Agenda

January 21, 2021

Board of Trustees Meeting Agenda

Thursday, January 21, 2021

9:00 a.m.

VIRTUAL ELECTRONIC MEETING

Notice regarding special restrictions for this electronic meeting

In light of federal, state and local COVID-19 guidelines, and consistent with the Board chairperson's written determination dated January 8, 2021, this Board of Trustees meeting will be held via electronic means only. No anchor location will be used, and members of the public will not be allowed to attend this meeting in person. The Board chairperson's January 8, 2021 determination concerning the conduct of the January 21, 2021 meeting included the following:

Facts upon which the written determination is based:

On March 6, 2020, Governor Gary R. Herbert issued an Executive Order declaring a state of emergency due to the novel coronavirus disease 2019 (COVID-19).

On March 11, 2020, the World Health Organization characterized the COVID-19 outbreak as a pandemic.

On March 13, 2020, President Donald J. Trump declared a national state of emergency based on the continuing spread of COVID-19.

Federal, State, and local authorities have recommended that individuals limit public gatherings and that individuals experiencing symptoms of COVID-19 self-isolate to prevent and control the continuing spread of COVID-19.

The public monitoring and participation requirements in the Open and Public Meetings Act, Utah Code Section 52-4-101 et seq. will gather interested persons, members of the public, and members of a public body in a single, confined location where the risks of further spreading COVID-19 are far greater.

The anchor location requirements applicable to electronic meetings will likewise cause individuals to gather in a single, confined location, increasing the risk of spreading COVID-19.

Determination concerning conduct of January Board meeting:

In light of the facts referenced above, conducting the January 21, 2021 meeting with an anchor location presents a substantial risk to the health and safety of those who may be present at the anchor location;

The Board, consistent with its recent practice under Utah Executive Order 2020-5, will therefore hold an electronic meeting without an anchor location, and will provide an electronic means by which the public may hear the open portions of the meeting, as well as an electronic means by which members of the public may provide comment to the Board;

The above findings will be included within the public notice of the January 21, 2021 meeting, and will be read into the record at the beginning of that meeting.

This meeting will be conducted via Zoom. Interested parties, including members of the public or representatives of county governments or Utah Tribes, may attend the meeting through the following registration link: https://zoom.us/webinar/register/WN_RECp5MjIR1ioKFTGmk0PJw. We recommend registering by 8:50 a.m. to avoid missing the beginning of the meeting. Those wishing to provide public comment will be asked at the beginning of the period designated for such comment to use the "raise hand" feature at the bottom of the screen within the Zoom meeting so you may be called upon to provide comment. Please call Lisa Jones at 801-538-5110 or email lsjones@utah.gov any time before 8:00 a.m. on January 21, 2021 with any questions.

1. Welcome

2. Approval of Minutes

November 19, 2020

3. Confirmation of Upcoming Meeting Dates

February 18, 2021 Regular Meeting (if needed)

March 18, 2021 Regular Meeting

April 14 & 15, 2021 Board Tour?

May 20, 2021 Regular Meeting

4. Public Comments

SITLA welcomes comments from the public. The Board sets aside 15 minutes at each Board meeting to hear from anyone wishing to speak. Each presenter is allowed one opportunity and has up to three (3) minutes for remarks. Any member of the public who desires to make a comment shall use the “raise hand” feature during the Zoom meeting. The public comment segment of the Board meeting is not the time for a question-and-answer discussion. SITLA staff is available for dialogue outside of Board meetings.

5. SITLA Funds in the Schools by Deena Loyola, Public Information Officer

6. Chair’s Report by Roger Barrus

7. Advocate’s Report by Tim Donaldson, Director, Land Trusts Protection & Advocacy Office

8. 2020 Audit Report by Hollie Andrus, Deputy State Auditor & Andrew Driggs, Audit Senior

9. Notification & Discussion Items

Notification items do not require Board action and are only informational. Staff is prepared to discuss any of the items if a member of the Board requests it.

a. Recap of November Surface Group Auction

--- Diane Lund, Sales Coordinator, Surface

b. Notice of Negotiated Sales: Tharps (5 Acres) & Kanab City (5 Acres), Kane Co.

--- Ron Torgerson, Deputy Assistant Director, Surface

c. Notice of Minor Development Transaction – Sale of 2.93 Acre Parcel in Big Water, Kane Co.

--- Aaron Langston, Deputy Assistant Director, Planning & Development – St. George

d. Notice of Minor Development Transaction – Sale of 2.93 Acre Parcel in Coral Canyon, Washington Co.

--- Aaron Langston, Deputy Assistant Director, Planning & Development – St. George

10. Board Action Items

a. Increase in Salary Range for Deputy Assistant Director Position

--- Scott Ruppe, Deputy Director

b. OBA – Non-Competitive Lease of Bituminous / Asphalitic Sands Mineral Lease, Uintah Co.: Valkor

--- Tom Faddies, Assistant Director, Minerals

--- Jerry Mansfield, Resource Specialist, Minerals

c. OBA – White Canyon & Last Chance, Garfield Co.: Wolcott

--- Wes Adams, Assistant Director, Oil & Gas

d. Revisions to "Prohibited and Restricted Uses on Trust Lands" Rules (R850-12)

--- Michelle McConkie, Assistant Director, Surface

11. Closed Session

Pursuant to both Utah Code Section 52-4-205(1)(d), as well as Utah Code Section 53C-1-201(8)(a)(ii), the Board will conduct a strategy session to evaluate the proposed terms of an OBA (other business arrangement) lease of real property where public discussion of the proposed transaction would prevent the Board from completing the transaction on the best possible terms. Specifically, the Board will hold a strategy session to discuss the leasing of land in the IPP Block in Millard County, Utah, including the modification of existing lease ML 51573-OBA.

12. Board Action on Closed Session Topic

a. Following the closed session, if the Board deems the matter ready for action, the Board will act on the proposed lease modifications for land within the IPP Block in Millard County, Utah. The Administration and Board will publicly disclose and discuss the basic OBA lease terms proposed for approval prior to the Board taking action.

13. Adjourn

Items may be heard in any order, at any time, at the Board's discretion.

Please be aware that the public portions of this meeting may be broadcast live over the Internet. Also, be aware that an audio recording of the public portions of this meeting, along with any materials presented or distributed in the public portions of this meeting, will be posted on Utah's public notice website. Witnesses with questions, concerns, or handouts should contact staff.

In accordance with the Americans with Disabilities Act, persons needing auxiliary communicative aids and services for this meeting should contact Lisa Jones at 801-538-5110, or by email at lsjones@utah.gov, at least three (3) days in advance.

I, Lisa Jones, SITLA Board of Trustees' Executive Assistant, hereby certify the foregoing agenda was emailed to the Salt Lake Tribune, was posted on the Utah State Public Notice website, https://www.utah.gov/pmn/index.html, SITLA's website at http://trustlands.utah.gov, and was posted at SITLA's Offices, 675 East 500 South, Suite 500, SLC, Utah 84102. Posted and dated on Monday, January 11, 2021.

8

2020 Audit of SITLA Permanent Fund & Non-Major Enterprise Fund

OFFICE OF THE
STATE AUDITOR

TO: Roger Barrus, Chair, Audit Committee and Chair, Board of Trustees, School and Institutional Trust Lands
FROM: Hollie Andrus, Deputy State Auditor, and Andrew Driggs, Audit Senior Office of the State Auditor
DATE: January 21, 2021

SUBJECT: **Required Communications - 2020 Audit of School and Institutional Trust Lands (Permanent Fund and Non-major Enterprise Fund presented in the State of Utah CAFR)**

AREA	COMMENTS
Auditor's Responsibility under Generally Accepted Auditing Standards As stated in our engagement letter dated January 16, 2020, our responsibility, as described by professional standards, is to express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.	We have issued an unmodified opinion on the State of Utah's Comprehensive Annual Financial Report for the year ended June 30, 2020.
Other Matters *Required Supplementary Information* We applied certain limited procedures to required supplementary information ("RSI"), such as Management's Discussion and Analysis and defined benefit pension schedules. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the basic financial statements. *Supplementary Information* We were engaged to report on combining statements, which accompany the financial statements but are not RSI. With respect to this	The State's *Comprehensive Annual Financial Report* (CAFR) does not include any Required Supplementary Information, Supplementary Information, or Other Information with regard to the Permanent Fund.

AREA	COMMENTS
supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.	
Planned Scope and Timing of the Audit We performed the audit according to the planned scope and timing previously communicated to you in the engagement letter.	See engagement letter dated January 16, 2020.
Qualitative Aspects of Accounting Practices Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we advise management about the appropriateness of accounting policies and their application.	The application of existing policies was unchanged during the fiscal year ended June 30, 2020. The significant accounting policies used by the State of Utah are described in the first note to the financial statements. We noted no transactions entered into by School and Institutional Trust Lands during the year for which there is a lack of authoritative guidance or consensus.

AREA	COMMENTS
Accounting Estimates Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.	The most sensitive estimates affecting the School and Institutional trust Land's portion of the CAFR were related to the following: • The estimate of the share of the net pension liability for defined benefit plans sponsored by the Utah Retirement Systems, and • The estimate of yearend receivables. We evaluated the procedures, key factors, and assumptions used to develop the estimates and determined that they were reasonable in relation to the financial statements taken as a whole.
Disclosures The disclosures in the financial statements are neutral, consistent, and clear. Certain financial statement disclosures are noteworthy because of their significance to financial statement users.	The most sensitive disclosures affecting the financial statements were: • Fair value measurements of investments in Notes 3.C, 3.E, and 3.F; • Commitments and Contingencies in Note 16; • Pension plans as disclosed in Note 18.
Management Representations We requested certain representations from management.	These representations were included in the management representation letter dated December 16, 2020. A copy of the representation letter from management is attached.
Difficulties Encountered in Performing the Audit Professional standards require us to inform you of any significant difficulties encountered in dealing with management related to the performance of the audit.	We encountered no significant difficulties in dealing with management in performing and completing our audit.
Disagreements with Management Professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report.	We are pleased to report that no such disagreements arose during the course of our audit.

AREA	COMMENTS
Management Consultations with Other Independent Accountants In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts.	To our knowledge, there were no such consultations with other accountants.
Corrected and Uncorrected Misstatements Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate the following: • Uncorrected misstatements and the effect that they, individually or in the aggregate, have on the auditor's opinion; • The effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole; and, • Material, corrected misstatements that were brought to the attention of management as a whole.	Our procedures identified one audit adjustment during the audit of School and Institutional Trust Lands. See below.

	Debit	Credit
1) Non-major Enterprise – Accounts Payable	$8,197,724	
Non-major Enterprise – Accounts Receivable		$8,197,724
To reduce erroneous SITFO yearend accrual in Non-major Enterprise Fund		

Management recorded $8,034,000 of the $8,197,724 proposed adjustment, which we considered reasonable. The remaining $163,724 was not considered material to the Non-major Enterprise Fund.

AREA	COMMENTS
Other Audit Findings or Issues We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year. These discussions occurred in the normal course of our professional relationship. We are required to communicate significant findings or issues arising from the audit.	Our *Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards* (Yellow Book Report) has not been issued and will be available at a later date.
Group and Component Audit Matters With reference to School and Institutional Trust Fund Office (SITFO), our opinion was based on the report of other auditors. As part of our audit of the State of Utah and School and Institutional Trust Lands as a whole (group), we evaluated information provided to us from the SITFO's audit report and made certain inquiries of the component auditors pertaining to any: (1) material weaknesses or significant deficiencies in internal control relevant to the group; (2) fraud or suspected fraud in which a material misstatement of SITFO's financial statements has or may have resulted; and (3) limitations or restrictions on our access to information. We are also required to report instances in which our evaluation of the component auditors' reports gave rise to concern about the quality of their work.	Our evaluation of the work of the SITFO auditors raised no concerns about the quality of work. There were no material weaknesses or significant deficiencies in internal controls or fraud or suspected fraud reported to us by the SITFO's auditors. Our access to information from SITFO was not limited or restricted.

This information is intended solely for the use of the Board/Audit Committee and management of School and Institutional Trust Lands and is not suitable for any other purpose.

State of Utah
School and Institutional
Trust Lands Administration

675 East 500 South, Suite 500
Salt Lake City, Utah 84102-2813
David Ure 801-538-5100 Fax 801-355-0922
Director trustlands.utah.gov

December 16, 2020

Hollie Andrus, CPA
Office of the State Auditor
State Capitol Complex
East Building, Suite 310
Salt Lake City, Utah 84114-2310

This representation letter is provided in connection with your audit of the financial statements of the State of Utah, which comprise the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information as of June 30, 2020, and the respective changes in financial position and, where applicable, cash flows for the period then ended, and the related notes to the financial statements, for the purpose of expressing opinions as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of December 16, 2020, the following representations made to you during your audit.

Financial Statements

1) We have fulfilled our responsibilities, as related to School and Institutional Trust Lands (Trust Lands) as set out in the terms of the audit engagement letter dated January 16, 2020.
2) Trust Lands' financial activity and balances in the accounting records are recorded in conformity with U.S. GAAP.
3) We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to Trust Lands' accounting records to enable the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

4) We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.

5) Significant assumptions we used in making accounting estimates, including those measured at fair value, are reasonable and appropriate. Disclosures related to accounting estimates are complete and appropriate.

6) No subsequent events have occurred that would require adjustments to the accounting estimates or disclosures in the financial statements.

7) Related party relationships and transactions, including revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with U.S. GAAP.

8) Adjustments or disclosures have been made for all events, including instances of noncompliance, subsequent to the date of the financial statements that would require adjustment to or disclosure in the financial statements.

9) The effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements as a whole for each opinion unit. A list of the uncorrected misstatements is attached to the representation letter.

10) The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with U.S. GAAP.

11) Guarantees, whether written or oral, under which Trust Lands is contingently liable, if any, have been properly recorded or disclosed.

Information Provided

12) We have provided you with:

    a. Access to all information, of which we are aware, that is relevant to Trust Lands' accounting, such as records, documentation, and other matters.

    b. Additional information that you have requested from us for the purpose of the audit.

    c. Unrestricted access to persons within Trust Lands from whom you determined it necessary to obtain audit evidence.

    d. Minutes of the meetings of Trust Lands Board of Trustees or summaries of actions of recent meetings for which minutes have not yet been prepared.

13) All material transactions have been recorded in the accounting records and are reflected in the financial statements.

14) We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.

15) We have no knowledge of any fraud or suspected fraud that affects the Trust Lands and involves:

    a) Management,

    b) Employees who have significant roles in internal control, or

    c) Others where the fraud could have a material effect on the financial statements and the schedule of expenditures of federal awards.

