) and we reserve the right to amend this appraisal if substantial differences are discovered.
28. Unless otherwise stated in this report, the value conclusion is predicated on the assumption that the property is free of contamination, environmental impairment or hazardous materials. Unless otherwise stated, the existence of hazardous material was not observed by the appraiser and the appraiser has no knowledge of the existence of such materials on or in the property. The appraiser, however, is not qualified to detect such substances. The presence of substances such as asbestos, urea-formaldehyde foam insulation, or other potentially hazardous materials may affect the value of the property. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required for discovery. The client is urged to retain an expert in this field, if desired.

29. The Americans with Disabilities Act (“ADA”) became effective January 26, 1992. We have not made a specific compliance survey of the property to determine if it is in conformity with the various requirements of the ADA. It is possible that a compliance survey of the property, together with an analysis of the requirements of the ADA, could reveal that the property is not in compliance with one or more of the requirements of the Act. If so, this could have a negative effect on the value of the property. Since we have no direct evidence relating to this issue, we did not consider possible noncompliance with the requirements of ADA in developing an opinion of value.
30. This appraisal applies to the land and building improvements only. The value of trade fixtures, furnishings, and other equipment, or subsurface rights (minerals, gas, and oil) were not considered in this appraisal unless specifically stated to the contrary.
31. No changes in any federal, state or local laws, regulations or codes (including, without limitation, the Internal Revenue Code) are anticipated, unless specifically stated to the contrary.
32. Any income and expense estimates contained in the appraisal report are used only for the purpose of estimating value and do not constitute prediction of future operating results. Furthermore, it is inevitable that some assumptions will not materialize and that unanticipated events may occur that will likely affect actual performance.
33. Any estimate of insurable value, if included within the scope of work and presented herein, is based upon figures developed consistent with industry practices. However, actual local and regional construction costs may vary significantly from our estimate and individual insurance policies and underwriters have varied specifications, exclusions, and non-insurable items. As such, we strongly recommend that the Client obtain estimates from professionals experienced in establishing insurance coverage. This analysis should not be relied upon to determine insurance coverage and we make no warranties regarding the accuracy of this estimate.
34. The data gathered in the course of this assignment (except data furnished by the Client) shall remain the property of the Appraiser. The appraiser will not violate the confidential nature of the appraiser-client relationship by improperly disclosing any confidential information furnished to the appraiser. Notwithstanding the foregoing, the Appraiser is authorized by the client to disclose all or any portion of the appraisal and related appraisal data to appropriate representatives of the Appraisal Institute if such disclosure is required to enable the appraiser to comply with the Bylaws and Regulations of such Institute now or hereafter in effect.

35. You and Valbridge Property Advisors | Free and Associates, Inc. both agree that any dispute over matters in excess of \$5,000 will be submitted for resolution by arbitration. This includes fee disputes and any claim of malpractice. The arbitrator shall be mutually selected. If Valbridge Property Advisors | Free and Associates, Inc. and the client cannot agree on the arbitrator, the presiding head of the Local County Mediation & Arbitration panel shall select the arbitrator. Such arbitration shall be binding and final. In agreeing to arbitration, we both acknowledge that, by agreeing to binding arbitration, each of us is giving up the right to have the dispute decided in a court of law before a judge or jury. In the event that the client, or any other party, makes a claim against Free and Associates, Inc. or any of its employees in connections with or in any way relating to this assignment, the maximum damages recoverable by such claimant shall be the amount actually received by Valbridge Property Advisors | Free and Associates, Inc. for this assignment, and under no circumstances shall any claim for consequential damages be made.
36. Valbridge Property Advisors | Free and Associates, Inc. shall have no obligation, liability, or accountability to any third party. Any party who is not the "client" or intended user identified on the face of the appraisal or in the engagement letter is not entitled to rely upon the contents of the appraisal without the express written consent of Valbridge Property Advisors | Free and Associates, Inc.. "Client" shall not include partners, affiliates, or relatives of the party named in the engagement letter. Client shall hold Valbridge Property Advisors | Free and Associates, Inc. and its employees harmless in the event of any lawsuit brought by any third party, lender, partner, or part-owner in any form of ownership or any other party as a result of this assignment. The client also agrees that in case of lawsuit arising from or in any way involving these appraisal services, client will hold Valbridge Property Advisors | Free and Associates, Inc. harmless from and against any liability, loss, cost, or expense incurred or suffered by Valbridge Property Advisors | Free and Associates, Inc. in such action, regardless of its outcome.
37. The Valbridge Property Advisors office responsible for the preparation of this report is independently owned and operated by Free and Associates, Inc.. Neither Valbridge Property Advisors, Inc., nor any of its affiliates has been engaged to provide this report. Valbridge Property Advisors, Inc. does not provide valuation services, and has taken no part in the preparation of this report.
38. If any claim is filed against any of Valbridge Property Advisors, Inc., a Florida Corporation, its affiliates, officers or employees, or the firm providing this report, in connection with, or in any way arising out of, or relating to, this report, or the engagement of the firm providing this report, then (1) under no circumstances shall such claimant be entitled to consequential, special or other damages, except only for direct compensatory damages, and (2) the maximum amount of such compensatory damages recoverable by such claimant shall be the amount actually received by the firm engaged to provide this report.



39. This report and any associated work files may be subject to evaluation by Valbridge Property Advisors, Inc., or its affiliates, for quality control purposes.
40. Acceptance and/or use of this appraisal report constitutes acceptance of the foregoing general assumptions and limiting conditions.

## Certification – Randall Henderson

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I certify that, to the best of my knowledge and belief:

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
3. I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
4. The undersigned has not performed services regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
5. I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
6. My engagement in this assignment was not contingent upon developing or reporting predetermined results.
7. My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
8. My analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.
9. Randall Henderson has personally inspected the subject property.
10. No one provided significant real property appraisal assistance to the person signing this certification, unless otherwise noted.
11. The reported analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.
12. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
13. As of the date of this report, the undersigned has completed the Standards and Ethics Education Requirement for Candidates/Practicing Affiliates of the Appraisal Institute.



D. Randall Henderson  
Senior Appraiser

Utah State - Certified General Appraiser License # 7171277-CG00 (Exp. 3/30/18)
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## Certification – Stan Craft, MAI

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I certify that, to the best of my knowledge and belief:

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
3. I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
4. The undersigned has not performed services regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
5. I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
6. My engagement in this assignment was not contingent upon developing or reporting predetermined results.
7. My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
8. My analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.
9. Stan Craft did not personally inspect the subject property.
10. No one provided significant real property appraisal assistance to the person signing this certification, unless otherwise noted.
11. The reported analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.
12. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
13. As of the date of this report, the undersigned has completed the continuing education program for Designated Members of the Appraisal Institute.



Stan C. Craft, MAI  
Managing Director

Utah State - Certified General Appraiser License # 5468268-CG00 (Exp. 11/30/16)
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Subject Photographs



VIEW OF SUBJECT EXTERIOR



VIEW OF SUBJECT EXTERIOR



VIEW OF SUBJECT EXTERIOR



VIEW OF SUBJECT EXTERIOR



VIEW OF SUBJECT EXTERIOR



VIEW OF SUBJECT INTERIOR



VIEW OF SUBJECT INTERIOR



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VIEW OF SUBJECT INTERIOR



VIEW OF SUBJECT INTERIOR



VIEW OF SUBJECT FRONTAGE



VIEW OF SUBJECT FRONTAGE



VIEW OF NEIGHBORHOOD INFLUENCE



VIEW OF NEIGHBORHOOD INFLUENCE



VIEW OF NEIGHBORHOOD INFLUENCE



VIEW OF NEIGHBORHOOD INFLUENCE

## Glossary

Definitions are taken from The Dictionary of Real Estate Appraisal, 6<sup>th</sup> Edition (Dictionary), the Uniform Standards of Professional Appraisal Practice (USPAP), and Building Owners and Managers Association International (BOMA).