16) We have no knowledge of any allegations of fraud or suspected fraud affecting the Trust Lands' financial statements communicated by employees, former employees, regulators, or others.

17) We have no knowledge of instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or waste or abuse, whose effects should be considered when preparing financial statements.

18) We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements.

19) We have disclosed to you the identity of Trust Lands' related parties and all the related party relationships and transactions of which we are aware.

20) We have disclosed to you all contracts or other agreements with service organizations, and we have disclosed to you all communications from the service organizations relating to noncompliance at the service organizations.

Government—specific

21) There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.

22) We have identified to you any previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.

23) Trust Lands has no plans or intentions that may materially affect the carrying value or classification of assets, deferred outflows of resources, liabilities, deferred inflows of resources, and fund balance or net position.

24) We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts; and legal and contractual provisions for reporting specific activities in separate funds.

25) We have identified and disclosed to you all instances, that have occurred or are likely to have occurred, of fraud and noncompliance with provisions of laws and regulations that we believe have a material effect on the financial statements or other financial data significant to the audit objectives, and any other instances that warrant the attention of those charged with governance.

26) We have identified and disclosed to you all instances that have occurred or are likely to have occurred, of noncompliance with provisions of contracts and grant agreements that we believe have a material effect on the determination of financial statement amounts or other financial data significant to the audit objectives.

27) We have identified and disclosed to you all instances that have occurred or are likely to have occurred, of abuse that could be quantitatively or qualitatively material to the financial statements or other financial data significant to the audit objectives.

28) There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.

29) Trust Lands has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.

30) Trust Lands has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.

31) The financial statements include all component units as well as joint ventures with an equity interest, and properly disclose all other joint ventures and other related organizations.

32) The financial statements properly classify all funds and activities, in accordance with GASB Statement No. 34.

33) Components of net position (net investment in capital assets, restricted, and unrestricted), and classifications of fund balance (nonspendable, restricted, committed, assigned, and unassigned) are properly classified and, if applicable, approved.

34) Investments, derivative instruments, and land and other real estate held by endowments are properly valued.

35) Provisions for uncollectible receivables have been properly identified and recorded.

36) Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.

37) Deposits and investment securities and derivative instruments are properly classified as to risk and are properly disclosed.

38) Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated.

Signature : David Ure

Title: David Ure, Director

Signature : Deborah Memmott

Title: Deborah Memmott, Finance Director

School and Institutional Trust Lands
Summary of Proposed Audit Adjustments
Fiscal Year 2020

Summary of corrected and uncorrected audit adjustments to be circulated with the Management Representation Letter and with the Required Communications Memo to Those Charged with Governance.

Uncorrected Misstatements / Proposed Entries

	Account	Debit	Credit
1	Nonmajor Enterprise Accounts Payable	163,724	
	Nonmajor Enterprise Accounts Receivable		163,724

To reduce erroneous SITFO yearend accrual in Nonmajor Enterprise fund statement

Significant Additions to Disclosures:

None noted

9b

Notice of Negotiated Sales: Tharps (5 Acres) & Kanab City (5 Acres), Kane Co.

MEMORANDUM

DATE: January 6, 2021

TO: Board of Trustees, School and Institutional Trust Lands Administration

FROM: Ron Torgerson – Deputy Assistant Director; Michelle McConkie - Assistant Director

SUBJECT: Notice of Proposed Negotiated Sales: Two Five-acre Parcels (Kanab City and Tharps)

FUND: School

SITLA has received a proposal from Kanab City and the Tharps to each purchase under a negotiated sale five acres each of trust lands located southwest of Kanab. Notice of this negotiated sale is provided to the Board, pursuant to Administrative Rule R850-80-620(2). Formal board approval of this negotiated sale is not required pursuant to Administrative Rule R850-80-620(3), as it would not exceed 320 acres or $250,000 in value.

Legal Description of Subject Property:
Township 43 South, Range 6 West, SLB&M
Section: 32 S½S½NW¼SW¼ - 10 acres (See maps attached)

BACKGROUND INFORMATION

Each of these five-acre parcels has some historical trespass issues. Kanab City has a portion of their sediment basis for flood control and a fence and access road on trust lands. The Tharps bought a private lot that contained a house and outbuilding located partially on trust lands. The Tharps tore down the buildings and desire to build a new house partially on the sale parcel if the sale is approved.

There are no leases or permits on these two parcels that is part of a larger 80-acre trust land parcel.

The trust lands abutting the proposed sale parcels are steep and mountainous with rough and broken topography. Due to this terrain and land ownership in the area, the only access to either of these parcels is through private property.

NOTICE/ADVERTISING

Pursuant to R850-80-620(1) and R850-80-615, the Trust advertised both sales for competing interest. The advertising period ended on December 21, 2020. One letter of interest came in for the parcel Kanab City desires to purchase and several other inquiries were made, but no other offers were made.

The proposed sales have been reviewed internally by SITLA's management team and staff agreed with the sale as there are limited opportunities on these parcels which are challenged with a flood zone and topography.

PROPOSAL

SITLA surface staff proposes that the agency sell both parcels at the prices shown below on Table 1. Stan McConkie appraised the property with two values: a developable price ($18,571/acre) and an open space price ($3,571/acre) for undevelopable land. The Tharps sale parcel is the only one containing developable property (0.4 acres).

Table 1. Proposed sale prices for Tharps and Kanab City negotiated sales

Purchaser	Acres	$/Acre	Total Price	Totals	Premium Offer
Tharps	0.4	$18,571	$7,428	$23,854	1.083%
	4.6	$3,571	$16,426		$25,846
Kanab City	5	$3,571	$17,855	$17,855	----------
Totals	10				$43,701

Both Kanab City and the Tharps would make lump sum payments of the applicable purchase price for the parcels.

At the surface committee meeting held January 6, the committee recommended that the Tharp parcel be sold, but the Kanab City parcel only be sold if they can grant SITLA an easement to reach the remaining unsold trust lands. Kanab City has been approached and is willing to share or issue SITLA an easement. Kanab City and SITLA are currently reviewing the easement potential and legal details to obtain an easement.

Kanab City cannot purchase the remaining 70-acres at this time, but they may be interested in purchasing portions of the property later for future flood control work. Future uses and the potential sale of the remaining parcel will be evaluated at a later date.

ANALYSIS

As shown on the attached topographic map, the lands proposed for sale are adjacent to extremely steep and rough areas. They are also surrounded by private land, meaning they are essentially landlocked. These topographic and access issues limit the pool of interested purchasers and potential uses of the parcels.

Both Kanab City and the Tharps requested to purchase smaller acreage than is proposed by these sales. SITLA staff has required them to purchase additional acreage in order to not leave unusable remnants of land.

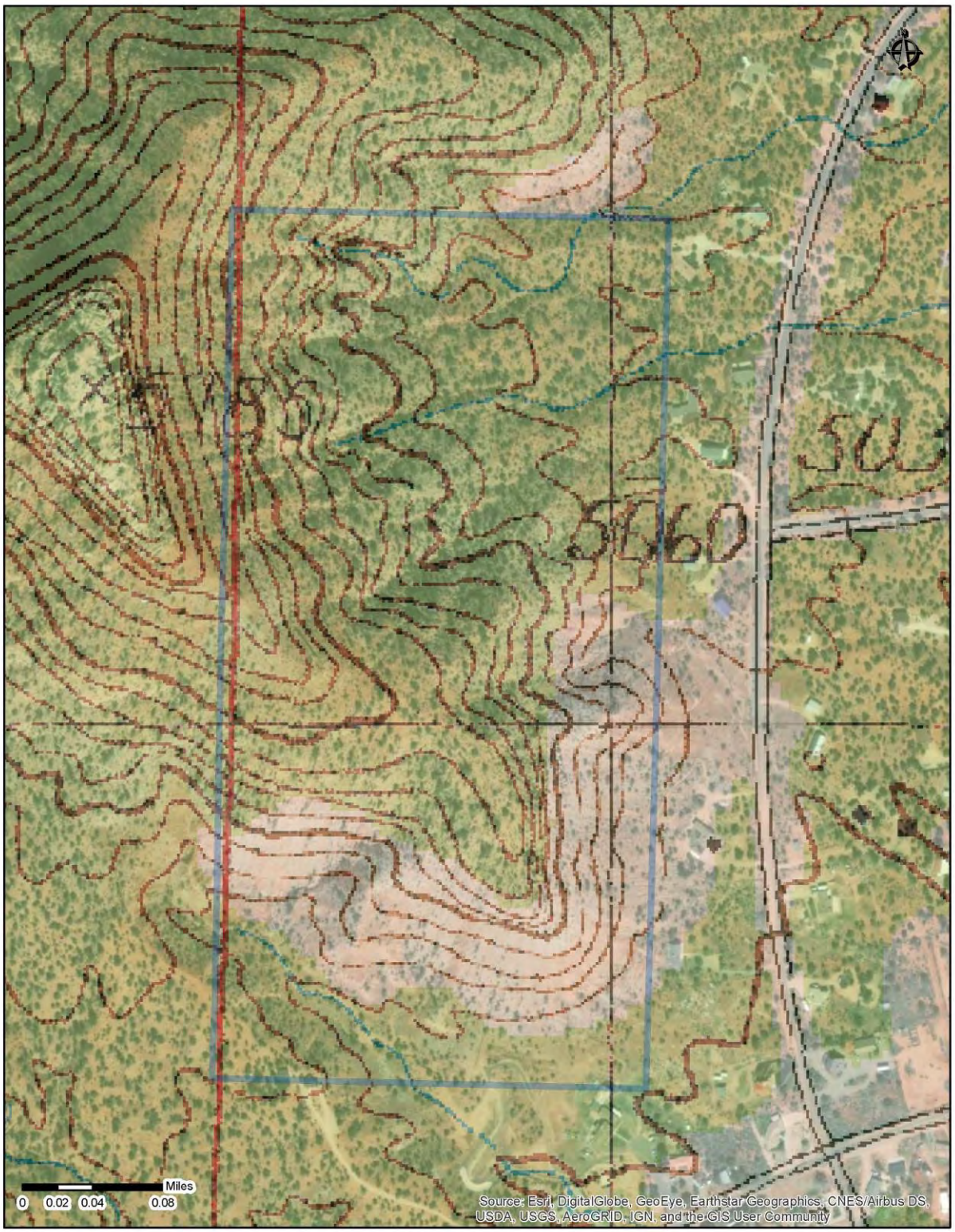
Land in the area has been appreciating at a rate of about 2.00% per year. Though these parcels are near a developing area, the access and topography issues make it unlikely that these parcels could ever be developed. There are limited opportunities to increase the value of these parcels for the same reasons.

The agency completed a financial analysis to determine the net present value if each of the subject parcels were: (1) held and sold at a later date at an appreciated value; (2) leased for a number of years;

or (3) leased, and then sold at a later date at an appreciated value. The financial analysis supports selling each of the subject parcels under the proposed terms.

RECOMMENDATION

The agency recommends the sale of each of these proposed trust land parcels under negotiated sale rules. The sale to Kanab City would be contingent on the issuance of an easement to SITLA to reach the remaining unsold trust lands to the extent legally feasible and as determined by the Director.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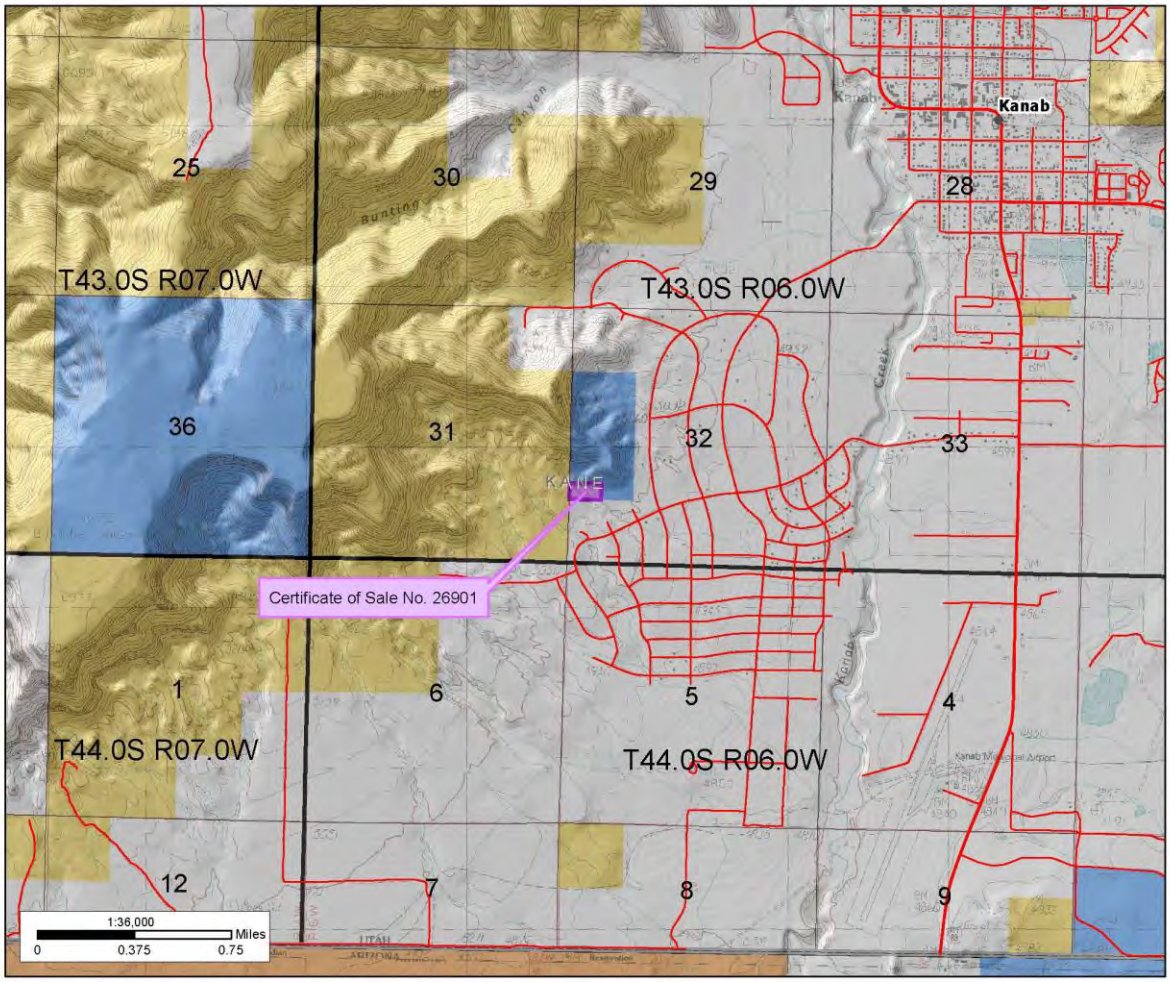
Source: Esri, DigitalGlobe, GeoEye, Earthstar Geographics, CNES/Airbus DS, USDA, USGS, AeroGRID, IGN, and the GIS User Community



Certificate of Sale No. 26901
Private Sale

Township 43 South, Range 6 West, SLB&M;
S2SW4NW4SW4; Section 32;
Kane County

State of Utah
School & Institutional Trust Lands Administration

November 12, 2020 SITLA

Land Ownership and Administration
- Bureau of Land Management
- Bureau of Reclamation
- Bankhead-Jones Land Use Lands
- National Recreation Area
- National Parks & Historic Sites
- National Monument
- National Forest
- National Wilderness Area
- National Wildlife Refuge
- Other Federal
- Military Reservations and Corps of Engineers
- Private
- State Trust Lands
- State Sovereign Land
- State Parks and Recreation
- State Wildlife Reserve/Management Area
- Other State
- Tribal Lands

C 26901

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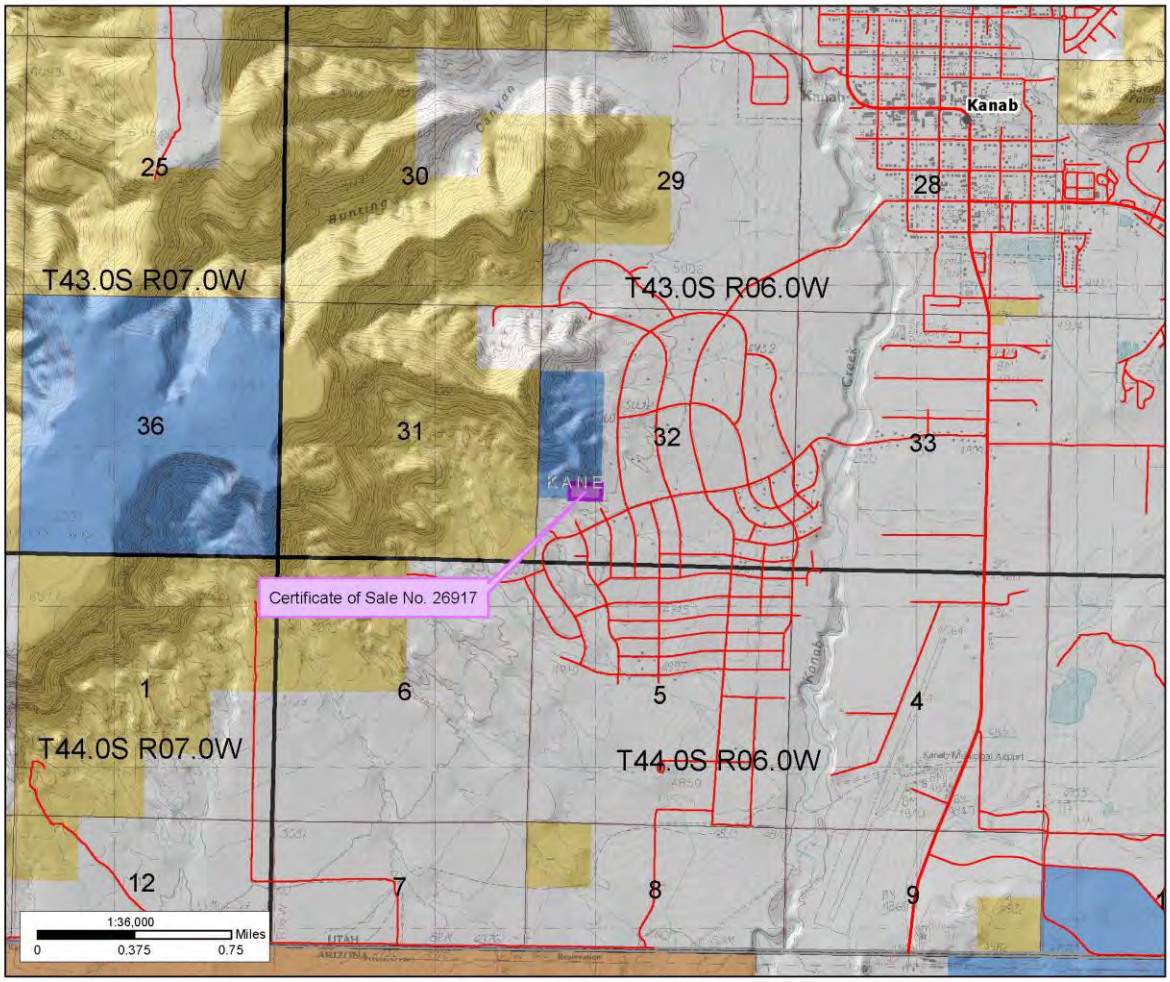
User: kalestaley
Coordinate System: NAD 1983 UTM Zone 12N
Projection: Transverse Mercator
Path: V:\GIS\GIS_Review\PreSales\PS\AerialTopoTemp_PS_NEW.mxd

Data represented on this map is for REFERENCE USE ONLY and is not suitable for legal, engineering, or surveying purposes. Users of this information should review or consult the primary data and information sources to ascertain the usability of the information. SITLA provides this data in good faith and shall in no event be liable for any incorrect results, or any special, indirect or consequential damages to any party, arising out of or in connection with the use or the inability to use the data hereon.

Land parcels, lease boundaries and associated SITLA data layers may have been adjusted to allow for visual "best fit." The Surface Ownership Land Status data (if present) are maintained by SITLA to reflect current trust land status and surface ownership. Lakes, rivers, streams, highways, roads, county and state boundaries are distributed by the Utah Automated Geographic Reference Center and/or other sources as specified. Contour lines (if present) were generated from USGS 10 meter DEM.

Please Note: While SITLA seeks to verify data for accuracy and content, discrepancies may exist within the data. Acquiring the most updated SITLA ownership GIS data may require contacting the GIS staff directly 801-538-5100 or TLA-GIS@utah.gov. The SITLA GIS department welcomes your comments and concerns regarding the data and will attempt to resolve issues as they are brought to our attention.



Certificate of Sale No. 26917
Private Sale

Township 43 South, Range 6 West, SLB&M;
S2SE4NW4SW4; Section 32;
Kane County

November 12, 2020 SITLA

Land Ownership and Administration
- Bureau of Land Management
- Bureau of Reclamation
- Bonkhead-Jones Land Use Lands
- National Recreation Area
- National Parks & Historic Sites
- National Monument
- National Forest
- National Wilderness Area
- National Wildlife Refuge
- Other Federal
- Military Reservations and Corps of Engineers
- Private
- State Trust Lands
- State Sovereign Land
- State Parks and Recreation
- State Wildlife Reserve/Management Area
- Other State
- Tribal Lands

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N

User: kalestaley
Coordinate System: NAD 1983 UTM Zone 12N
Projection: Transverse Mercator
Path: V:\GIS\GIS_Review\PreSales\PS\AerialTopoTemp_PS_NEW.mxd

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Land parcels, lease boundaries and associated SITLA data layers may have been adjusted to allow for visual "best fit." The Surface Ownership Land Status data (if present) are maintained by SITLA to reflect current trust land status and surface ownership. Lakes, rivers, streams, highways, roads, county and state boundaries are distributed by the Utah Automated Geographic Reference Center and/or other sources as specified. Contour lines (if present) were generated from USGS 10 meter DEM.

Please Note: While SITLA seeks to verify data for accuracy and content, discrepancies may exist within the data. Acquiring the most updated SITLA ownership GIS data may require contacting the GIS staff directly 801-538-5100 or TLA-GIS@utah.gov. The SITLA GIS department welcomes your comments and concerns regarding the data and will attempt to resolve issues as they are brought to our attention.

Proposed Tharp Sale Financials

Hold and Future Sale Financials

Current Value		Premium Sale	
Value Per Acre	$ 4,770.80	Total Value	$ 23,854.00
Total Acres	5	Premium	
Total Value	$ 23,854.00	108.3%	$ 25,845.57

5 Year Future Value		Year 1	Year 2	Year 3	Year 4	Year 5	
Inflation	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	
Value	$ 23,854.00	$ 24,331.08	$ 24,817.70	$ 25,314.06	$ 25,820.34	$ 26,336.74	
NPV @ 7.5%	$17,065.20	0	0	0	0	0	$ 26,336.74

10 Year Future Value		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	
Inflation	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	
Value	$ 23,854.00	$ 24,331.08	$ 24,817.70	$ 25,314.06	$ 25,820.34	$ 26,336.74	$ 26,863.48	$ 27,400.75	$ 27,948.76	$ 28,507.74	$ 29,077.89	
NPV @ 7.5%	$13,124.11	0	0	0	0	0	0	0	0	0	0	$ 29,077.89

15 Year Future Value		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11
Inflation	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Value	$ 23,854.00	$ 24,331.08	$ 24,817.70	$ 25,314.06	$ 25,820.34	$ 26,336.74	$ 26,863.48	$ 27,400.75	$ 27,948.76	$ 28,507.74	$ 29,077.89	$ 29,659.45
NPV @ 7.5%	$10,093.19	0	0	0	0	0	0	0	0	0	0	0

20 Year Future Value		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11
Inflation	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Value	$ 23,854.00	$ 24,331.08	$ 24,817.70	$ 25,314.06	$ 25,820.34	$ 26,336.74	$ 26,863.48	$ 27,400.75	$ 27,948.76	$ 28,507.74	$ 29,077.89	$ 29,659.45
NPV @ 7.5%	$7,762.24	0	0	0	0	0	0	0	0	0	0	0

Year 12	Year 13	Year 14	Year 15						
2.00%	2.00%	2.00%	2.00%						
$ 30,252.64	$ 30,857.69	$ 31,474.85	$ 32,104.34						
0	0	0	0	$ 32,104.34					

Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year19	Year 20	
2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	
$ 30,252.64	$ 30,857.69	$ 31,474.85	$ 32,104.34	$ 32,746.43	$ 33,401.36	$ 34,069.39	$ 34,750.77	$ 35,445.79	
0	0	0	0	0	0	0	0	0	$ 35,445.79

Lease Financials										
20 Year Lease										
Lease Year	1	2	3	4	5	6	7	8	9	10
Base Value Rent	$ 23,854.00	$ 24,331.08	$ 24,817.70	$ 25,314.06	$ 25,820.34	$ 26,336.74	$ 26,863.48	$ 27,400.75	$ 27,948.76	$ 28,507.74
Annual Rent %	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Rent Income	$ 1,192.70	$ 1,216.55	$ 1,240.89	$ 1,265.70	$ 1,291.02	$ 1,316.84	$ 1,343.17	$ 1,370.04	$ 1,397.44	$ 1,425.39
Inlfation	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
NPV @7.5%	$14,099.63									
30 Year Lease										
Lease Year	1	2	3	4	5	6	7	8	9	10
Base Value Rent	$ 23,854.00	$ 24,331.08	$ 24,817.70	$ 25,314.06	$ 25,820.34	$ 26,336.74	$ 26,863.48	$ 27,400.75	$ 27,948.76	$ 28,507.74
Annual Rent %	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Rent Income	$ 1,192.70	$ 1,216.55	$ 1,240.89	$ 1,265.70	$ 1,291.02	$ 1,316.84	$ 1,343.17	$ 1,370.04	$ 1,397.44	$ 1,425.39
Inlfation	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
NPV @7.5%	$17,198.83									
50 Year Lease										
Lease Year	1	2	3	4	5	6	7	8	9	10
Base Value Rent	$ 23,854.00	$ 24,331.08	$ 24,817.70	$ 25,314.06	$ 25,820.34	$ 26,336.74	$ 26,863.48	$ 27,400.75	$ 27,948.76	$ 28,507.74
Annual Rent %	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Rent Income	$ 1,192.70	$ 1,216.55	$ 1,240.89	$ 1,265.70	$ 1,291.02	$ 1,316.84	$ 1,343.17	$ 1,370.04	$ 1,397.44	$ 1,425.39
Inlfation	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
NPV @7.5%	$20,115.98									

										Total
11	12	13	14	15	16	17	18	19	20	
$ 29,077.89	$ 29,659.45	$ 30,252.64	$ 30,857.69	$ 31,474.85	$ 32,104.34	$ 32,746.43	$ 33,401.36	$ 34,069.39	$ 34,750.77	
5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	
$ 1,453.89	$ 1,482.97	$ 1,512.63	$ 1,542.88	$ 1,573.74	$ 1,605.22	$ 1,637.32	$ 1,670.07	$ 1,703.47	$ 1,737.54	$ 28,979.47
2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	
11	12	13	14	15	16	17	18	19	20	21
$ 29,077.89	$ 29,659.45	$ 30,252.64	$ 30,857.69	$ 31,474.85	$ 32,104.34	$ 32,746.43	$ 33,401.36	$ 34,069.39	$ 34,750.77	$ 35,445.79
5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
$ 1,453.89	$ 1,482.97	$ 1,512.63	$ 1,542.88	$ 1,573.74	$ 1,605.22	$ 1,637.32	$ 1,670.07	$ 1,703.47	$ 1,737.54	$ 1,772.29
2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
11	12	13	14	15	16	17	18	19	20	21
$ 29,077.89	$ 29,659.45	$ 30,252.64	$ 30,857.69	$ 31,474.85	$ 32,104.34	$ 32,746.43	$ 33,401.36	$ 34,069.39	$ 34,750.77	$ 35,445.79
5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
$ 1,453.89	$ 1,482.97	$ 1,512.63	$ 1,542.88	$ 1,573.74	$ 1,605.22	$ 1,637.32	$ 1,670.07	$ 1,703.47	$ 1,737.54	$ 1,772.29
2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%

									Total
22	23	24	25	26	27	28	29	30	
$ 36,154.70	$ 36,877.80	$ 37,615.36	$ 38,367.66	$ 39,135.02	$ 39,917.72	$ 40,716.07	$ 41,530.39	$ 42,361.00	
5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	
$ 1,807.74	$ 1,843.89	$ 1,880.77	$ 1,918.38	$ 1,956.75	$ 1,995.89	$ 2,035.80	$ 2,076.52	$ 2,118.05	$ 48,385.55
2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	

22	23	24	25	26	27	28	29	30	31
$ 36,154.70	$ 36,877.80	$ 37,615.36	$ 38,367.66	$ 39,135.02	$ 39,917.72	$ 40,716.07	$ 41,530.39	$ 42,361.00	$ 43,208.22
5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
$ 1,807.74	$ 1,843.89	$ 1,880.77	$ 1,918.38	$ 1,956.75	$ 1,995.89	$ 2,035.80	$ 2,076.52	$ 2,118.05	$ 2,160.41
2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%

32	33	34	35	36	37	38	39	40	41
$ 44,072.38	$ 44,953.83	$ 45,852.91	$ 46,769.97	$ 47,705.37	$ 48,659.47	$ 49,632.66	$ 50,625.32	$ 51,637.82	$ 52,670.58
5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
$ 2,203.62	$ 2,247.69	$ 2,292.65	$ 2,338.50	$ 2,385.27	$ 2,432.97	$ 2,481.63	$ 2,531.27	$ 2,581.89	$ 2,633.53
2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%

									Total
42	43	44	45	46	47	48	49	50	
$ 53,723.99	$ 54,798.47	$ 55,894.44	$ 57,012.33	$ 58,152.57	$ 59,315.63	$ 60,501.94	$ 61,711.98	$ 62,946.22	
5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	
$ 2,686.20	$ 2,739.92	$ 2,794.72	$ 2,850.62	$ 2,907.63	$ 2,965.78	$ 3,025.10	$ 3,085.60	$ 3,147.31	$ 100,877.85
2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	

Residual Value Financials After Lease

This page shows what the financials are if we were to hold onto the land and sell it imediately after the lease.