### Absolute Net Lease

A lease in which the tenant pays all expenses including structural maintenance, building reserves, and management; often a long-term lease to a credit tenant. (Dictionary)

### Amortization

The process of retiring a debt or recovering a capital investment, typically through scheduled, systematic repayment of the principal; a program of periodic contributions to a sinking fund or debt retirement fund. (Dictionary)

### As Is Market Value

The estimate of the market value of real property in its current physical condition, use, and zoning as of the appraisal date. (Dictionary)

### Base Rent

The minimum rent stipulated in a lease. (Dictionary)

### Base Year

The year on which escalation clauses in a lease are based. (Dictionary)

### Building Common Area

In office buildings, the areas of the building that provide services to building tenants but which are not included in the office area or store area of any specific tenant. These areas may include, but shall not be limited to, main and auxiliary lobbies, atrium spaces at the level of the finished floor, concierge areas or security desks, conference rooms, lounges or vending areas, food service facilities, health or fitness centers, daycare facilities, locker or shower facilities, mail rooms, fire control rooms, fully enclosed courtyards outside the exterior walls, and building core and service areas such as fully enclosed mechanical or equipment rooms. Specifically excluded from building common area are floor common areas, parking space, portions of loading docks outside the building line, and major vertical penetrations. (BOMA)

### Building Rentable Area

The sum of all floor rentable areas. Floor rentable area is the result of subtracting from the gross measured area of a floor the major vertical penetrations on that same floor. It is generally fixed for the life of the building and is rarely affected by changes in corridor size or configuration. (BOMA)

### Certificate of Occupancy (COO)

A formal written acknowledgment by an appropriate unit of local government that a new construction or renovation project is at the stage where it meets applicable health and safety codes and is ready for commercial or residential occupancy. (Dictionary)

### Common Area Maintenance (CAM)

The expense of operating and maintaining common areas; may or may not include management charges and usually does not include capital expenditures on tenant improvements or other improvements to the property. (Dictionary)

The amount of money charged to tenants for their shares of maintaining a [shopping] center's common area. The charge that a tenant pays for shared services and facilities such as electricity, security, and maintenance of parking lots. Items charged to common area maintenance may include cleaning services, parking lot sweeping and maintenance, snow removal, security and upkeep. (ICSC – International Council of Shopping Centers, 4<sup>th</sup> Ed.)

### Condominium

A multiunit structure, or a unit within such a structure, with a condominium form of ownership. (Dictionary)

### Conservation Easement

An interest in real estate restricting future land use to preservation, conservation, wildlife habitat, or some combination of those uses. A conservation easement may permit farming, timber harvesting, or other uses of a rural nature as well as some types of conservation-oriented development to continue, subject to the easement. (Dictionary)

### Contributory Value

A type of value that reflects the amount a property or component of a property contributes to the value of another asset or to the property as a whole.

The change in the value of a property as a whole, whether positive or negative, resulting from the addition or deletion of a property component. Also called deprival value in some countries. (Dictionary)



### Debt Coverage Ratio (DCR)

The ratio of net operating income to annual debt service (DCR = NOI/Im), which measures the relative ability of a property to meet its debt service out of net operating income; also called *debt service coverage ratio (DSCR)*. A larger *DCR* typically indicates a greater ability for a property to withstand a reduction of income, providing an improved safety margin for a lender. (Dictionary)

### Deed Restriction

A provision written into a deed that limits the use of land. Deed restrictions usually remain in effect when title passes to subsequent owners. (Dictionary)

### Depreciation

- 1) In appraisal, a loss in property value from any cause; the difference between the cost of an improvement on the effective date of the appraisal and the market value of the improvement on the same date.
- 2) In accounting, an allocation of the original cost of an asset, amortizing the cost over the asset's life; calculated using a variety of standard techniques. (Dictionary)

### Disposition Value

The most probable price that a specified interest in property should bring under the following conditions:

- Consummation of a sale within a specified time, which is shorter than the typical exposure time for such a property in that market.
- The property is subjected to market conditions prevailing as of the date of valuation;
- Both the buyer and seller are acting prudently and knowledgeably;
- The seller is under compulsion to sell;
- The buyer is typically motivated;
- Both parties are acting in what they consider to be their best interests;
- An adequate marketing effort will be made during the exposure time;
- Payment will be made in cash in U.S. dollars (or the local currency) or in terms of financial arrangements comparable thereto; and
- The price represents the normal consideration for the property sold, unaffected by special or creative financing or sales concessions granted by anyone associated with the sale. (Dictionary)

### Easement

The right to use another's land for a stated purpose. (Dictionary)

### EIFS

Exterior Insulation Finishing System. This is a type of exterior wall cladding system. Sometimes referred to as dry-vit.

### Effective Date

- 1) The date on which the appraisal or review opinion applies. (SVP)
- 2) In a lease document, the date upon which the lease goes into effect. (Dictionary)

### Effective Gross Income (EGI)

The anticipated income from all operations of the real estate after an allowance is made for vacancy and collection losses and an addition is made for any other income. (Dictionary)

### Effective Rent

Total base rent, or minimum rent stipulated in a lease, over the specified lease term minus rent concessions; the rent that is effectively paid by a tenant net of financial concessions provided by a landlord. (TIs). (Dictionary)

### EPDM

Ethylene Propylene Diene Monomer Rubber. A type of synthetic rubber typically used for roof coverings. (Dictionary)

### Escalation Clause

A clause in an agreement that provides for the adjustment of a price or rent based on some event or index. e.g., a provision to increase rent if operating expenses increase; also called *escalator clause*, *expense recovery clause* or *stop clause*. (Dictionary)

### Estoppel Certificate

A signed statement by a party (such as a tenant or a mortgagee) certifying, for another's benefit, that certain facts are correct, such as that a lease exists, that there are no defaults, and that rent is paid to a certain date. (Black's) In real estate, a buyer of rental property typically requests estoppel certificates from existing tenants. Sometimes referred to as an *estoppel letter*. (Dictionary)

### Excess Land

Land that is not needed to serve or support the existing use. The highest and best use of the excess land may or may not be the same as the highest and best use of the improved parcel. Excess land has the potential to be sold separately and is valued separately. (Dictionary)

### Excess Rent

The amount by which contract rent exceeds market rent at the time of the appraisal; created by a lease favorable to the landlord (lessor) and may reflect unusual management, unknowledgeable or unusually motivated parties, a lease execution in an earlier, stronger rental market, or an agreement of the parties. (Dictionary)

### Expense Stop

A clause in a lease that limits the landlord's expense obligation, which results in the lessee paying operating expenses above a stated level or amount. (Dictionary)

### Exposure Time

- 1) The time a property remains on the market.
- 2) The estimated length of time that the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal; Comment: Exposure time is a retrospective opinion based on an analysis of past events assuming a competitive and open market. (Dictionary)

### Extraordinary Assumption

An assumption, directly related to a specific assignment, as of the effective date of the assignment results, which, if found to be false, could alter the appraiser's opinions or conclusions. Comment: Extraordinary assumptions presume as fact otherwise uncertain information about physical, legal, or economic characteristics of the subject property; or about conditions external to the property such as market conditions or trends; or about the integrity of data used in an analysis. (USPAP, 2016-2017 ed.)

### Fee Simple Estate

Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat. (Dictionary)

### Floor Common Area

In an office building, the areas on a floor such as washrooms, janitorial closets, electrical rooms, telephone rooms, mechanical rooms, elevator lobbies, and public corridors which are available primarily for the use of tenants on that floor. (BOMA)

### Full Service (Gross) Lease

A lease in which the landlord receives stipulated rent and is obligated to pay all of the property's operating and fixed expenses; also called a *full service lease*. (Dictionary)

### Going-Concern Value

An outdated label for the market value of all the tangible and intangible assets of an established and operating business with an indefinite life, as if sold in aggregate; more accurately termed the *market value of the going concern* or *market value of the total assets of the business*. (Dictionary)

### Gross Building Area (GBA)

- 1) Total floor area of a building, excluding unenclosed areas, measured from the exterior of the walls of

the above-grade area. This includes mezzanines and basements if and when typically included in the market area of the type of property involved.