20 Year Lease										
Lease Year	1	2	3	4	5	6	7	8	9	10
Base Value Rent	$ 23,854.00	$ 24,331.08	$ 24,817.70	$ 25,314.06	$ 25,820.34	$ 26,336.74	$ 26,863.48	$ 27,400.75	$ 27,948.76	$ 28,507.74
Annual Rent %	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Rent Income	$ 1,192.70	$ 1,216.55	$ 1,240.89	$ 1,265.70	$ 1,291.02	$ 1,316.84	$ 1,343.17	$ 1,370.04	$ 1,397.44	$ 1,425.39
Inflation	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
NPV @7.5%	$21,709.67									

30 Year Lease										
Lease Year	1	2	3	4	5	6	7	8	9	10
Base Value Rent	$ 23,854.00	$ 24,331.08	$ 24,817.70	$ 25,314.06	$ 25,820.34	$ 26,336.74	$ 26,863.48	$ 27,400.75	$ 27,948.76	$ 28,507.74
Annual Rent %	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Rent Income	$ 1,192.70	$ 1,216.55	$ 1,240.89	$ 1,265.70	$ 1,291.02	$ 1,316.84	$ 1,343.17	$ 1,370.04	$ 1,397.44	$ 1,425.39
Inflation	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
NPV @7.5%	$21,699.78									

50 Year Lease										
Lease Year	1	2	3	4	5	6	7	8	9	10
Base Value Rent	$ 23,854.00	$ 24,331.08	$ 24,817.70	$ 25,314.06	$ 25,820.34	$ 26,336.74	$ 26,863.48	$ 27,400.75	$ 27,948.76	$ 28,507.74
Annual Rent %	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Rent Income	$ 1,192.70	$ 1,216.55	$ 1,240.89	$ 1,265.70	$ 1,291.02	$ 1,316.84	$ 1,343.17	$ 1,370.04	$ 1,397.44	$ 1,425.39
Inflation	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
NPV @7.5%	$21,690.46									

										Total
11	12	13	14	15	16	17	18	19	20	
$ 29,077.89	$ 29,659.45	$ 30,252.64	$ 30,857.69	$ 31,474.85	$ 32,104.34	$ 32,746.43	$ 33,401.36	$ 34,069.39	$ 34,750.77	
5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	
$ 1,453.89	$ 1,482.97	$ 1,512.63	$ 1,542.88	$ 1,573.74	$ 1,605.22	$ 1,637.32	$ 1,670.07	$ 1,703.47	$ 1,737.54	$ 34,750.77
2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	

11	12	13	14	15	16	17	18	19	20	21
$ 29,077.89	$ 29,659.45	$ 30,252.64	$ 30,857.69	$ 31,474.85	$ 32,104.34	$ 32,746.43	$ 33,401.36	$ 34,069.39	$ 34,750.77	$ 35,445.79
5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
$ 1,453.89	$ 1,482.97	$ 1,512.63	$ 1,542.88	$ 1,573.74	$ 1,605.22	$ 1,637.32	$ 1,670.07	$ 1,703.47	$ 1,737.54	$ 1,772.29
2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%

11	12	13	14	15	16	17	18	19	20	21
$ 29,077.89	$ 29,659.45	$ 30,252.64	$ 30,857.69	$ 31,474.85	$ 32,104.34	$ 32,746.43	$ 33,401.36	$ 34,069.39	$ 34,750.77	$ 35,445.79
5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
$ 1,453.89	$ 1,482.97	$ 1,512.63	$ 1,542.88	$ 1,573.74	$ 1,605.22	$ 1,637.32	$ 1,670.07	$ 1,703.47	$ 1,737.54	$ 1,772.29
2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%

									Total
22	23	24	25	26	27	28	29	30	
$ 36,154.70	$ 36,877.80	$ 37,615.36	$ 38,367.66	$ 39,135.02	$ 39,917.72	$ 40,716.07	$ 41,530.39	$ 42,361.00	
5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	
$ 1,807.74	$ 1,843.89	$ 1,880.77	$ 1,918.38	$ 1,956.75	$ 1,995.89	$ 2,035.80	$ 2,076.52	$ 2,118.05	$ 42,361.00
2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	

22	23	24	25	26	27	28	29	30	31
$ 36,154.70	$ 36,877.80	$ 37,615.36	$ 38,367.66	$ 39,135.02	$ 39,917.72	$ 40,716.07	$ 41,530.39	$ 42,361.00	$ 43,208.22
5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
$ 1,807.74	$ 1,843.89	$ 1,880.77	$ 1,918.38	$ 1,956.75	$ 1,995.89	$ 2,035.80	$ 2,076.52	$ 2,118.05	$ 2,160.41
2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%

32	33	34	35	36	37	38	39	40
$ 44,072.38	$ 44,953.83	$ 45,852.91	$ 46,769.97	$ 47,705.37	$ 48,659.47	$ 49,632.66	$ 50,625.32	$ 51,637.82
5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
$ 2,203.62	$ 2,247.69	$ 2,292.65	$ 2,338.50	$ 2,385.27	$ 2,432.97	$ 2,481.63	$ 2,531.27	$ 2,581.89
2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%

										Total
41	42	43	44	45	46	47	48	49	50	
$ 52,670.58	$ 53,723.99	$ 54,798.47	$ 55,894.44	$ 57,012.33	$ 58,152.57	$ 59,315.63	$ 60,501.94	$ 61,711.98	$ 62,946.22	
5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	
$ 2,633.53	$ 2,686.20	$ 2,739.92	$ 2,794.72	$ 2,850.62	$ 2,907.63	$ 2,965.78	$ 3,025.10	$ 3,085.60	$ 3,147.31	$ 62,946.22
2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	

Proposed Kanab City Sale Financials

Hold and Future Sale Financials

Current Value			Premium Sale									
Value Per Acre	$ 3,571.00		Total Value	$ 17,855.00								
Total Acres	5		Premium									
Total Value	$ 17,855.00		100.0%	$ 17,855.00								
5 Year Future Value		Year 1	Year 2	Year 3	Year 4	Year 5						
Inflation	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%						
Value	$ 17,855.00	$ 18,212.10	$ 18,576.34	$ 18,947.87	$ 19,326.83	$ 19,713.36						
NPV @ 7.5%	$12,773.50	0	0	0	0	0	$ 19,713.36					
10 Year Future Value		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	
Inflation	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	
Value	$ 17,855.00	$ 18,212.10	$ 18,576.34	$ 18,947.87	$ 19,326.83	$ 19,713.36	$ 20,107.63	$ 20,509.78	$ 20,919.98	$ 21,338.38	$ 21,765.15	
NPV @ 7.5%	$9,823.55	0	0	0	0	0	0	0	0	0	0	$ 21,765.15
15 Year Future Value		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11
Inflation	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Value	$ 17,855.00	$ 18,212.10	$ 18,576.34	$ 18,947.87	$ 19,326.83	$ 19,713.36	$ 20,107.63	$ 20,509.78	$ 20,919.98	$ 21,338.38	$ 21,765.15	$ 22,200.45
NPV @ 7.5%	$7,554.87	0	0	0	0	0	0	0	0	0	0	0
20 Year Future Value		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11
Inflation	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Value	$ 17,855.00	$ 18,212.10	$ 18,576.34	$ 18,947.87	$ 19,326.83	$ 19,713.36	$ 20,107.63	$ 20,509.78	$ 20,919.98	$ 21,338.38	$ 21,765.15	$ 22,200.45
NPV @ 7.5%	$5,810.13	0	0	0	0	0	0	0	0	0	0	0

Year 12	Year 13	Year 14	Year 15	
2.00%	2.00%	2.00%	2.00%	
$ 22,644.46	$ 23,097.35	$ 23,559.29	$ 24,030.48	
0	0	0	0	$ 24,030.48

Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year19	Year 20	
2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	
$ 22,644.46	$ 23,097.35	$ 23,559.29	$ 24,030.48	$ 24,511.09	$ 25,001.31	$ 25,501.34	$ 26,011.36	$ 26,531.59	
0	0	0	0	0	0	0	0	0	$ 26,531.59

Lease Financials										
20 Year Lease										
Lease Year	1	2	3	4	5	6	7	8	9	10
Base Value Rent	$ 17,855.00	$ 18,212.10	$ 18,576.34	$ 18,947.87	$ 19,326.83	$ 19,713.36	$ 20,107.63	$ 20,509.78	$ 20,919.98	$ 21,338.38
Annual Rent %	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Rent Income	$ 892.75	$ 910.61	$ 928.82	$ 947.39	$ 966.34	$ 985.67	$ 1,005.38	$ 1,025.49	$ 1,046.00	$ 1,066.92
Inlfation	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
NPV @7.5%	$10,553.74									
30 Year Lease										
Lease Year	1	2	3	4	5	6	7	8	9	10
Base Value Rent	$ 17,855.00	$ 18,212.10	$ 18,576.34	$ 18,947.87	$ 19,326.83	$ 19,713.36	$ 20,107.63	$ 20,509.78	$ 20,919.98	$ 21,338.38
Annual Rent %	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Rent Income	$ 892.75	$ 910.61	$ 928.82	$ 947.39	$ 966.34	$ 985.67	$ 1,005.38	$ 1,025.49	$ 1,046.00	$ 1,066.92
Inlfation	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
NPV @7.5%	$12,873.53									
50 Year Lease										
Lease Year	1	2	3	4	5	6	7	8	9	10
Base Value Rent	$ 17,855.00	$ 18,212.10	$ 18,576.34	$ 18,947.87	$ 19,326.83	$ 19,713.36	$ 20,107.63	$ 20,509.78	$ 20,919.98	$ 21,338.38
Annual Rent %	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Rent Income	$ 892.75	$ 910.61	$ 928.82	$ 947.39	$ 966.34	$ 985.67	$ 1,005.38	$ 1,025.49	$ 1,046.00	$ 1,066.92
Inlfation	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
NPV @7.5%	$15,057.05									

										Total
11	12	13	14	15	16	17	18	19	20	
$ 21,765.15	$ 22,200.45	$ 22,644.46	$ 23,097.35	$ 23,559.29	$ 24,030.48	$ 24,511.09	$ 25,001.31	$ 25,501.34	$ 26,011.36	
5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	
$ 1,088.26	$ 1,110.02	$ 1,132.22	$ 1,154.87	$ 1,177.96	$ 1,201.52	$ 1,225.55	$ 1,250.07	$ 1,275.07	$ 1,300.57	$ 21,691.48
2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	

11	12	13	14	15	16	17	18	19	20	21
$ 21,765.15	$ 22,200.45	$ 22,644.46	$ 23,097.35	$ 23,559.29	$ 24,030.48	$ 24,511.09	$ 25,001.31	$ 25,501.34	$ 26,011.36	$ 26,531.59
5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
$ 1,088.26	$ 1,110.02	$ 1,132.22	$ 1,154.87	$ 1,177.96	$ 1,201.52	$ 1,225.55	$ 1,250.07	$ 1,275.07	$ 1,300.57	$ 1,326.58
2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%

11	12	13	14	15	16	17	18	19	20	21
$ 21,765.15	$ 22,200.45	$ 22,644.46	$ 23,097.35	$ 23,559.29	$ 24,030.48	$ 24,511.09	$ 25,001.31	$ 25,501.34	$ 26,011.36	$ 26,531.59
5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
$ 1,088.26	$ 1,110.02	$ 1,132.22	$ 1,154.87	$ 1,177.96	$ 1,201.52	$ 1,225.55	$ 1,250.07	$ 1,275.07	$ 1,300.57	$ 1,326.58
2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%

									Total
22	23	24	25	26	27	28	29	30	
$ 27,062.22	$ 27,603.47	$ 28,155.54	$ 28,718.65	$ 29,293.02	$ 29,878.88	$ 30,476.46	$ 31,085.99	$ 31,707.71	
5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	
$ 1,353.11	$ 1,380.17	$ 1,407.78	$ 1,435.93	$ 1,464.65	$ 1,493.94	$ 1,523.82	$ 1,554.30	$ 1,585.39	$ 36,217.15
2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	

22	23	24	25	26	27	28	29	30	31
$ 27,062.22	$ 27,603.47	$ 28,155.54	$ 28,718.65	$ 29,293.02	$ 29,878.88	$ 30,476.46	$ 31,085.99	$ 31,707.71	$ 32,341.86
5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
$ 1,353.11	$ 1,380.17	$ 1,407.78	$ 1,435.93	$ 1,464.65	$ 1,493.94	$ 1,523.82	$ 1,554.30	$ 1,585.39	$ 1,617.09
2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%

32	33	34	35	36	37	38	39	40	41
$ 32,988.70	$ 33,648.47	$ 34,321.44	$ 35,007.87	$ 35,708.03	$ 36,422.19	$ 37,150.63	$ 37,893.64	$ 38,651.52	$ 39,424.55
5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
$ 1,649.43	$ 1,682.42	$ 1,716.07	$ 1,750.39	$ 1,785.40	$ 1,821.11	$ 1,857.53	$ 1,894.68	$ 1,932.58	$ 1,971.23
2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%

									Total
42	43	44	45	46	47	48	49	50	
$ 40,213.04	$ 41,017.30	$ 41,837.65	$ 42,674.40	$ 43,527.89	$ 44,398.44	$ 45,286.41	$ 46,192.14	$ 47,115.98	
5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	
$ 2,010.65	$ 2,050.86	$ 2,091.88	$ 2,133.72	$ 2,176.39	$ 2,219.92	$ 2,264.32	$ 2,309.61	$ 2,355.80	$ 75,508.26
2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	

Residual Value Financials After Lease

This page shows what the financials are if we were to hold onto the land and sell it imediately after the lease.

20 Year Lease										
Lease Year	1	2	3	4	5	6	7	8	9	10
Base Value Rent	$ 17,855.00	$ 18,212.10	$ 18,576.34	$ 18,947.87	$ 19,326.83	$ 19,713.36	$ 20,107.63	$ 20,509.78	$ 20,919.98	$ 21,338.38
Annual Rent %	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Rent Income	$ 892.75	$ 910.61	$ 928.82	$ 947.39	$ 966.34	$ 985.67	$ 1,005.38	$ 1,025.49	$ 1,046.00	$ 1,066.92
Inflation	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
NPV @7.5%	$16,249.94									

30 Year Lease										
Lease Year	1	2	3	4	5	6	7	8	9	10
Base Value Rent	$ 17,855.00	$ 18,212.10	$ 18,576.34	$ 18,947.87	$ 19,326.83	$ 19,713.36	$ 20,107.63	$ 20,509.78	$ 20,919.98	$ 21,338.38
Annual Rent %	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Rent Income	$ 892.75	$ 910.61	$ 928.82	$ 947.39	$ 966.34	$ 985.67	$ 1,005.38	$ 1,025.49	$ 1,046.00	$ 1,066.92
Inflation	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
NPV @7.5%	$16,242.54									

50 Year Lease										
Lease Year	1	2	3	4	5	6	7	8	9	10
Base Value Rent	$ 17,855.00	$ 18,212.10	$ 18,576.34	$ 18,947.87	$ 19,326.83	$ 19,713.36	$ 20,107.63	$ 20,509.78	$ 20,919.98	$ 21,338.38
Annual Rent %	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Rent Income	$ 892.75	$ 910.61	$ 928.82	$ 947.39	$ 966.34	$ 985.67	$ 1,005.38	$ 1,025.49	$ 1,046.00	$ 1,066.92
Inflation	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
NPV @7.5%	$16,235.57									

										Total
11	12	13	14	15	16	17	18	19	20	
$ 21,765.15	$ 22,200.45	$ 22,644.46	$ 23,097.35	$ 23,559.29	$ 24,030.48	$ 24,511.09	$ 25,001.31	$ 25,501.34	$ 26,011.36	
5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	
$ 1,088.26	$ 1,110.02	$ 1,132.22	$ 1,154.87	$ 1,177.96	$ 1,201.52	$ 1,225.55	$ 1,250.07	$ 1,275.07	$ 1,300.57	$ 26,011.36
2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	

11	12	13	14	15	16	17	18	19	20	21
$ 21,765.15	$ 22,200.45	$ 22,644.46	$ 23,097.35	$ 23,559.29	$ 24,030.48	$ 24,511.09	$ 25,001.31	$ 25,501.34	$ 26,011.36	$ 26,531.59
5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
$ 1,088.26	$ 1,110.02	$ 1,132.22	$ 1,154.87	$ 1,177.96	$ 1,201.52	$ 1,225.55	$ 1,250.07	$ 1,275.07	$ 1,300.57	$ 1,326.58
2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%

11	12	13	14	15	16	17	18	19	20	21
$ 21,765.15	$ 22,200.45	$ 22,644.46	$ 23,097.35	$ 23,559.29	$ 24,030.48	$ 24,511.09	$ 25,001.31	$ 25,501.34	$ 26,011.36	$ 26,531.59
5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
$ 1,088.26	$ 1,110.02	$ 1,132.22	$ 1,154.87	$ 1,177.96	$ 1,201.52	$ 1,225.55	$ 1,250.07	$ 1,275.07	$ 1,300.57	$ 1,326.58
2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%

									Total
22	23	24	25	26	27	28	29	30	
$ 27,062.22	$ 27,603.47	$ 28,155.54	$ 28,718.65	$ 29,293.02	$ 29,878.88	$ 30,476.46	$ 31,085.99	$ 31,707.71	
5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	
$ 1,353.11	$ 1,380.17	$ 1,407.78	$ 1,435.93	$ 1,464.65	$ 1,493.94	$ 1,523.82	$ 1,554.30	$ 1,585.39	$ 31,707.71
2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	

22	23	24	25	26	27	28	29	30	31
$ 27,062.22	$ 27,603.47	$ 28,155.54	$ 28,718.65	$ 29,293.02	$ 29,878.88	$ 30,476.46	$ 31,085.99	$ 31,707.71	$ 32,341.86
5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
$ 1,353.11	$ 1,380.17	$ 1,407.78	$ 1,435.93	$ 1,464.65	$ 1,493.94	$ 1,523.82	$ 1,554.30	$ 1,585.39	$ 1,617.09
2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%

32	33	34	35	36	37	38	39	40
$ 32,988.70	$ 33,648.47	$ 34,321.44	$ 35,007.87	$ 35,708.03	$ 36,422.19	$ 37,150.63	$ 37,893.64	$ 38,651.52
5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
$ 1,649.43	$ 1,682.42	$ 1,716.07	$ 1,750.39	$ 1,785.40	$ 1,821.11	$ 1,857.53	$ 1,894.68	$ 1,932.58
2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%

										Total
41	42	43	44	45	46	47	48	49	50	
$ 39,424.55	$ 40,213.04	$ 41,017.30	$ 41,837.65	$ 42,674.40	$ 43,527.89	$ 44,398.44	$ 45,286.41	$ 46,192.14	$ 47,115.98	
5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	
$ 1,971.23	$ 2,010.65	$ 2,050.86	$ 2,091.88	$ 2,133.72	$ 2,176.39	$ 2,219.92	$ 2,264.32	$ 2,309.61	$ 2,355.80	$ 47,115.98
2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	

9c

Notice of Minor Development Transaction – Sale of 2.93 Acre Parcel in Big Water, Kane Co.

Memorandum

TO: Board of Trustees, School and Institutional Trust Lands Administration

FROM: Aaron Langston, P&DG Utah South

DATE: January 7, 2021

BENE: Schools

RE: ***Notice of Minor Development Transaction—Sale of 2.93 Acre Parcel in Big Water, Utah***

Introduction

The subject lot borders our Shelter Cove subdivision and is known as lot B-13-90. The lot is located at 930 South Victory Way in Big Water, Utah. It went under contract in August of 2001 (Certificate of Sale 25585) but was subsequently canceled for non-payment.

Since then, there has been little to no interest in this lot. In late October of 2020, an offer was received for $42,100. The offer came from an individual wishing to build their primary residence on said property.

The Offer

Two desktop appraisals were ordered. One provided recent comparable sales data showing average lot prices similar in size and location ranging from $49,000 to $83,000. The second appraisal valued the subject lot at $74,500. At the recommendation of the Real Estate Committee, the lot was valued at $80,000.

Return to the Trust

The Trust will meet its fiduciary responsibility by selling this property at or above market value.

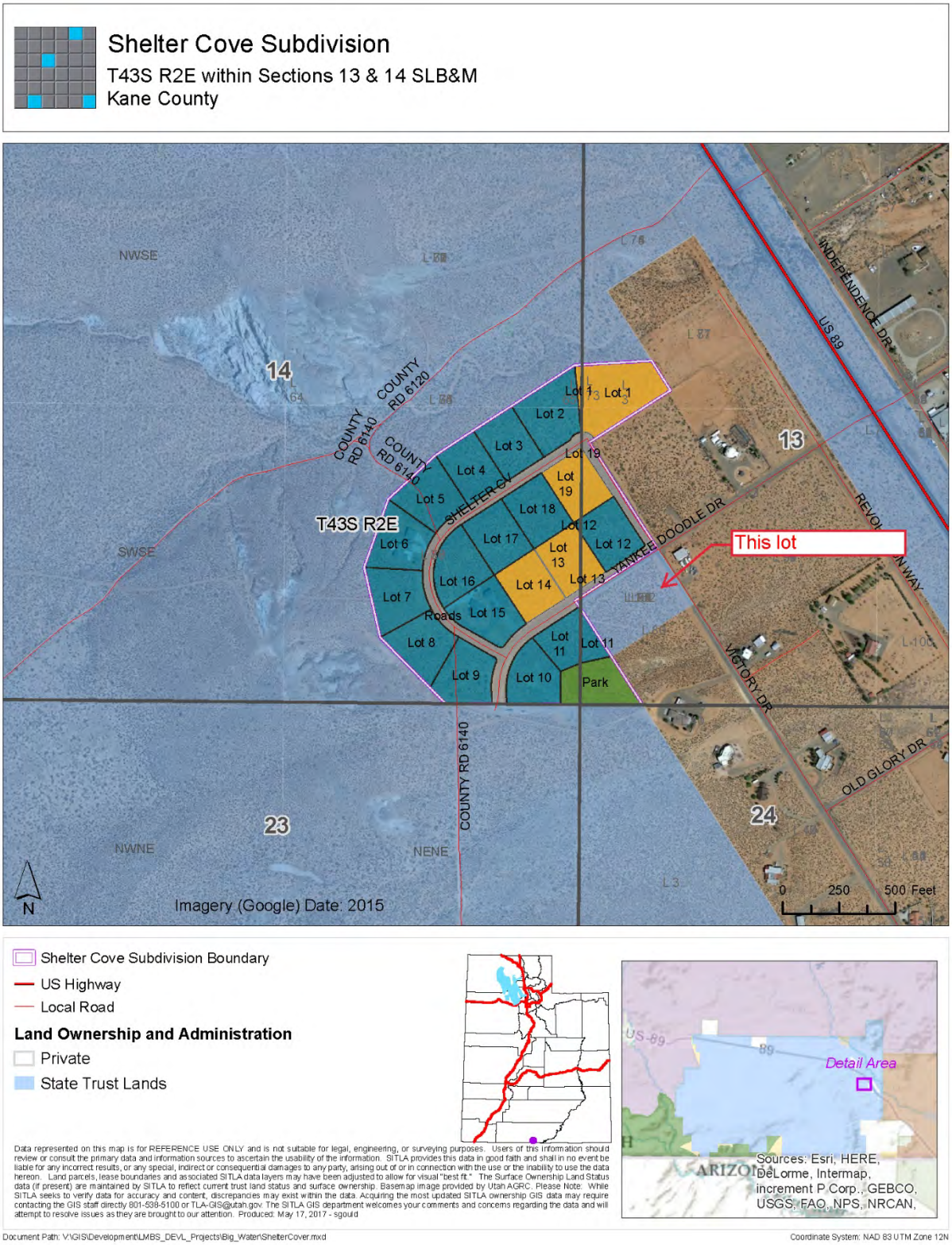
Intended Action

Based on Board approval, Staff will work with the buyer for a timely cash closing of $80,000.

This item was vetted by the Real Estate Committee on November 16, 2020.

Exhibit A

Depiction of disposal parcel



9d

Notice of Minor Development Transaction – Sale of 2.93 Acre Parcel in Coral Canyon, Washington Co.

Memorandum

TO: Board of Trustees, School and Institutional Trust Lands Administration

FROM: Aaron Langston, P&DG Utah South

DATE: January 7, 2021

BENE: Miners Hospital

RE: ***Notice of Minor Development Transaction—Sale of 2.93 Acre Parcel in Coral Canyon***

Introduction

In 2016, SITLA entered into a separate listing agreement with Jack Fisher Homes (now Cole West) to list our commercial properties in areas 11, 12, and 13. Since that time, only a handful of offers have been brought to the Trust, none of which have been thought to be a good fit for the area.

Late in October, A&M Distributors, Inc, dba The Great Backyard, brought on offer for parcel 8 in area 11 for a retail sales store for outdoor patio furniture, pools, spas, and related outdoor furniture. This parcel is on the Hurricane City side of Coral Canyon and is situated north of the State Liquor Store.

The development concept for these lands is defined in Section 7.2 of the recorded CCRs: "The Property shall be used only for commercial offices, hotels, and motels, restaurants, including fast food restaurants, and retail stores." Paragraph B also specifically prohibits "Any production, manufacturing, industrial, or storage use of any kind or nature, except for storage and/or production of products incidental to the retail sale thereof from the Property." Staff feels the proposed use, which is for a "retail store" meets the CCRs and the incidental use of a portion of the property for storage of the retail items is permitted.

The Offer

The Great Backyard offered $6.00 per foot for the subject lot. An appraisal was performed, which valued the property at $7.00 per foot, or $900,000 for the entire lot. The buyers have agreed to pay the appraised value. Upon Board approval, a Certificate of Sale will be issued and earnest money of $5,000 will be deposited. The buyers anticipate closing within 60 days after Board approval.

Return to the Trust

The Trust will meet its fiduciary responsibility by selling this property at or above market value.

Intended Action

Staff feels the proposed offer will position the remaining lots in the parcel to attract other suitable offers within the next several years. Upon Board approval, Staff will make arrangements with the buyer for a timely closing.

This item was vetted by the Real Estate Committee on November 16, 2020.