- 2) Gross leasable area plus all common areas.
- 3) For residential space, the total area of all floor levels measured from the exterior of the walls and including the superstructure and substructure basement; typically does not include garage space. (Dictionary)

### Gross Measured Area

The total area of a building enclosed by the dominant portion (the portion of the inside finished surface of the permanent outer building wall which is 50 percent or more of the vertical floor-to-ceiling dimension, at the given point being measured as one moves horizontally along the wall), excluding parking areas and loading docks (or portions of same) outside the building line. It is generally not used for leasing purposes and is calculated on a floor by floor basis. (BOMA)

### Gross Up Method

A method of calculating variable operating expenses in income-producing properties when less than 100% occupancy is assumed. Expenses reimbursed based on the amount of occupied space, rather than on the total building area, are described as "grossed up." (Dictionary)

### Gross Retail Sellout

The sum of the separate and distinct market value opinions for each of the units in a condominium, subdivision development, or portfolio of properties, as of the date of valuation. The aggregate of retail values does not represent the value of all the units as though sold together in a single transaction; it is simply the total of the individual market value conclusions. Also called the *aggregate of the retail values*, *aggregate retail selling price* or *sum of the retail values*. (Dictionary)

### Ground Lease

A lease that grants the right to use and occupy land. Improvements made by the ground lessee typically revert to the ground lessor at the end of the lease term. (Dictionary)

### Ground Rent

The rent paid for the right to use and occupy land according to the terms of a ground lease; the portion of the total rent allocated to the underlying land. (Dictionary)

### HVAC

Heating, ventilation, air conditioning (HVAC) system. A unit that regulates the temperature and distribution of heat and fresh air throughout a building. (Dictionary)

### Highest and Best Use

- 1) The reasonably probable use of property that results in the highest value. The four criteria that the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity.
- 2) The use of an asset that maximizes its potential and that is possible, legally permissible, and financially feasible. The highest and best use may be for continuation of an asset's existing use or for some alternative use. This is determined by the use that a market participant would have in mind for the asset when formulating the price that it would be willing to bid. (IVS)
- 3) [The] highest and most profitable use for which the property is adaptable and needed or likely to be needed in the reasonably near future. (Uniform Appraisal Standards for Federal Land Acquisitions) (Dictionary)

### Hypothetical Condition

- 1) A condition that is presumed to be true when it is known to be false. (SVP – Standards of Valuation Practice, effective January 1, 2015)
- 2) A condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis. Comment: Hypothetical conditions are contrary to known facts about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis. (USPAP, 2016-2017 ed.) (Dictionary)

### Industrial Gross Lease

A type of modified gross lease of an industrial property in which the landlord and tenant share expenses. The landlord receives stipulated rent and is obligated to pay certain operating expenses, often structural maintenance, insurance and real property taxes, as specified in the lease. There are significant regional and local differences in the use of this term. (Dictionary)

### Insurable Value

A type of value for insurance purposes. (Typically this includes replacement cost less basement excavation, foundation, underground piping and architect's fees). (Dictionary)

### Investment Value

The value of a property to a particular investor or class of investors based on the investor's specific requirements. Investment value may be different from market value because it depends on a set of investment

criteria that are not necessarily typical of the market. (Dictionary)

### Just Compensation

In condemnation, the amount of loss for which a property owner is compensated when his or her property is taken. Just compensation should put the owner in as good a position pecuniarily as he or she would have been if the property had not been taken. (Dictionary)

### Leased Fee Interest

The ownership interest held by the lessor, which includes the right to receive the contract rent specified in the lease plus the reversionary right when the lease expires. (Dictionary)

### Leasehold Interest

The right held by the lessee to use and occupy real estate for a stated term and under the conditions specified in the lease. (Dictionary)

### Lessee (Tenant)

One who has the right to occupancy and use of the property of another for a period of time according to a lease agreement. (Dictionary)

### Lessor (Landlord)

One who conveys the rights of occupancy and use to others under a lease agreement. (Dictionary)

### Liquidation Value

The most probable price that a specified interest in property should bring under the following conditions:

- Consummation of a sale within a short time period.
- The property is subjected to market conditions prevailing as of the date of valuation.
- Both the buyer and seller are acting prudently and knowledgeably.
- The seller is under extreme compulsion to sell.
- The buyer is typically motivated.
- Both parties are acting in what they consider to be their best interests.
- A normal marketing effort is not possible due to the brief exposure time.
- Payment will be made in cash in U.S. dollars (or the local currency) or in terms of financial arrangements comparable thereto.
- The price represents the normal consideration for the property sold, unaffected by special or creative financing or sales concessions granted by anyone associated with the sale. (Dictionary)

### Loan to Value Ratio (LTV)

The ratio between a mortgage loan and the value of the property pledged as security, usually expressed as a percentage. (Dictionary)

### Major Vertical Penetrations

Stairs, elevator shafts, flues, pipe shafts, vertical ducts, and the like, and their enclosing walls. Atria, lightwells and similar penetrations above the finished floor are included in this definition. Not included, however, are vertical penetrations built for the private use of a tenant occupying office areas on more than one floor. Structural columns, openings for vertical electric cable or telephone distribution, and openings for plumbing lines are not considered to be major vertical penetrations. (BOMA)

### Market Rent

The most probable rent that a property should bring in a competitive and open market reflecting the conditions and restrictions of a specified lease agreement, including the rental adjustment and revaluation, permitted uses, use restrictions, expense obligations; term, concessions, renewal and purchase options and tenant improvements (TIs). (Dictionary)

### Market Value

The most probable price that a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

- Buyer and seller are typically motivated;
- Both parties are well informed or well advised, and acting in what they consider their own best interests;
- A reasonable time is allowed for exposure in the open market;
- Payment is made in terms of cash in United States dollars or in terms of financial arrangements comparable thereto; and
- The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

(Dictionary)

### Marketing Time

An opinion of the amount of time it might take to sell a real or personal property interest at the concluded market value level during the period immediately after the effective date of an appraisal. Marketing time differs from exposure time, which is always presumed to precede the effective date of an appraisal. (Advisory Opinion 7 of the Appraisal Standards Board of the Appraisal Foundation and Statement on Appraisal Standards No. 6, "Reasonable Exposure Time in Real Property and Personal Property Market Value Opinions"

address the determination of reasonable exposure and marketing time.) (Dictionary)

### Master Lease

A lease in which the fee owner leases a part or the entire property to a single entity (the master lease) in return for a stipulated rent. The master lessee then leases the property to multiple tenants. (Dictionary)

### Modified Gross Lease

A lease in which the landlord receives stipulated rent and is obligated to pay some, but not all, of the property's operating and fixed expenses. Since assignment of expenses varies among modified gross leases, expense responsibility must always be specified. In some markets, a modified gross lease may be called a *double net lease, net net lease, partial net lease, or semi-gross lease*. (Dictionary)

### Operating Expense Ratio

The ratio of total operating expenses to effective gross income (TOE/EGI); the complement of the net income ratio, i.e.,  $OER = 1 - NIR$  (Dictionary)

### Option

A legal contract, typically purchased for a stated consideration, that permits but does not require the holder of the option (known as the *optionee*) to buy, sell, or lease real estate for a stipulated period of time in accordance with specified terms; a unilateral right to exercise a privilege. (Dictionary)

### Partial Interest

Divided or undivided rights in real estate that represent less than the whole, i.e., a fractional interest such as a tenancy in common, easement, or life interest. (Dictionary)

### Pass Through

A tenant's portion of operating expenses that may be composed of common area maintenance (CAM), real property taxes, property insurance, and any other expenses determined in the lease agreement to be paid by the tenant. (Dictionary)

### Potential Gross Income (PGI)

The total income attributable to property at full occupancy before vacancy and operating expenses are deducted. (Dictionary)

### Prospective Future Value Upon Completion

A prospective market value may be appropriate for the valuation of a property interest related to a credit decision for a proposed development or renovation project. According to USPAP, an appraisal with a prospective market value reflects an effective date that is subsequent to the date of the appraisal report. ... The prospective market value –as completed- reflects the property's market value as of the time that development is expected to be complete. (Dictionary)

### Prospective Future Value Upon Stabilization

A prospective market value may be appropriate for the valuation of a property interest related to a credit decision for a proposed development or renovation project. According to USPAP, an appraisal with a prospective market value reflects an effective date that is subsequent to the date of the appraisal report ...The prospective market value – as stabilized – reflects the property's market value as of the time the property is projected to achieve stabilized occupancy. For an income-producing property, stabilized occupancy is the occupancy level that a property is expected to achieve after the property is exposed to the market for lease over a reasonable period of time and at comparable terms and conditions to other similar properties. (Dictionary)

### Replacement Cost

The estimated cost to construct, at current prices as of a specific date, a substitute for a building or other improvements, using modern materials and current standards, design, and layout. (Dictionary)

### Reproduction Cost

The estimated cost to construct, at current prices as of the effective date of the appraisal, an exact duplicate or replica of the building being appraised, using the same materials, construction standards, design, layout, and quality of workmanship and embodying all of the deficiencies, superadequacies, and obsolescence of the subject building. (Dictionary)