Exhibit A

Depiction of disposal parcel

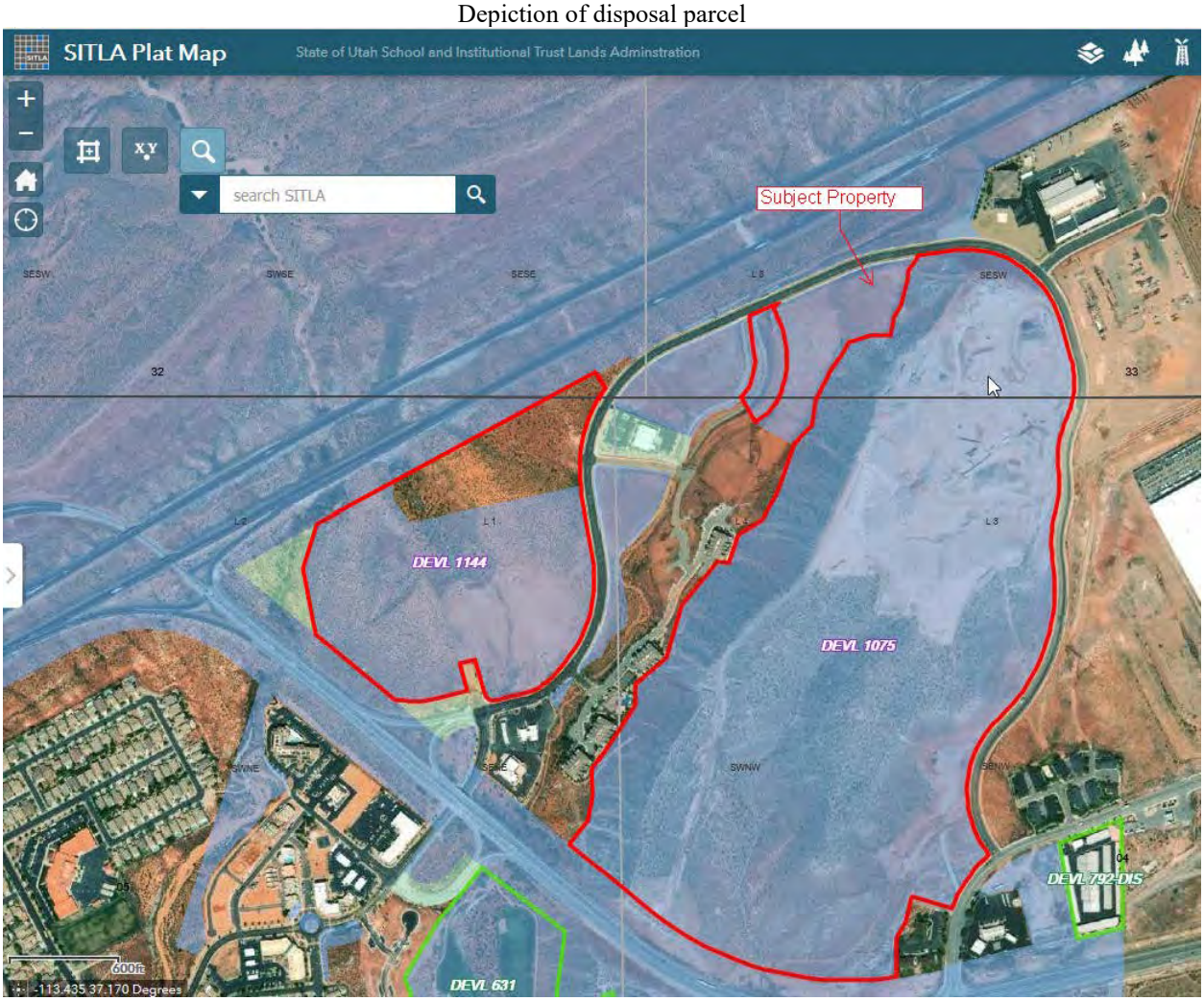
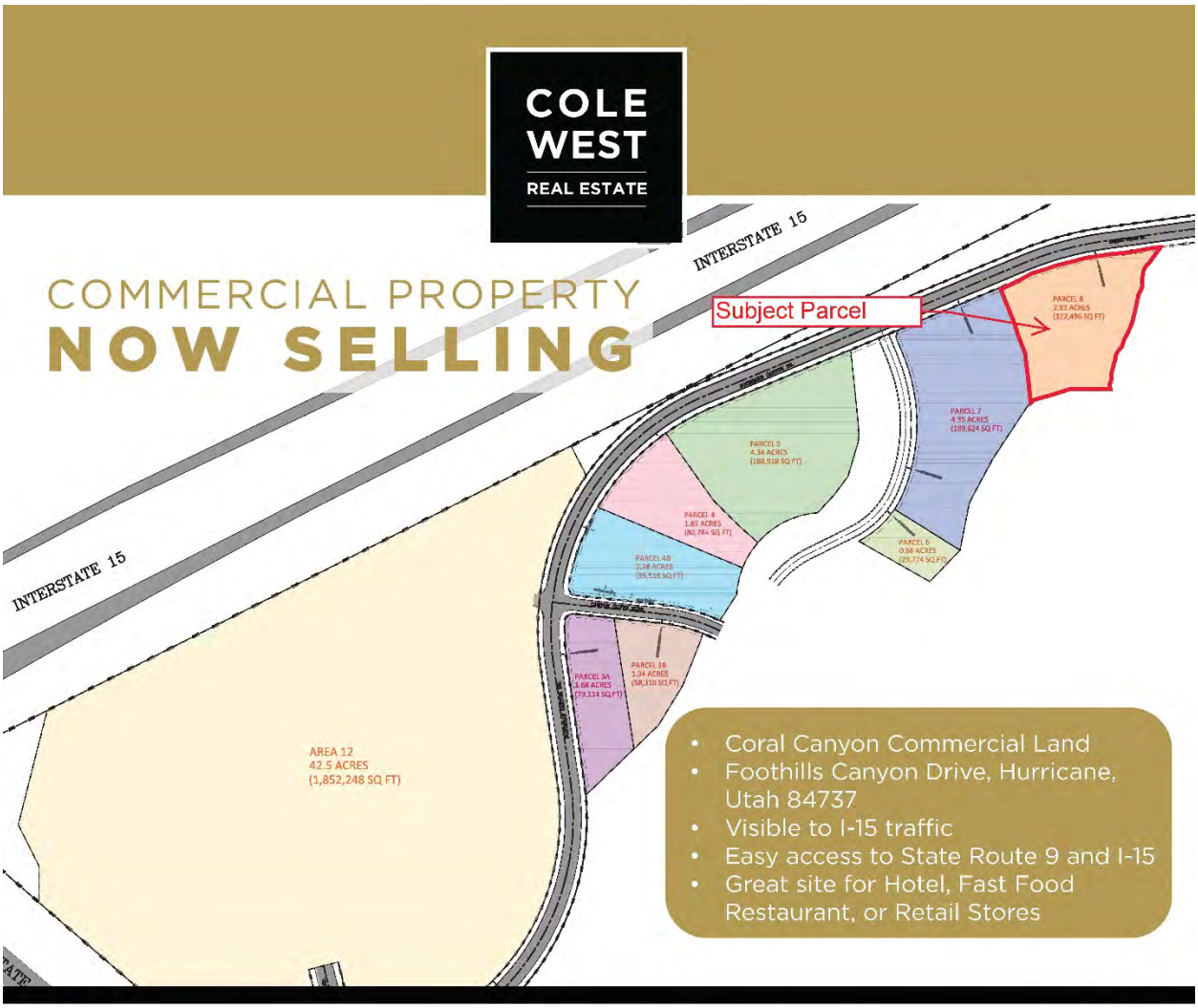


Exhibit B

Marketing flyer (subject parcel identified)



Commercially zoned property available in Hurricane Utah with visibility and access to I-15. Property available from 2/3 of an acre to 17 acres. Intended use would be for commercial offices, hotels and motels, restaurants, and retail stores. The property is part of the master planned development of Coral Canyon which includes residential housing, nightly rental neighborhoods, commercial areas, and the Coral Canyon Golf Course.

The site is located at the junction of the I-15 and State Route 9 which leads to destinations such as, Zion's National Park, Lake Powell, and the Grand Canyon.

CALL STEVEN WHITEHEAD: 435-632-8091

Interested Buyer/Party to verify all information, no information is guaranteed.
Present all offers. Offers contingent upon the review and approval from the owner and the local municipality. Willing to work with buyers representatives.

10a

Increase in Salary Range for Deputy Assistant Director Position

MEMORANDUM

DATE: January 1, 2021

TO: SITLA Board or Trustees

FROM: Scott Ruppe – Deputy Director

SUBJECT: Increase in Salary Range for Deputy Assistant Director

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We are requesting that the salary range be adjusted for the Deputy Assistant Director position to allow greater flexibility in hiring and rewarding performance in this position without promoting employees to an Assistant Director position.

The following change is being requested:

Current Salary Range
$36.75 - $56.67

Proposed Salary Range
$40.42 - $62.50

We recommend that the board approve the proposed salary range increase for the Deputy Assistant Director position.

10b

OBA – Non-Competitive Lease of Bituminous / Asphaltic Sands Mineral Lease, Uinta Co.: Valcor

BOARD MEMORANDUM

DATE: January 21, 2021

TO: Board of Trustees, Utah School & Institutional Trust Lands Administration (SITLA)

FROM: Tom Faddies, Assistant Director/Minerals
Jerry Mansfield, Resource Specialist

RE: Other Business Arrangement (OBA) – Non-Competitive Lease of Bituminous/Asphalitic Sands Mineral Lease, Uintah County, Utah, Valkor Energy Holding, LLC.

LANDS PROPOSED FOR LEASE:

T4S, R20E, SLB&M	Uintah County
Sec. 13: Lots 3(46.58), 4(46.60), SW4NW4, W2SW4 [213.18]	16,696.29 Acres
Sec. 14: All [640.00]	
Sec. 15: All [640.00]	
Sec. 16: All [640.00]	
Sec. 34: All [640.00]	
Sec. 35: All [640.00]	
T4S, R21E, SLB&M	
Sec. 19: Lots 1(38.85), 2(38.95), 3(39.05), 4(39.15), E2SW4, W2SE4, W2SE4SE4 [336.00]	
Sec. 30: N2NE4, SE4NE4 [120.00]	
T5S, R20E, SLB&M	
Sec. 1: Lots 1(36.77), 2(36.57), 3(36.39), 4(36.19), S2N2, S2 (All) [625.92]	
Sec. 2: Lots 1(36.10), 2(36.10), 3(36.10), 4(36.10), S2N2, S2 (All) [624.40]	
Sec. 3: Lots 1(36.08), 2(36.02), S2NE4, SE4 [312.10]	
Sec. 11: All [640.00]	
Sec. 12: All [640.00]	
Sec. 16: All [640.00]	
Sec. 32: Lots 1(45.11), 2(44.84), 3(44.58), 4(44.31), N2, N2S2 (All) [658.84]	
T5S, R21E, SLB&M	
Sec. 5: Lots 3(38.66), 4(38.30), 6(40.81), 7(41.56), 8(2.53), 9(37.47), 10(1.16), 11(1.40), S2NW4, W2SE4 [361.89]	
Sec. 6: Lots 1(38.04), 2(37.87), 3(37.56), 4(37.09), 5(38.64), 6(38.60), S2N2, SW4, W2SE4 [627.80]	
Sec. 8: Lots 1(41.92), 2(41.89), 3(41.85), 4(41.82), 5(38.88), 6(38.84), W2E2, S2NW4, SW4 [645.20]	
Sec. 9: Lots 3(41.61), 4(42.26), W2SW4 [163.87]	
Sec. 10: SW4SW4 [40.00]	
Sec. 14: NW4NW4 [40.00]	
Sec. 15: N2NE4, NE4NW4 [120.00]	
Sec. 16: Lots 1(42.59), 2(42.62), 3(38.46), 4(38.39), 5(40.84), 6(38.24), 7(42.67), W2NW4, SW4SW4, S2SE4 [483.81]	
Sec. 17: Lots 1(41.81), 2(41.84), W2NE4, NW4 [323.65]	
Sec. 18: NW4 [160.00]	
Sec. 21: N2NE4 [80.00]	
Sec. 22: Lots 3(39.51), 4(39.73), E2SE4 [159.24]	
Sec. 26: All [640.00]	
Sec. 27: NE4, E2NW4, NE4SW4, N2SE4, SE4SE4 [400.00]	
Sec. 35: All [640.00]	

T5S, R22E, SLB&M
Sec. 32: N2, SE4 [480.00]
T6S, R21E, SLB&M
Sec. 2: Lots 1(44.91), 2(45.46), 3(46.00), 4(38.49), 5(36.09), 6(38.84), E2SW4, SE4 [489.79]
T6S, R22E, SLB&M
Sec. 5: Lots 1(7.62), 2(7.58), 3(7.54), 4(7.50), S2N2, S2 [510.24]
Sec. 6: Lots 1(7.56), 2(7.72), 3(7.88), 4(8.55), 5(40.20), 6(41.09), 7(41.98), S2NE4, SE4NW4 [514.98]

Fund: School and Multiple

APPLICANT: Valkor Energy Holdings, LLC.
21732 Provincial Blvd., Ste 160
Katy, Texas 77450

As provided for under Utah Code Annotated 53C-2-401(1)(d)(ii), which permits the Board of Trustees to approve "Other Business Arrangements" (OBA), Valkor Energy Holdings, LLC on October 19, 2020, submitted a proposal to lease, under the Bituminous/Asphaltic Sands minerals lease category the above-referenced land. This action requires Board approval as the lease would be issued through the "Other Business Arrangement" (OBA) lease process.
This proposed OBA has been reviewed by the SITLA Board's Mining Committee and they have recommended the Board consider it for approval.

Proposal

Valkor Energy Holdings, LLC has proposed to lease the lands listed above through the "Other Business Arrangment" process. They intend to survey these lands to identify the ideal mining locations for the use a solvent base extraction system licensed by Petroteq Oil Recovery, LLC, with whom they have agreement. They also intend to identify suitable locations for the development of an in-situ recovery technology.

Valkor has engaged the Utah Geological Survey to provide an initial report that will incorporate the Survey's historical archives that involve the "tar sands" resources in the asphalt ridge area as well as the PR Springs area of Uintah County. A physical survey of drill core held by the Survey and identified in the report will then take place. Valkor intends to conduct photo-spectral satellite mapping for the entire area and employ ground penetrating radar to map near surface bitumen across all SITLA lands in the Asphalt Ridge area. With the information gathered Valkor will initiate a core drilling program designed to fill in data gaps at Asphalt Ridge.

In addition to agreement with Petroteq, Valkor has agreements with Indigo Oil and Gas Inc who hold several bitumen leases in the Asphalt Ridge area. They are currently in the process of developing an exploration drill plan to be submitted to Utah Division of Oil, Gas and Mining for approval. Valkor also holds private leases with Asphalt Ridge Inc for private land in the Asphalt Ride area.

Valkor Energy Holding, LLC. Proposes to lease the lands under SITLA's standard lease terms and:

- Pay an initial bonus payment of $11 per acre; total bonus payment of $168,201.00 for the lands they have selected for their OBA lease,
- Perform literature search, existing core analysis, additional core drilling program,
- Provide SITLA with a report of findings,
- Provide a Mine or Development Plan.