### Retrospective Value Opinion

A value opinion effective as of a specified historical date. The term *retrospective* does not define a type of value. Instead, it identifies a value opinion as being effective at some specific prior date. Value as of a historical date is frequently sought in connection with property tax appeals, damage models, lease renegotiation, deficiency judgments, estate tax, and condemnation. Inclusion of

the type of value with this term is appropriate, e.g., "retrospective market value opinion." (Dictionary)

### Sandwich Leasehold Estate

The interest held by the sandwich leaseholder when the property is subleased to another party; a type of leasehold estate. (Dictionary)

### Sublease

An agreement in which the lessee in a prior lease conveys the right of use and occupancy of a property to another, the sublessee, for a specific period of time, which may or may not be coterminous with the underlying lease term. (Dictionary)

### Subordination

A contractual arrangement in which a party with a claim to certain assets agrees to make his or her claim junior, or subordinate, to the claims of another party. (Dictionary)

### Surplus Land

Land that is not currently needed to support the existing use but cannot be separated from the property and sold off for another use. Surplus land does not have an independent highest and best use and may or may not contribute value to the improved parcel. (Dictionary)

### Triple Net (Net Net Net) Lease

An alternative term for a type of net lease. In some markets, a net net net lease is defined as a lease in which the tenant assumes all expenses (fixed and variable) of operating a property except that the landlord is responsible for structural maintenance, building reserves, and management; also called *NNN lease, net net net lease, or fully net lease*. (Dictionary)

(The market definition of a triple net lease varies; in some cases tenants pay for items such as roof repairs, parking lot repairs, and other similar items.)

### Usable Area

The measured area of an office area, store area, or building common area on a floor. The total of all the usable areas for a floor shall equal floor usable area of that same floor. (BOMA)

### Value-in-Use

The value of a property assuming a specific use, which may or may not be the property's highest and best use on the effective date of the appraisal. Value in use may or may not be equal to market value but is different conceptually. (Dictionary)

## Qualifications

Qualifications of Stan C. Craft, MAI  
Managing Director  
Valbridge Property Advisors | Free and Associates, Inc.



### *Independent Valuations for a Variable World*

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#### State Certifications

State of Utah

#### Education

MBA  
Brigham Young University

Bachelor of Science  
Finance  
Brigham Young University

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#### Contact Details

801.492.0000 (phone)  
800.409.9328 (toll-free)  
801.492.1420 (fax)

[scraft@valbridge.com](mailto:scraft@valbridge.com)

Valbridge Property Advisors |  
Free and Associates, Inc.  
260 South 2500 West  
Suite 301  
Pleasant Grove, Utah 84062

[www.valbridge.com](http://www.valbridge.com)  
[www.freeandassociates.com](http://www.freeandassociates.com)

#### Membership/Affiliations:

Member: Appraisal Institute - MAI Designation

Leadership: Appraisal Institute - President, Utah Chapter  
Appraisal Institute – Regional Representative  
Appraisal Institute – Various Board positions

#### Experience:

##### **Managing Director**

Valbridge Property Advisors | Free and Associates, Inc. (2013 – Present)

##### **Vice President/Commercial Real Estate Appraiser**

Free and Associates, Inc. (1994 – Present)

##### **Real Estate Appraiser**

Stuart & Company (1993 – 1994)

##### **Financial Analyst (Internship)**

Intermountain Health Care (1991)

##### **Accountant**

GTE Incorporated (1986 – 1990)

As Vice President of Free & Associates, a full-service, real estate appraisal and consulting firm, Mr. Craft has qualified, through obtaining appropriate education and experience, to complete appraisals and provide consulting service on all types of commercial and residential properties. Mr. Craft has served in elected offices and on boards of professional organizations such as the Appraisal Institute. He is licensed in Utah.

Courses Completed (partial list):

All required core classes for MAI designation, and following continuing education:

Real Estate Appraisal Principles  
 Basic Valuation Procedures  
 Advanced Income Capitalization  
 Highest & Best and Market Analysis  
 Appraisal of Retail Properties  
 Report Writing and Valuation Analysis  
 Advanced Sales Comparison and Cost Approaches  
 Advanced Applications  
 Real Property Foreclosures  
 Residential Development  
 Analyzing Operating Expenses  
 Planning and Growth Issues  
 Eminent Domain and Private Property Rights  
 Appraisal Review – General  
 UDOT Appraisal Expectation Meeting  
 Litigation Skills for the Appraiser  
 Real Estate Finance, Value, and Investment Performance  
 Small Hotel/Motel Valuation  
 Eminent Domain and Condemnation  
 Self-Storage  
 Condemnation Appraising: Principles & Applications  
 Allocation of Hotel Total Assets  
 Water Rights  
 Uniform Standards of Professional Appraisal Practice Update  
 Business Practices and Ethics  
 Appraisal Curriculum Overview (General & Residential)  
 Fundamentals of Separating Real, Personal Property, and Intangible Business Assets

Appraisal Experience (Partial List):

Airport Hanger	Fabrication Facility	Regional Mall
Apartments	Golf Course	Residential
Assisted Living Facilities	Gravel Pits	Restaurants
Athletic Clubs	Hotels/Motels	Retail (including "Big Box")
Automobile Dealerships	Industrial	Right-of-Way
Auto Repair Shops	Jails	Saw Mill
Bank/Credit Unions	Land	Self-Storage Facilities
Bed & Breakfast	Market Analysis	Service Station/Quick Lube
Bowling Alley	Medical & Dental Buildings	Shopping Centers
Campground Facility	Mobile Home Parks	Steel Plant
Car Wash Facilities	Mortuary/Cemeteries	Subdivisions
Churches	Movie Theaters	Timeshares
Condominiums	Museum	
Convenience Stores	Office Buildings	
Day Care Facilities	Office/Warehouses	
Eminent Domain	Post Office Facilities	
Equestrian	Public Schools	
Expert Witness in Court	Recreational Property	

**STATE OF UTAH  
DEPARTMENT OF COMMERCE  
DIVISION OF REAL ESTATE**

**ACTIVE LICENSE**

DATE ISSUED: 11/24/2014

EXPIRATION DATE: 11/30/2016

LICENSE NUMBER: 5468268-CG00

LICENSE TYPE: Certified General Appraiser

ISSUED TO: STAN C CRAFT  
2969 N. 600 E.  
LEHI UT 84043



  
SIGNATURE OF HOLDER

  
REAL ESTATE DIVISION DIRECTOR



Qualifications of Randy Henderson  
Appraiser  
Valbridge Property Advisors | Free and Associates, Inc.



*Independent Valuations for a Variable World*

---

### State Licensure

State of Utah

---

### Education

Bachelor of Science  
Construction Management  
Brigham Young University

---

### Contact Details

801.492.0000 (phone)  
800.409.9328 (toll-free)  
801.492.1420 (fax)

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Pleasant Grove, Utah 84602

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[www.freeandassociates.com](http://www.freeandassociates.com)

### Membership/Affiliations:

Member: Appraisal Institute Practicing Affiliate

### Courses Completed:

Advanced Income Application  
Business Practice and Ethics  
General Appraiser Income Approach Part 1  
General Appraiser Income Approach Part 2  
General Appraiser Market Analysis & Highest and Best Use  
General Appraiser Sales Comparison Approach  
General Appraiser Site Valuation and Cost Approach  
Real Estate Appraiser Course  
Residential Report Writing  
Residential Market Analysis and Highest and Best Use  
Residential Appraiser Site Valuation and Cost Approach  
Residential Sales Comparison and Income Approaches  
Real Estate Finance Statistics and Valuation Modeling  
Uniform Standards of Professional Appraisal Practice

### Experience:

#### **Real Estate Appraiser**

ValbridgePropertyAdvisors|Free and Associates, Inc. (2013-Present)

#### **Real Estate Appraiser**

Free and Associates, Inc. (2010 – Present)

#### **Real Estate Appraiser Trainee**

Free and Associates, Inc. (2008 – 2010)

Appraisal/valuation and consulting assignments include: apartments, automobile dealerships, auto repair shops, bowling alley, car wash facilities, condominiums, eminent domain, equestrian, gravel pits, fun centers, hotels/motels, industrial, market analysis, marina, medical & dental buildings, movie theaters, mobile home parks, office buildings, office/warehouses, raw land, residential, restaurants, retail (including "Big Box"), self-storage facilities, service station/quick lube, subdivisions, transitional care facilities

**STATE OF UTAH  
DEPARTMENT OF COMMERCE  
DIVISION OF REAL ESTATE**

**ACTIVE LICENSE**

DATE ISSUED: 03/18/2016  
EXPIRATION DATE: 03/31/2018  
LICENSE NUMBER: 7171277-CG00  
LICENSE TYPE: Certified General Appraiser  
ISSUED TO: D RANDALL HENDERSON  
260 S 2500 W STE 301  
PLEASANT GROVE UT 84045



  
SIGNATURE OF HOLDER

  
REAL ESTATE DIVISION DIRECTOR

# **ADDENDUM**



**From:** Joseph Jenkins [<mailto:joseph.jenkins@usu.edu>]  
**Sent:** Tuesday, June 21, 2016 5:16 PM  
**To:** Stan C. Craft  
**Cc:** Trish Meeker; Robert Behunin  
**Subject:** Price - CEIC Buildings - Appraisal Request

Hi Stan,

Please prepare a summary appraisal report for CEU/USU owned parcel numbers 02-0013-0003, 02-0015-0005, 02-0418-0001 and improvements in Carbon County. The property consists of approximately 272 acres and the buildings are approximately 10,824 sf (maintenance building), 8,122 sf (warehouse building), and 35,904 sf (Office building).

We look forward to receiving the appraisal report in approximately 3 weeks and will be glad to pay \$3,400 as discussed. Please feel free to contact me if I can provide any additional information that would be helpful.

Thanks,  
Joseph



Utah State University Purchase Order		
Purchase Order Date	PO/Reference No.	Revision No.
<b>Jun 23, 2016</b>	<b>P0325711-E</b>	<b>0</b>
<b>Buyer Information</b>		
Contact	Robyn Sheriff	
Email	<a href="mailto:robyn.sheriff@usu.edu">robyn.sheriff@usu.edu</a>	
Phone	+1 (435) 613-5233	

**Order acceptance instructions:**

By accepting this order your organization agrees to the Terms and Conditions listed here.  
<http://purchasing.usu.edu/files/uploads/Forms/terms.pdf>

**Payment Terms: Net 30 unless otherwise specified**

Supplier Information		Delivery Information	
Supplier Name	Free and Associates Inc dba Valbridge Property Advisors	<b>Delivery Address</b>	ATTN: Joe Peterson Bldg/Room/Suite Reeves Admin Email <a href="mailto:joe.peterson@usu.edu">joe.peterson@usu.edu</a>
Address	260 S 2500 W STE 301 Pleasant Grove, 84062 USA	Shipping address	530 North 300 East Central Receiving - Price Campus Price, UT 84501 United States
Fax	+1 (801) 492-1420	<b>Delivery Information</b>	Requested Delivery Date
F.O.B.	Destination	Ship Via	Best Carrier-Best Way

**Additional PO Information**

There are no clauses associated with this Purchase Order.

Line No.	Product Description	Catalog No.	Size / Packaging	Unit Price	Quantity	Ext. Price
1 of 1	Summary Appraisal for CEIC owned parcel #'s 02-0013-0003, 02-0015-0005 and 02-0418-0001	CEIC Property Appraisal - per Stan Craft	EA	3,400.00 USD	1 EA	3,400.00 USD
	<b>ADDITIONAL INFO</b>					
	Notes	Property consists of approx 272 acres and the bldgs are approx 10,824 sf (maintenance bldg) 8,122 sf (warehouse) and 35,904 sf (Office Bldg)				
	Commodity Code	13 Professional Services & Training				
					<b>Total</b>	<b>3,400.00 USD</b>

Billing Address	
<b>Billing Information</b>	<b>Billing Address</b>
Contract	Utah State University - Accounts Payable Bill- 2400 Old Main Hill To Logan, UT 84322 United States

# ZONING MAP



#### 4.2.20 RFM Recreation, Forestry and Mining

##### A. Legislative Intent

The RFM Recreation, Forestry & Mining Zone has been established as a district in which the primary use of the land is for recreation, forestry, grazing, wildlife, and mining purposes. In general, this zone covers the ranching and mining portions of the unincorporated area of the County and is characterized by mountains, canyons, and grazing lands interspersed by ranches, recreational camps and resorts, outdoor recreational facilities, mines, oil and gas wells, and facilities related thereto. Natural and manmade lakes are also characteristic of this zone. In order to accomplish the objectives of this zone, the following regulations shall apply in the RFM Recreation, Forestry & Mining Zone.

It is hereby declared that the specific purposes and intent of the County Commission in establishing the RFM Recreation, Forestry and Mining zone are:

1. To take advantage of and more fully implement the basic purposes for planning as set forth in Utah Code 17-27-101, County Land Use Development and Management Act, and Section 1.2 of this Code.
2. To protect and conserve the property rights, lifestyle, farms and ranches, water supply, vegetation, soils, wildlife and other natural resources within the watershed.
3. To avoid the creation of hazard from floods, fire and other dangers.
4. To preserve and enhance the aesthetic appearance of the landscape.

##### B. Permitted Uses

The following buildings, structures, and uses of land shall be permitted in the RFM Recreation, Forestry & Mining zone upon compliance with the standards and requirements as set forth in this Code:

1. Timber harvesting, with appurtenant roadways and facilities, in compliance with County Ordinance.
2. Care and keeping of domestic livestock in confined spaces, provided that all barns, stables, corrals, pens, coops and other facilities used to contain said livestock shall be located not less than one hundred (100) feet from any drainage channel, and seventy five (75) feet from the nearest dwelling.
3. The growing of crops, and buildings and structures related thereto.
4. Accessory and non-accessory advertising signs, subject to approval, not to exceed ninety-six (96) square feet or twelve (12) feet in height, and located not closer than fifteen (15) feet from the right-of-way line of any State or County road.
5. Water diversions, water distribution systems, facilities and structures for water.
6. Sale of agricultural products.
7. Home occupations subject to the provisions of section 3.3.15.
8. Lodging Houses and Bed & Breakfasts.

##### C. Permitted Conditional Uses

The following buildings, structures, and uses of land shall be permitted upon compliance with the requirements set forth in this Code and after approval has been given by the County Commission in accordance with Section 3.3.31:

1. Single-family dwellings, conventional and factory built, provided that such dwellings shall require approval of a site plan in accordance with Section 3.3.31 of this Code.
2. Small retail stores, recreation camps, bed and breakfast facilities, dude ranches, and buildings and structures related thereto.
3. Exploratory and production wells subject to approval of a site plan, and recommendation for a conditional use permit by the Planning Commission, and approval of a conditional use permit by the County Commission following a public hearing, as set forth in Section 3.3.31 and other applicable sections of this Code.
4. Major underground and surface mine developments, when approved by the County Commission and in accordance with the applicable provisions of Section 5.4, and related buildings and structures.

5. Forest industries such as sawmills and storage yards, subject to approval of a site plan per Section 3.3.31.
6. Manmade lakes, reservoirs, ponds and dams over ten (10) acre-feet in capacity, also those less than ten (10) acre-feet when located on-stream, subject to the review and approval of the County Commission.
7. Water treatment plants, water tanks, and water distribution reservoirs, and sewage treatment plants when approved by the County Commission.
8. Reservoirs, ponds, dams, utility transmission lines and substations, water pumping plants and pipe lines, public utility buildings and structures.
9. Major utility transmission or railroad projects when approved by the County Commission in accordance with the applicable provisions of Section 5.5.
10. Caretaker dwellings subject to the provisions of Section 3.3.26.
11. Mountain recreation developments, per Section 5.11.
12. Planned mountain home developments, per section 5.2.
13. Public restrooms, information centers, parking areas, and related activities.
14. Communication towers.
15. Public and private airports, flying fields, helicopter pads, including terminal and aircraft storage facilities, subject to approval of a site plan by the County Commission, following a recommendation by the Planning Commission.
16. Large scale industrial projects, subject to Section 5.3.
17. Dude ranches and resorts.
18. Burials; interment of a person, when made by a Utah licensed funeral director or person with a burial-transit permit, provided that each such burial site shall be located by Global Positioning Satellite System (GPS) data and be mapped by Carbon County.
19. Pet cemeteries for interment of family pets or domestic livestock.