Recommendation

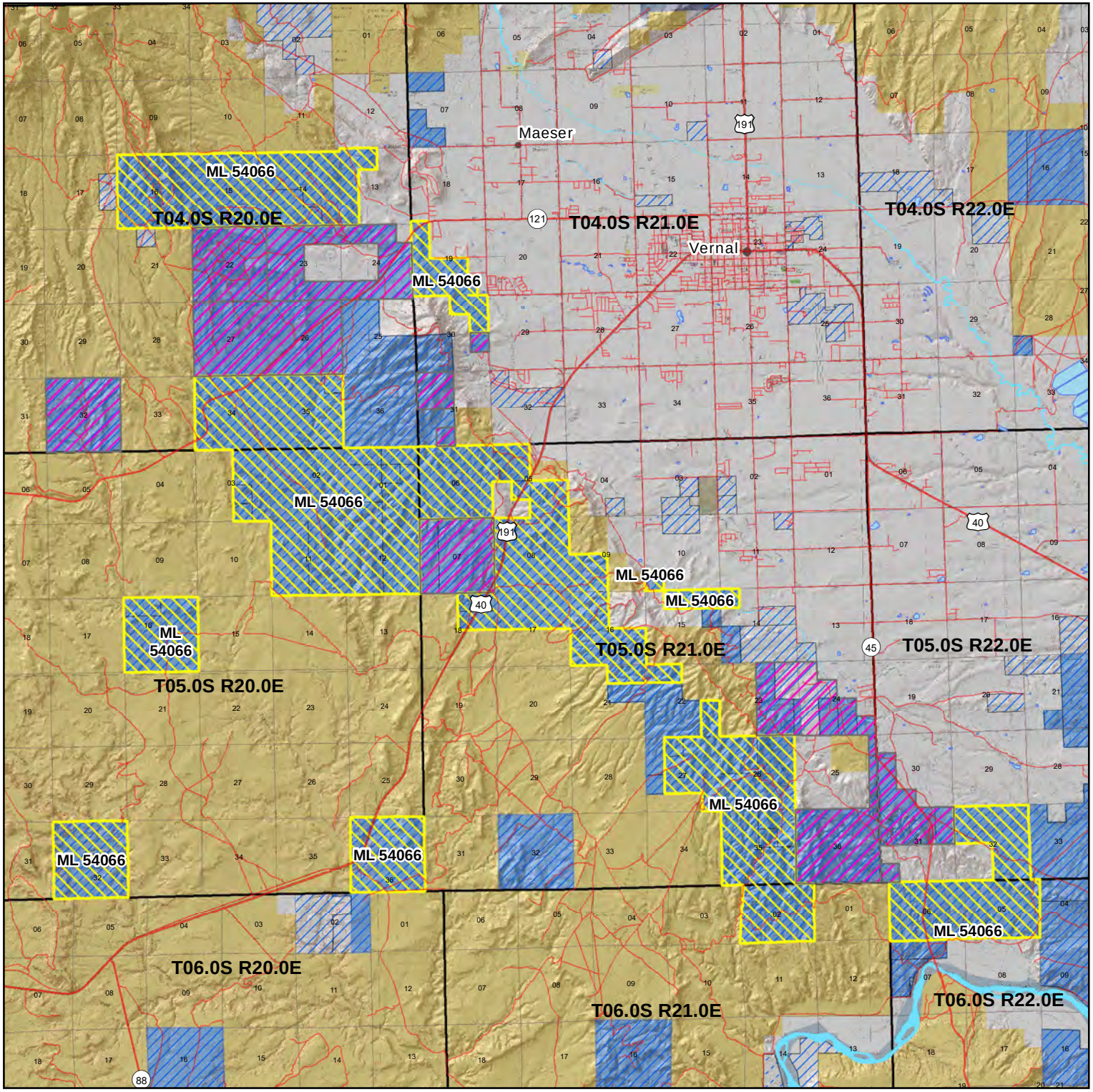
The Trust Lands Administration Mining staff have reviewed the Valkor proposal and recommend that the Board of Trustees, of the School and Institutional Trust Lands Administration, grant approval to issue an "Other Business Arrangement" (OBA) lease to Valkor Energy Holdings, LLC for Bituminous/Asphaltic Sands. Issuance of the Bituminous/Asphaltic Sands OBA lease will include the work requirements outlined above, a one-time bonus, along with the following standard Bituminous/Asphaltic Sands Lease terms:

- One-time Bonus bid of $168,201.00,
- Standard Annual Rental rate for Bituminous/Asphaltic Sands lease ($1 per acre, total $15,291.00)
- $10.00 per acre annual minimum royalty beginning with the first year of the lease ($152,910.00)
- 8% production royalty and no less than $3.00 per barrel; after ten years of production, royalty may be increased by not more than 1% per year to a maximum of 12.5%
- Ten-year lease term.
- A performance bond may be required

Respectfully Submitted by:

Tom Faddies
Assistant Director of Minerals

Jerry Mansfield
Resource Specialist



ML 54066 OBA

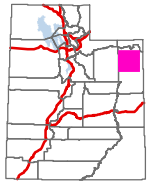
- ML54066 OBA
- Tar Sands

Trust Lands Mineral Ownership

- Full Mineral
- Partial Mineral

Land Ownership and Administration

- Bureau of Land Management
- Bureau of Reclamation
- Bankhead-Jones Land Use Lands
- National Recreation Area
- National Parks & Historic Sites
- National Monument
- National Forest
- National Wilderness Area
- National Wildlife Refuge
- Other Federal
- Military Reservations and Corps of Engineers
- Private
- State Trust Lands
- State Sovereign Land
- State Parks and Recreation
- State Wildlife Reserve/Management Area
- Other State
- Tribal Lands



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Miles
0 0.75 1.5 3 1:117,167

Data represented on this map is for REFERENCE USE ONLY and is not suitable for legal, engineering, or surveying purposes. Users of this information should review or consult the primary data and information sources to ascertain the usability of the information. SITLA provides this data in good faith and shall in no event be liable for any incorrect results, or any special, indirect or consequential damages to any party, arising out of or in connection with the use or the inability to use the data hereon.

Land parcels, lease boundaries and associated SITLA data layers may have been adjusted to allow for visual "best fit." The Surface Ownership Land Status data (if present) are maintained by SITLA to reflect current trust land status and surface ownership. Lakes, rivers, streams, highways, roads, county and state boundaries are distributed by the Utah Automated Geographic Reference Center and/or other sources as specified. Contour lines (if present) were generated from USGS 10 meter DEM.

Please Note: While SITLA seeks to verify data for accuracy and content, discrepancies may exist within the data. Acquiring the most updated SITLA ownership GIS data may require contacting the GIS staff directly 801-538-5100 or TLA-GIS@utah.gov. The SITLA GIS department welcomes your comments and concerns regarding the data and will attempt to resolve issues as they are brought to our attention. Coordinate System: NAD 1983 UTM Zone 12N. Projection: Transverse Mercator. Produced: December 16, 2020.

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10c

OBA – White Canyon & Last Chance, Garfield Co.: Wolcott

BOARD MEMORANDUM

DATE: January 7, 2020

TO: Board of Trustees, Utah School & Institutional Trust Lands Administration (SITLA)

FROM: Wesley Adams, Assistant Director – Oil & Gas

RE: White Canyon & Last Chance OBA's

LANDS PROPOSED:

White Canyon OBA
See Exhibit A: attached hereto

4,480.00 acres

Last Chance OBA
See Exhibit A: attached hereto

7,598.39 acres

FUND: School 100%

APPLICANT:
Wolcott, LLC
ATTN: John Wolcott
729 Bookcliff Ave
Grand Junction, CO 81501

REQUIREMENT
As provided for under Utah Code Annotated 53C-2-401(1)(d)(ii), which permits the SITLA Board of Trustees to approve "Other Business Arrangements" (OBA), Wolcott submitted a proposal to SITLA for leases covering helium on September 18, 2020.

This proposed OBA was reviewed by the SITLA Board Mineral Committee on December 18, 2020. The committee has provided a recommendation for approval before the full Board of Trustees.

PROPOSAL
Wolcott is proposing to establish a larger prospect based on helium exploration, including nitrogen carbon dioxide and associated gases (excepting any lease rights for oil and natural gas hydrocarbons). As part of the trend exploration concept, Wolcott has offered to pay SITLA an exploration fee of $100,000, allocated over the seven-year primary terms, royalty of 10%, bonus of $3/ acre, $2/ acre rentals and a right of first refusal for helium on lands currently leased for oil, gas and helium within 6 miles of leases

earned through the OBA. Additionally, Wolcott has agreed help facilitate a 3D seismic program covering its leases, if SITLA elects to conduct its own science for future valuation purposes.

RECOMMENDATION

SITLA Oil & Gas team reviewed Wolcott's proposal and recommend that the SITLA Board of Trustees grant approval to issue an OBA as outlined below and as further agreed to in writing by Wolcott.

1. Issue new leases covering the two (2) prospects; White Canyon and Last Chance (shown on Exhibit A), effective February 1, 2021, with $3/ acre bonus due by January 31, 2021 ($36,419). The standard five-year primary terms leases require 11.0% royalty on liquified helium and 13.5% on gaseous helium with no post-production costs allowed and a cap on total lease burdens at 20% or the difference between existing royalty and 20%. SITLA reserves the rights for oil, gas and associated hydrocarbons, and the right to conduct 3D seismic/ scientific survey on its lands.

2. Wolcott will have a right of first refusal for helium on lands that currently; (i) have an existing lease for oil, gas and associated hydrocarbons (including helium), (ii) are within 6 miles of any lease granted under the OBA (shown on Exhibit C) and (iii) are not exercised through an existing option earned under the Tacitus OBA.

3. Wolcott must pay an exploration fee of $50,000 for each prospect, allocated as follows; 30% in year 1, 25% in year 2, 20% in year 3, 15% in year 4 and the final 10% in year 5. The exploration fee is required in addition to rentals to maintain the leases. If the exploration fee is paid in full, Wolcott will be provided with an additional two-year primary term on the leases ($2/ acre rentals continuing), including any leases earned under the ROFR.

4. SITLA has the right to review scientific data collected under leases earned in this OBA upon request, including information that may be held confidential for proprietary reasons or interpretive risk.

5. Assignment of the OBA and leases requires SITLA's written consent.

Respectfully submitted,

Wes Adams
Assistant Director – Oil & Gas

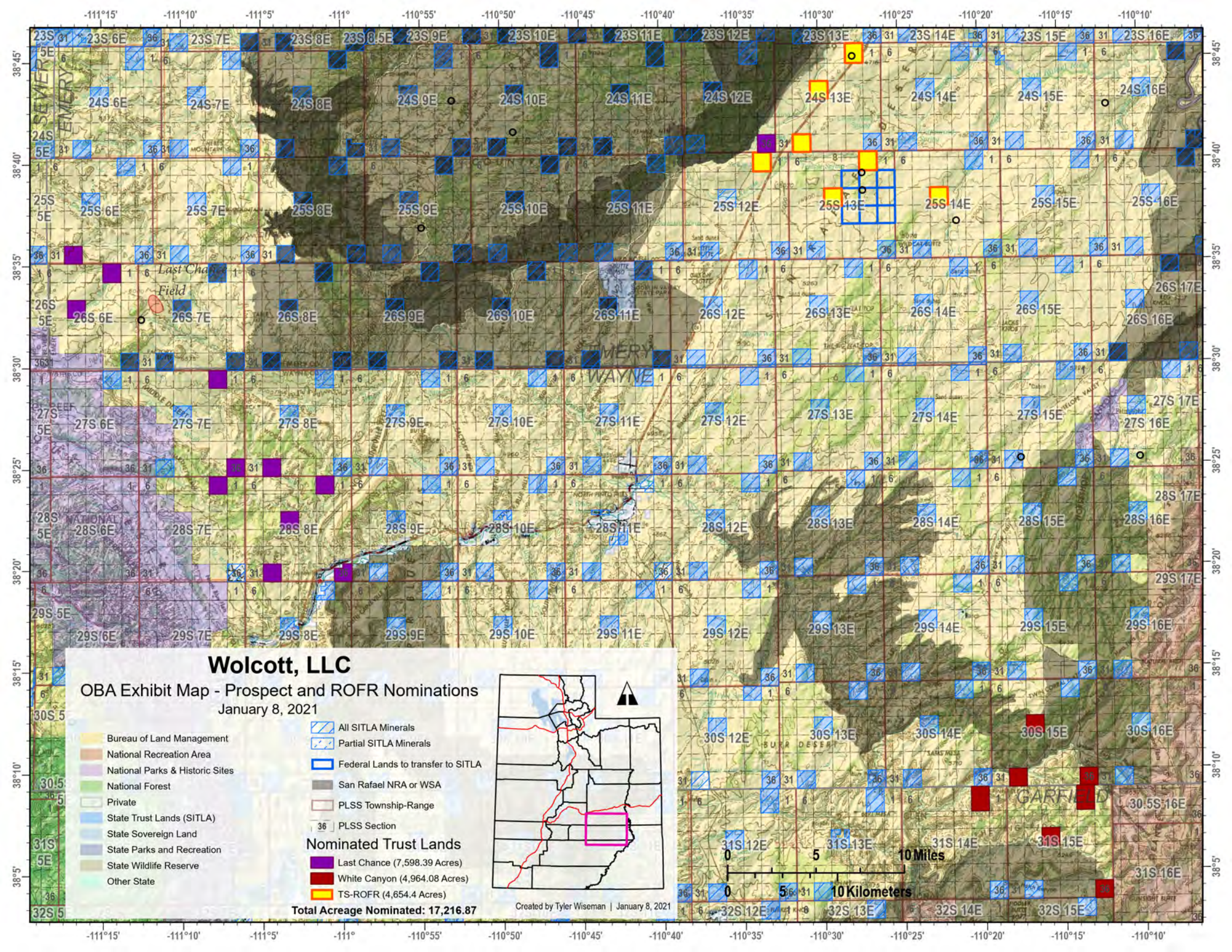
Wolcott, LLC
OBA Exhibit Map - Prospect and ROFR Nominations
January 8, 2021
Bureau of Land Management
National Recreation Area
National Parks & Historic Sites
National Forest
Private
State Trust Lands (SITLA)
State Sovereign Land
State Parks and Recreation
State Wildlife Reserve
Other State
All SITLA Minerals
Partial SITLA Minerals
Federal Lands to transfer to SITLA
San Rafael NRA or WSA
PLSS Township-Range
PLSS Section
Nominated Trust Lands
Last Chance (7,598.39 Acres)
White Canyon (4,964.08 Acres)
TS-ROFR (4,654.4 Acres)
Total Acreage Nominated: 17,216.87
Created by Tyler Wiseman | January 8, 2021
0 5 10 Miles
0 5 10 Kilometers
Last Chance Field
EMERY
WAYNE
GARFIELD
SEVIER
-111°15'
-111°10'
-111°5'
-111°
-110°55'
-110°50'
-110°45'
-110°40'
-110°35'
-110°30'
-110°25'
-110°20'
-110°15'
-110°10'
38°45'
38°40'
38°35'
38°30'
38°25'
38°20'
38°15'
38°10'
38°5'