**D. Area and Width Requirements**

The minimum area and width of a zoning lot within the zone shall be as follows:

<u>USE</u>	<u>MINIMUM AREA</u>	<u>MINIMUM WIDTH</u>
Single-family dwellings	five (5) acres when served by central sewer, or	300 feet
	ten (10) acres when served by septic system, or	330 feet
	when located on a non-conforming lot of record	as recorded
Stores, camps, bed & breakfasts, dude ranches	as approved	as approved

**E. Access Requirements**

Per Table 4.1, page 4-59.

**F. Location Requirements**

Buildings shall be set back from the property line as per Tables 4.2, 4.3 or 4.4, pages 4-60, 4-61 or 4-62.

**G. Size and Width of Dwellings and Rental Cabins**

1. Each dwelling shall have a main floor living area of not less than six hundred (600) square feet, and a total width and length dimension of not less than twenty (20) feet.



2. Each rental cabin shall have a main floor living area of not less than two hundred forty (240) square feet, and a total width and length dimension of not less than twelve (12) feet.
- H. Utility Requirements – (if outside of a planned mountain home development or a mountain recreation development)  
Per Table 4.5, page 4-63.
- I. Special Requirements for Single-family Dwellings
1. The lot and structure shall be in compliance with all requirements of this zone relating to area, width, access, location, size of dwelling, and utilities.
  2. No dwelling or septic tank drain field shall be located closer than three hundred (300) feet from a perennial or intermittent stream channel, or within one thousand five hundred (1,500) feet of a known spring when located at an elevation higher than said spring, or within one hundred (100) feet when located at an elevation lower than said spring.
  3. No dwelling shall be constructed on slopes having a gradient of thirty (30) percent or greater.
  4. Each building site shall have a buildable area of not less than twenty thousand (20,000) square feet, containing slopes less than thirty (30) percent.
  5. All roads and travel easements shall, to the maximum extent possible, be located so as to minimize negative impacts to the natural environment.

#### 4.2.21 HMC Historic Mining Camp Zone

##### A. Legislative Intent

The HMC Historic Mining Camp Zone has been established to recognize the unique historical values, cultural resources, lifestyles and construction types which occurred in the coal company towns of Carbon County, and which are owned or occupied by private land owners and lessees. In general, this zone is intended to include historic town sites, to preserve private property rights, and to allow the owners of homes to enjoy all the rights vested in their existing structures and lifestyle and in any future additions. New construction in the zone shall be designed and constructed to blend with the vernacular style of Carbon County coal camps and existing architectural styles, siting, materials, and colors.

It is hereby declared that the specific purposes and intent of the County Commission in establishing the HMC Historic Mining Camp Zone are:

1. To take advantage of and more fully implement the basic purposes for planning as set forth in Sections 17-27-101 of the Utah Code, and Section 1.2 of this Code.
2. To protect and conserve the lifestyle, homes, historic structures, water supply and cultural resources unique to the coal camps of Carbon County.
3. To avoid the creation of hazards from floods, fires and other dangers.
4. To preserve and enhance the historic appearance of mining camps.

##### B. Permitted Uses

The following buildings, structures and uses of land shall be permitted in the HMC Historic Mining Camp zone, upon compliance with the standards and requirements as set forth in this Code:

1. Single-family dwellings, conventional construction and factory built.
2. Customary residential accessory buildings such as garages, carports, sheds, shops, and storage buildings.
3. Public agency parks and playgrounds.
4. Public buildings and grounds, not including storage yards and repair shops.
5. Household pets, not including kennels.
6. Minor utility transmission projects.
7. Churches.
8. Barns, stables, corrals, pens, coops, and other buildings for the care and keeping of domestic livestock, provided that no such barn, stable, corral, pen, coop or other such building shall be located closer than seventy-five (75) feet to an existing dwelling.
9. The raising, care and keeping of animals and fowl under the following conditions:
  - a. The number of animals kept on any lot or parcel shall not exceed one animal unit for each 10,000 square feet of area of the lot that is used as livestock management area.
  - b. No animals shall be kept on any lot or parcel where less than 10,000 square feet of the lot is used as livestock management area, nor shall fractional animal units be permitted.
10. Production of fruit and crops in the field, irrigation facilities, grazing and pasturing of animals.
11. Home occupations subject to the provisions of Section 3.3.15.
12. Water diversions, water distribution systems, facilities and structures for water.
13. Lodging Houses and Bed & Breakfasts.

##### C. Permitted Conditional Uses

The following buildings, structures, and uses of land shall be permitted upon compliance with the requirements set forth in this Code and after approval has been given by the Planning and County Commissions in accordance with Section 3.3.31.

1. Bed and breakfast facilities and buildings, and structures related thereto.
2. Small retail stores for groceries, food service, sporting goods, recreational supplies and the like.

3. Small construction companies and other service companies, provided that all activities and storage are conducted inside of a building.
4. Water treatment plants, water tanks, and sewage treatment facilities.
5. Major utility transmission or railroad projects.
6. Public restrooms, information centers, parking areas, and related activities.
7. Guides, outfitters, dude ranches, and similar recreational operations.
8. Institutional campground and campsite facilities when approved by the County Commission, subject to the requirements and standards of Section 3.3.28.
9. Public and parochial schools and grounds subject to the approval of the County Commission as set forth under Section 3.3.32.

D. Area and Width Requirements

The minimum area and width of a zoning lot within the zone shall be as follows:

<u>USE</u>	<u>MINIMUM AREA</u>	<u>MINIMUM WIDTH</u>
One-family dwelling	10,000 sf	100 feet
Bed and breakfast	12,000 sf	120 feet
Retail store/service company	12,000 sf	120 feet
Church	40,000 sf	150 feet
School	40,000 sf	150 feet
Public park	3,000 sf	30 feet

The permitted and conditional uses, minimum areas, and minimum widths for existing land uses for residential purposes shall be as recorded on the initial subdivision plat approved by the Planning Commission and County Commission. The initial lots shall be considered non-conforming lots of record by this Code. The existing dwellings and accessory buildings shall be considered non-conforming uses. Subsequent subdivision phases, plats and uses shall comply with this section.

E. Access Requirements

Per Table 4.1, page 4-59.

F. Location Requirements

Buildings shall be set back from the property line per Tables 4.2, 4.3 or 4.4, pages 4-60, 4-61 or 4-62.

G. Architectural Requirements

1. All newly constructed additions, dwellings, factory-built homes, garages, carports, barns, sheds, and other buildings shall be constructed and/or finished in the vernacular architectural style of the camp in which it is located. The Utah Historical Society shall be considered the County's advisor in determining the style. Exact literal compliance is not mandatory regarding use of modern materials. The intent of this requirement is to maintain the visual aspects of each historic coal camp. In case of a conflict between this Code and any proposed construction, the Building Official shall make the final determination consistent with the Building Code and the style of the camp. Appeals to the decision of the Building Official shall be made to the Board of Adjustment as per Section 2 of this Code.
2. All roofs for structures intended for human occupancy shall be designed for the seismic and snow loads expected to be imposed with a minimum pitch of six (6) vertical in twelve (12) horizontal.
3. Each dwelling, accessory building, or other structure shall have exterior materials of sufficient quality, durability and resistance to the elements, and shall consist of wood, brick, concrete, stucco, glass, metal or vinyl lap, tile or stone meeting the requirements of the Building Code.

4. The smallest or least dimension of any dwelling shall be not less than twenty (20) feet, and each dwelling shall contain a minimum of six hundred (600) square feet of living area exclusive of the garage or carport.
5. Each newly constructed dwelling or dwelling which is added on to, or remodeled to a value exceeding \$15,000, shall be provided with a minimum single car carport or garage which meets the requirements of this Code, the Building Code, and the style of the camp, in order to provide off-street parking.

**H. Height of Buildings**

The maximum height of any building, measured from the highest finished grade to the square of the building, shall be thirty-two (32) feet. Chimneys, flagpoles, television antennas, and similar structures not used for human occupancy are excluded in determining height.

**I. Utility Requirements**

Per Table 4.5, page 4-63.

**4.2.22 FPO Flood Plain Overlay Zone**

**A. Legislative Intent**

The FPO Flood Plain Overlay Zone has been established to provide an environment in and around those portions of the County subject to periodic flooding, which will protect life and minimize property losses from such flooding. More specifically, the objectives of the FPO Flood Plain Overlay zone are:

1. To protect human life and health.
2. To minimize public and private property damage.
3. To minimize surface and groundwater pollution which affects human, animal and plant life.
4. To warn individuals against constructing buildings in high flood hazard areas.
5. To control development which will, when acting alone or in combination with similar development, create an additional burden to the public to pay the costs of rescue, relief, emergency preparedness measures, sandbagging, pumping and temporary dikes or levees.

The zone is limited to those areas of the County that have been demonstrated or determined to be subject to periodic inundation from floodwaters.

**B. Permitted Uses**

1. Permitted uses within the FPO (F) Sub-Zone.  
Permitted uses within this sub-zone shall include all uses permitted in the underlying zone, except that no dwelling or other structure used for human occupancy shall be permitted.
2. Permitted uses within the FPO (AO) Sub-Zones.  
Permitted uses within these sub-zones shall include all uses permitted within the underlying zone, subject to compliance with all requirements for development in flood plain areas as set forth in this Code or regulations adopted pursuant hereto.

**C. Development Standards and Conditions**

All construction and development within the FPO Zone shall be carried out in accordance with the following standards and specifications for development in flood plain areas:

1. General Standards
  - a. Buildings or structures shall have low flood damage potential.
  - b. The buildings or structures shall be constructed and placed on the building site so as to offer the minimum obstruction to the flood or floodwaters.
  - c. All buildings and structures shall be constructed with flood resistant materials and be constructed using methods and practices that minimize flood damage.

- d. So far as practicable, buildings or structures shall be placed approximately on the same flood flow lines as those of adjoining structures.
  - e. Location of any structural storage facilities for chemicals, explosives, buoyant materials, flammable liquids or other toxic materials which could be hazardous to public health, safety and welfare shall be accomplished in a manner which will assure that the facilities are situated above the base flood elevation, or are adequately flood-proofed to prevent flotation of storage containers which could result in the escape of toxic or nuisance materials into flood water.
  - f. All new structures and all additions to existing structures shall be anchored to prevent flotation, collapse or lateral movement of the structure.
  - g. Development permits for the proposed construction or improvements shall be obtained from federal, state or local governmental agencies from which prior approval is required.
2. Specific Requirements in FPO (f) Sub-zone.  
All permitted uses shall be subject to the following:
- a. No structure, fill, development or encroachment shall be permitted which would result in an increase in flood levels during a base flood.
  - b. All development that is permitted within the sub-zone shall comply with the specific requirements for development in the FPO (A 1-30 and AO) Sub-zones, (3 and 4 below) or regulations adopted pursuant hereto.
  - c. All bridges or flood control structures shall be first approved by the County Commission.
3. Specific Requirements in FPO (A 1-30) Sub-zone.  
All new construction and all improvements of any existing dwelling or any commercial, industrial or other non-residential structure that will equal or exceed fifty (50) percent of the value of the existing structure shall either:
- a. Have the lowest floor, including basement, elevated on compacted fill or a continuous concrete foundation to or above the base flood elevation; or
  - b. Have the main floor elevated above the base flood level and have all portions of the structure and attendant sanitary and utility facilities which are located lower than the base floor level flood-proofed. Said flood-proofing measures shall provide that all portions of the structure located below the base flood level shall be made watertight, with walls substantially impermeable to the passage of water without reliance on human intervention, and shall employ structural components with the capability to resist hydrostatic and hydrodynamic loads and effects of buoyancy from the base flood. Said flood-proofing measures shall be in accordance with County standards, where such have been adopted for use in the County, and approved by the Federal Insurance Administrator, or else be certified by a registered engineer or architect as adequate to satisfy the flood-proofing requirements of this section; or
  - c. Have been granted a variance from compliance with the requirement of a or b above by the Board of Adjustment in accordance with the provisions of Section 2.2.6; or
  - d. Have been exempted from the necessity of compliance with the requirement of the FPO Zone as evidenced by a letter or map amendment or conditional commitment letter from the Federal Flood Insurance Administration, or by action of the Board of Adjustment in interpreting the boundaries of the FPO Zone.
4. Specific Requirement in FPO (AO) Sub-zone.  
All new construction and all improvements to all existing dwellings or any commercial, industrial and other non-residential structures which will equal or exceed fifty (50) percent of the value of the existing structures shall either:
- a. Have the lowest floor, including basement, elevated on compacted fill or a continuous concrete foundation above the crown of the nearest street to a level equal to or greater than the depth number specified on the Zone Map; or

- b. Have the main floor elevated one foot above the crown of the nearest street to a level equal to or greater than the depth number specified on the Zone Map and have all portions of the structure and all attendant sanitary and utility facilities which are located below the level flood-proofed. Said flood-proofing measures shall provide that all portions of the structure below the identified level shall be made water-tight with walls substantially impermeable to the passage of water, without reliance on human intervention, and shall employ structural components with the capacity to resist hydrostatic and hydrodynamic loads and effects of buoyancy from a base flood. Said flood-proofing measures shall be in accordance with County standards, where such have been adopted for use in the County, and approved by the Federal Insurance Administrator, or else be certified by a registered engineer or architect as adequate to satisfy the flood-proofing requirements of this section; or
- c. Have been granted a variance from compliance with the requirements of a or b above by the Board of Adjustment, in accordance with the provisions of Section 2.2.6; or
- d. Have been exempted from the necessity of compliance with the requirements of the FPO Zone as evidenced by a letter or map amendment or conditional commitment letter from the Federal Flood Insurance Administration, or by action of the Board of Adjustment in interpreting the boundaries of the FPO Zone.

#### D. Administration

##### 1. Development Permit Required

Any person, firm or corporation desiring to construct, add to, or move a dwelling or other structure, or proposing to excavate or place fill or other form of development within the boundaries of the FPO Zone, shall first make application for and obtain a development permit from the Zoning Administrator before starting construction. Said application shall be made on forms furnished by the County.

##### 2. Interpretation of Flood Plain Boundaries.

Precise boundaries of the flood plain shall be determined by scaling distances on the Official Flood Plain Zone Map. Provided, however, that where there is disagreement as to the determination made by the Building Official, or where it is determined that an interpretation is desirable, i.e. an apparent conflict between the map boundary and actual field conditions, the Board of Adjustment shall, upon appeal, make the necessary interpretation in accordance with Section 2.2.6. Any such appeal shall be made in accordance with all applicable procedures and conditions relating to appeals before the Board of Adjustment as set forth in section 2. In making its determination, the Board of Adjustment shall utilize all technical evidence available to it, including the detailed data contained within the Flood Insurance Study.

##### 3. Base Flood Elevations

Where base flood elevations have not been determined, (A un-numbered areas) the administrator is hereby directed to make such determination utilizing existing data from any federal, state or local source.

#### E. General Requirements

##### 1. Relocation of watercourse

- a. Any proposed alteration or relocation of the Price River channel or any other designated floodway shall be first approved by the County Commission. No such alteration or relocation shall have the effect of reducing the water-carrying capacity of the floodway.
- b. Prior to granting approval for alteration or relocation the County Commission shall notify all adjacent local governments and the state coordinator and submit copies of the notifications to the Federal Insurance Administrator.

##### 2. Warning and Disclaimer of Liability

The degree of flood protection required by this Code is considered reasonable for regulatory purposes and is based on engineering and scientific methods of study. Larger floods may occur on rare occasions, or flood heights may be increased by manmade or natural causes such as ice jams and

bridge openings restricted by debris. This Code does not imply that areas outside the flood plain zones or land uses permitted within such zones will be free from flooding or flood damages. This Code shall not create liability on the part of Carbon County or any officer or employee thereof for any flood damages that result from reliance on this Code, or any administrative decision lawfully made there under.

3. **Development Standards**

The County may, from time to time, adopt standards and specifications relating to the design and quality of required improvements within flood plain areas and the administrator of flood regulations. All developments shall be carried out in accordance with these adopted standards and specifications.

4.2.23 **NMCO Nine Mile Canyon Overlay Zone**

**A. Legislative Intent**

The Nine Mile Canyon Overlay Zone is established to be consistent with federal and state regulations, to create a business friendly environment, and to provide for the review of road construction, road use, drilling operations, production of oil and gas, mining, and utility transmission affecting agricultural, residential and other land uses in Nine Mile Canyon, from rim to rim, an area further defined in the map adopted July 20, 2005 (Ordinance 375). More specifically, the objectives of the Nine Mile Canyon Overlay Zone are:

1. To protect human life, safety, and welfare.
2. To minimize public and private property damage.
3. To minimize the effects of energy development to residential, recreational, forestry and grazing properties.
4. To minimize the effects of energy development to the resources and quality of life in Nine Mile Canyon.
5. To prevent the financial devaluation of private property as a result of any federal or state action, regulation, legislation or policy.
6. To preserve a transportation, energy and resource corridor across the county to serve the public.

**B. Permitted Uses**

All uses permitted by the underlying zone(s).

**C. Permitted Conditional Uses**

1. Construction of roadways, mines, drilling sites, pipelines, gas and electrical transmission lines, compressor stations, regulating equipment and well sites.
2. Operation or production of mines, oil and gas wells, and other energy developments.

**D. Development Standards and Conditions**

All construction and development for energy production purposes in the Nine Mile Canyon Overlay Zone shall be carried out in accordance with the following standards and specifications:

1. Roadways shall be constructed to applicable standards as determined by the County Commission, following a review by the Planning Commission, to minimize damage to watersheds, vegetation and resources.
2. For use of County Roads, an encroachment permit shall be required. A copy of the conditions recommended by the County Road Supervisor must accompany any application for a Conditional Use Permit.
3. Mines, well sites, compressor stations, and other sites shall be constructed to applicable standards as required by the conditional use permit to minimize damage to surrounding areas.

4. All facilities shall be constructed in a manner so as to properly drain surface water to an approved location.
5. Location of any facilities for liquids, chemicals, explosives, flammable hazardous or toxic materials shall be in compliance with all applicable federal and state laws and building codes.
6. All well site pumps shall be located in a structure approved by the County Commission, following a recommendation of the Planning Commission, and fenced with a six (6) foot high locked chain link fence.
7. Well production facilities, such as pumps, separators, and appearances, may be required to be painted to blend with the surroundings.

#### E. Administration

Any person firm or corporation desiring to develop a mine or drilling site or construct an access to a site for a mine, exploratory or production oil or gas well, shall first make application for and obtain a conditional use permit from the Zoning Administrator after review and approval by the Planning Commission and County commission, assuring the following:

1. The location is served by an existing public or private roadway which in the opinion of the Planning Commission, is suitable for such use, and which poses no obvious negative impact to the area.
2. The well site is located more than six hundred sixty (660) feet from an existing dwelling.
3. The applicant has been issued approval or a permit to drill from the Utah Division of Oil, Gas and Mining and /or other required state and federal agencies.
4. A reclamation plan is submitted as per section 4.2.23 (f).

#### F. Reclamation Plan

A reclamation plan shall be submitted for each proposed mine, well site, pipeline, excavation, roadway and area of disturbance. Roadways may remain in place upon capping the well(s) and/or reclaiming the site, with approval of the County Commission. Particular attention will be given to stream crossings.

#### G. Access Requirements

Each mine exploratory or production well shall be accessed by a designated county road or a private travelway, which travelway has been approved by the county as to the quality of the construction, and for which there is adequate documentation guaranteeing the operator(s) of the well and county staff, emergency providers and law enforcement officers a perpetual right of access or until the site is abandoned and reclaimed.

#### H. Utility Requirements

All production or exploratory well sites and mines shall be served by sanitary facilities for employees, as approved by the health department.

#### I. Reclamation and Performance Guarantee

1. All roadway improvements, mines, well sites and other areas of disturbance shall be reclaimed in conformance with plans submitted.
2. A performance guarantee shall be submitted in compliance with section 7 of this code or as set by the County Commission.

#### J. Special Regulations

Nothing in these regulations shall prohibit a landowner from requiring the developer of an energy extraction or transmission project to complete inventories of the site for forage, timber, wildlife, objects of historic or scientific interest, or substantial anticipated detrimental effects to the value(s) of the property, and providing for a plan to mitigate for these affects.





## Company Information on Valbridge Property Advisors

- Valbridge is one of the Top 3 national commercial real estate valuation and advisory services firms based on:
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  - Total number of office locations (68 across the U.S.)
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- Valbridge services all property types, including special-purpose properties.

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## ALABAMA

4732 Woodmere Boulevard  
Montgomery, AL 36106  
334-277-5077

## ARIZONA

6061 E. Grant Road  
Suite 121  
Tucson, AZ 85712  
520-321-0000

## CALIFORNIA

4915 Calloway Drive  
Suite 101  
Bakersfield, CA 93312  
661-587-1010

1370 N. Brea Boulevard  
Suite 255  
Fullerton, CA 92835  
714-449-0852

2813 Coffee Road  
Suite E-2  
Modesto, CA 95355  
209-569-0450

99 S. Lake Avenue  
Suite 21  
Pasadena, CA 91101  
626-744-0428

10301 Placer Lane  
Suite 100  
Sacramento, CA 95827  
916-361-2509

55 South Market Street  
Suite 1210  
San Jose, CA 95113  
408-279-1520

3160 Crow Canyon Place  
Suite 245  
San Ramon, CA 94583  
925-327-1660

## COLORADO

5345 Arapahoe Avenue  
Suite 7  
Boulder, CO 80303  
303-443-9600

562 Highway 133  
Carbondale, CO 81623  
970-340-1016

## CONNECTICUT

6 Central Row  
Third Floor  
Hartford, CT 06103-2701  
860-245-4606

17 High Street  
Suite 214  
Norwalk, CT 06851  
203-286-8520

## FLORIDA

2240 Venetian Court  
Naples, FL 34109  
239-514-4646

## FLORIDA (cont'd.)

603 Hillcrest Street  
Orlando, FL 32803  
407-839-3626

1100 16th Street N  
St. Petersburg, FL 33705  
727-894-1800

2711 Poinsettia Avenue  
West Palm Beach, FL 33407  
561-833-5331

## GEORGIA

2675 Paces Ferry Road  
Suite 145  
Atlanta, GA 30339  
678-644-4853

## IDAHO

1459 Tyrell Lane  
Suite B  
Boise, ID 83706  
208-336-1097

1875 N. Lakewood Drive  
Suite 100  
Coeur d'Alene, ID 83814  
208-292-2955

## INDIANA

820 Fort Wayne Avenue  
Indianapolis, IN 46204  
317-687-2747

## KANSAS

10990 Quivira Road  
Suite 100  
Overland Park, KS 66210  
913-451-1451

## KENTUCKY

214 South 8th Street  
Suite 200  
Louisville, KY 40202  
502-585-3651

## LOUISIANA

512 North Causeway Boulevard  
Metairie, LA 70001  
504-833-8234

7807 Fern Avenue  
Suite 104  
Shreveport, LA 71105  
318-797-0543

## MARYLAND

6240 Old Dobbin Lane  
Suite 140  
Columbia, MD 21045  
410-423-2300

## MASSACHUSETTS

21 Muzzey Street  
Suite 2  
Lexington, MA 02421  
781-652-0700

## MICHIGAN

1442 Brush Street  
Detroit, MI 48226  
313-996-3313

2127 University Park Drive  
Suite 390  
Okemos, MI 48864  
517-336-0001

## MINNESOTA

120 South 8th Street  
Suite 1650  
Minneapolis, MN 55402  
612-253-0650

## NEVADA

3034 S. Durango Drive  
Suite 100  
Las Vegas, NV 89117  
702-242-9369

## NEW JERSEY

2740 Route 10 West, Suite 204  
Morris Plains, NJ 07950  
973-970-9333

3500 Route 9 South, Suite 202  
Howell, NJ 07731  
732-807-3113

## NEW YORK

424 West 33rd Street  
Suite 630  
New York, NY 10001  
212-268-1113

## NORTH CAROLINA

412 E. Chatham Street  
Cary, NC 27511  
919-859-2666

4530 Park Road, Suite 100  
Charlotte, NC 28209  
704-376-5400

## OHIO

1655 W. Market Street  
Suite 130  
Akron, OH 44313  
330-899-9600

8291 Beechmont Ave.,  
Suite B  
Cincinnati, OH 45255  
513-785-0620

1422 Euclid Avenue  
Suite 1070  
Cleveland, OH 44115  
216-367-9690

## OKLAHOMA

6525 N. Meridian Avenue  
Suite 309  
Oklahoma City, OK 73116  
405-603-1553

6666 South Shendan Road  
Suite 104  
Tulsa, OK 74133  
918-712-9662

## OREGON

8220 SW Warm Springs Street  
Suite 100  
Tualatin, OR 97062  
503-620-0881

## PENNSYLVANIA

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*Each Valbridge office is independently owned and operated.*

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