EXHIBIT / Schedule "A" Lands

Township	Range	Section	Legal	Meridian	County	GIS Acres	Beneficiary	Prospect	Prospect Total Acres
24 S	12 E	36	ALL	SLB&M	Emery	640	SCH	Last Chance	
25 S	6 E	32	E2, SE4NW4, SW4	SLB&M	Emery	520	SCH	Last Chance	
25 S	6 E	32	N2NW4, SW4NW4	SLB&M	Emery	120	SCH	Last Chance	
26 S	6 E	2	LOTS 1(46.22), 2(46.31), 3(46.39), 4(46.48), S2N2, S2 [ALL]	SLB&M	Emery	655.4	SCH	Last Chance	
26 S	6 E	16	ALL	SLB&M	Emery	640	SCH	Last Chance	
27 S	7 E	2	LOTS 1(39.98), 2(39.97), 3(39.97), 4(39.96), S2N2, S2 [ALL]	SLB&M	Wayne	639.88	SCH	Last Chance	
27 S	7 E	36	ALL	SLB&M	Wayne	640	SCH	Last Chance	
27 S	8 E	32	ALL	SLB&M	Wayne	640	SCH	Last Chance	
28 S	7 E	2	LOTS 1(38.12), 2(38.11), 3(38.11), 4(38.10), S2N2, S2 [ALL]	SLB&M	Wayne	632.44	SCH	Last Chance	
28 S	8 E	2	LOTS 1(39.60), 2(39.62), 3(39.62), 4(39.64), S2N2, S2 [ALL]	SLB&M	Wayne	638.48	SCH	Last Chance	
28 S	8 E	16	ALL	SLB&M	Wayne	640	SCH	Last Chance	
28 S	8 E	32	LOTS 1(37.42), 2(37.93), 3(38.30), 4(38.54), N2, N2S2 [ALL]	SLB&M	Wayne	632.19	SCH	Last Chance	
28 S	8 E	36	NE4, S2NW4, S2	SLB&M	Wayne	560	SCH	Last Chance	**7,598.39**
30 S	15 E	16	ALL	SLB&M	Wayne	640	SCH	White Canyon	
30 S	15 E	32	ALL	SLB&M	Wayne	640	SCH	White Canyon	
30 S	15 E	36	ALL	SLB&M	Wayne	640	SCH	White Canyon	
31 S	14 E	2	LOTS, S2N2, S2 [ALL]	SLB&M	Garfield	883.24	SCH	White Canyon	
31 S	15 E	2	LOTS, S2N2, S2 [ALL]	SLB&M	Garfield	880.84	SCH	White Canyon	
31 S	15 E	16	ALL	SLB&M	Garfield	640	SCH	White Canyon	
31 S	15 E	36	ALL	SLB&M	Garfield	640	SCH	White Canyon	**4,964.08**
24 S	13 E	2	LOTS 1(19.11), 2(19.12), 3(19.14), 4(19.15), 5(40.00), 6(40.00), 7(40.00), 8(40.00), S2N2, S2 [ALL]	SLB&M	Emery	716.52	SCH	Temple Springs - ROFR	
24 S	13 E	16	ALL	SLB&M	Emery	640	SCH	Temple Springs - ROFR	
24 S	13 E	32	ALL	SLB&M	Emery	640	SCH	Temple Springs - ROFR	
25 S	12 E	2	LOTS 1(11.96), 2(11.97), 3(11.97), 4(11.98), 5(40.00), 6(40.00), 7(40.00), 8(40.00), S2N2, S2 [ALL]	SLB&M	Emery	687.88	SCH	Temple Springs - ROFR	
25 S	13 E	2	LOTS 1(12.47), 2(12.49), 3(12.51), 4(12.53), 5(40.00), 6(40.00), 7(40.00), 8(40.00), S2N2, S2 [ALL]	SLB&M	Emery	690	SCH	Temple Springs - ROFR	
25 S	13 E	16	ALL	SLB&M	Emery	640	SCH	Temple Springs - ROFR	
25 S	14 E	16	ALL	SLB&M	Emery	640	SCH	Temple Springs - ROFR	**4,654.40**
Total						**17,216.87**	**100%**		**17,216.87**

10d

Revisions to “Prohibited and Restricted Uses on Trust Lands” Rules (R850-12)

MEMORANDUM

TO:	Board of Trustees, School and Institutional Trust Lands Administration
FROM:	Michelle McConkie - Assistant Director
DATE:	January 6, 2021
SUBJECT:	Promulgation of New Rules on Prohibited and Restricted Uses of Trust Lands (R850-12)

BACKGROUND INFORMATION

The majority of Utah trust lands are interspersed with open and public federal lands and lack visual markers of their exact locations. The general public often uses these trust lands as if they are part of the public domain, knowingly or unknowingly. In some circumstances, this public use of trust lands can be detrimental to the lands and can result in serious resource degradation.

Statutes and Administrative Rules affecting trust lands provide some parameters as to what activities are prohibited or restricted on trust lands, but they do not address many common uses of these lands.

The following are illegal activities on trust lands under Utah Code §53C-2-301, which may result in criminal and civil penalties: (a) removing natural resources without written authorization; (b) grazing livestock without written authorization; (c) using, occupying or constructing improvements without written authorization; (d) using trust lands for more than 30 days after cancellation of written authorization; (e) using trust lands for commercial gain without written authorization; (f) destroying any cultural resources on trust lands; (g) dumping or trespassing on trust lands; or (h) interfering with the activities of a SITLA employee or lessee on trust lands. In addition, Utah Administrative Rules 850-110 and 850-160 provide parameters for the use of trust lands by motorized vehicles and for the withdrawal of trust lands from public target shooting, respectively.

These statutes and rules allow the Trust to protect trust lands from certain uses, but many other common recreational activities as well as other inherently damaging activities are not addressed. For example, there is currently no express prohibition on lighting fireworks on trust lands or any requirement that target shooters remove debris from their activities on trust lands. This results in a situation where staff and the general public are uncertain as to whether certain activities are permitted on trust lands. This is particularly difficult for law enforcement officials, who may be hesitant to cite users of trust lands for their damaging behavior due to the lack of defined prohibited or restricted uses. In contrast, most federal and other state lands surrounding trust lands have rules regarding prohibited and restricted uses on their lands. For these reasons, the promulgation of new administrative rules regarding prohibited and restricted use of trust lands is requested.

AUTHORITY

Utah Code §53C-1-302(1)(a)(ii) provides that the director of the School and Institutional Trust Lands Administration has the authority to establish rules consistent with general policies prescribed by the Board of Trustees. In addition, Utah Code §53C-1-302(3) provides that "the director shall maintain the integrity

of the trust and prevent, through prudent management, the misapplication of its lands and revenues." The promulgation of these new rules which will prohibit and restrict the public's use of trust lands to help prevent resource degradation of the lands is in accordance with statute.

RULES

The proposed Prohibited and Restricted Uses of Trust Lands rules (R850-12) are attached to this Memorandum as Exhibit A. An accompanying proposed Board Policy is attached as Exhibit B. The proposed rules expressly prohibit activities such as using fireworks or explosives on trust lands, metal detecting on trust lands, leaving human or animal fecal matter on trust lands and defacing rock formations on trust land, among other damaging uses. The rules also restrict activities associated with camping on trust lands, bringing animals onto trust lands, lighting fires or burning materials on trust lands and target shooting on trust lands, as well as other uses.

RECOMMENDATION AND NEXT STEPS

Staff recommends the Board of Trustees approve the promulgation of these new administrative rules on Prohibited and Restricted Uses of Trust Lands (R850-12).

If the Board approves these rules, they will be filed with the Utah Office of Administrative Rules. The Office of Administrative Rules will publish them and there would be a mandatory 30-day public comment period prior to codification.

Exhibit A
(Draft Prohibited and Restricted Use Rules)

R850. School and Institutional Trust Lands, Administration.
R850-12. Prohibited and Restricted Uses of Trust Lands.
R850-12-100. Authorities.

This rule implements Sections 6, 8, 10, and 12 of the Utah Enabling Act, Articles X and XX of the Utah Constitution, Section 53C-1-302(1)(a)(ii) of the Utah Code, and Board Policy #. The purpose of this rule is to prohibit certain activities and to permit with limitations other activities on trust lands.

R850-12-200. Definitions.

In addition to the terms defined in R850-1, the terms below, when used in Section R850-12 are defined as follows:

1. "Authorized Route" means a route:

(a) designated as open to the public for motor vehicle use under Subsection R850-110-200;

(b) established by grant or dedication to a governmental entity for public use; or

(c) as otherwise established by law for public use.

2. "Low-impact activities" means activities that have minimal or negligible impact to trust lands.

R850-12-300. Prohibited Activities.

In addition to Section 53C-2-301(1), except as authorized in writing by the agency, the following activities are prohibited on trust lands:

1. posting or distributing printed materials;

2. managing or controlling trust lands, including prohibiting, preventing, or obstructing public entry on trust lands or blocking access to an Authorized Route;

3. activities authorized under this Section R850-12 that continue for more than 15 consecutive days or more than 15 days within any 30-day period;

4. parking a motorized or recreational vehicle more than 100 feet from an Authorized Route;

5. leaving unattended personal property on trust lands for longer than 72 hours;

6. using or possessing explosives, fireworks, or firecrackers;

7. using poisons, herbicide, insecticides, or pesticides;

8. using or possessing any noxious weeds or noxious weed seeds, as designated in Sections R68-8-2 and R68-9-2, and/or

feeds, supplements or forages containing any, in whole or in part, of the weeds designated as noxious weeds in Section R68-9-2;

9. metal detecting;

10. searching for treasure, artifacts, or other natural or man-made items;

11. leaving or disposing of human or animal fecal matter unless:

(a) the fecal matter is buried at least 8 inches deep and at least 200 feet from any campsite or water source; and

(b) all toilet paper and hygiene products are removed from trust lands;

12. installing new technical rock climbing or slack lining equipment or hardware;

13. permanently affixing devices including trail cameras to structures, trees, or any other natural or made-made fixture;

14. using or possessing glass containers outside of enclosed vehicles, tents, trailers, or recreational vehicles, except that removing glass discarded by others on trust lands is permitted;

15. constructing, using, moving, occupying, or destroying any structures on trust lands including fences, water control devices, roads, surveys and section markers, or signs;

16. destructing, marking, or defacing trust lands, including without limitation, cross-country travel using human-powered, mechanized or motorized vehicles (other than approved mobility devices for the impaired or over-snow travel authorized pursuant to R850-110-400), creating new routes, human-powered, mechanized or motorized vehicle travel on routes other than Authorized Routes;

17. carving tree trunks, marking/defacing rocks, graffiti, destruction of natural formations on trust lands (e.g. knocking over sandstone pillars), tossing, throwing, or rolling of rocks or other materials into valleys or canyons or down hills and mountains;

18. any activity prohibited under any other local, state, or federal statute, ordinance, rule, or regulation;

19. any activity that requires authorization from the agency or any other local, state, or federal authority under any local, state, or federal statute, ordinance, rule, or regulation.

R850-12-400. Non-Commercial Low-Impact Activities.

Non-commercial low-impact activities are permitted on trust lands without written authorization from the agency, subject to the prohibitions and restrictions in this Section R850-12, unless written authorization is required for such activity by

the agency's statutes, rules, director's findings, handbook, or other publication available to the public.

R850-12-500. Non-Commercial Camping

1. A person may maintain a non-commercial low-impact campsite on trust lands without written authorization from the agency, subject to the prohibitions and restrictions in this Section R850-12.

2. A person may not maintain a campsite in the same location for more than 15 consecutive days or relocate a campsite to any trust lands within a 5-mile radius of the original campsite for at least 15 consecutive days following the end of the camping period.

3. A person may not maintain a campsite within 100 feet from any water source.

R850-12-600. Animals on Trust Lands.

1. A person may bring an animal onto trust lands without written authorization, subject to the prohibitions and restrictions in this Section R850-12.

2. A person may not leave an animal unattended on trust lands unless the animal is restrained.

3. A person may not bring more than 16 animals at a time onto trust lands.

4. A person may not bring onto trust lands any animal reasonably likely to cause physical harm to people, other animals, or property.

5. A person may not engage in commercial dog training on trust lands.

6. A person may not board any animal within 100 feet from any water source, riparian area, or culinary system on trust lands.

R850-12-700. Fires and Burning Material

1. Campfires on trust lands are permitted without written authorization, subject to the prohibitions and restrictions in this Section R850-12, if:

(a) the campfire is within an established fire ring.

(b) the fire is not left unattended;

(c) all adequate provisions are taken to prevent the fire from spreading, including keeping a shovel and an adequate supply of water readily accessible to extinguish a fire;

(d) all ashes, unburned fuel, and trash are removed from trust lands; and

(e) the fire is completely extinguished when not in use and prior to being left unattended.

2. A person may not construct a new fire ring on trust lands without written authorization from the agency.

3. A person may only burn clean, dry, cord-type firewood or charcoal on trust lands. Burning or discarding materials containing nails, screws, or other metal hardware (such as from wood pallets and construction debris) is prohibited.

4. A person may collect downed wood or woody vegetation for fires on trust lands but may not cut standing vegetation (living or dead). A person may not remove firewood from trust lands without written authorization from the agency.

5. A person may not throw or drop a lighted cigarette or other burning material onto trust lands.

R850-12-800. Target Shooting.

1. A person may engage in target shooting on trust lands without authorization, subject to the prohibitions and restrictions in this Section R850-12.

2. A person engaged in target shooting on trust lands may only use shooting targets manufactured or assembled for that purpose and that do not explode, ignite, shatter, or pose a hazard to people, animals, or property, except that clay pigeons are permitted.

3. A person may not shoot at any target that is on, over, or within 50 feet of a water source. A person may not engage in target shooting from or within 50 feet of a water source.

4. A person that brings shooting targets or ammunition onto trust lands shall remove the shooting targets and ammunition, including spent shells, from trust lands.

R850-12-900. Agency may Limit or Prohibit Activities.

1. The agency may limit or prohibit any activities authorized by this Section R850-12 for the reasons and time periods deemed necessary by the agency to protect trust lands from damage, preserve trust lands, protect people or animals from harm, or for any other reason that the agency determines is in the best interest of its beneficiaries.

2. To further limit or prohibit an activity on trust lands, the agency may:

(a) post notice at the area, trailhead, or campsite to which the limitation or prohibition applies; or

(b) post notice of the limitation or prohibition on its website.

3. The agency may reduce the limitations or prohibitions in this Section R850-12 by complying with Subsection R850-12-900(2).

Exhibit B
(Draft Board Policy)

The Board of Trustees

of the

School and Institutional Trust Lands Administration

Policy Statement No. _____

Subject: New Rule—Prohibited and Restricted Uses of Trust Lands

The Board of Trustees (the "Board") of the School and Institutional Trust Lands Administration (the "Administration"), by majority vote in open, public meeting on _____ 2021, declares the following to be an official policy of the Board.

Pursuant to Utah Code § 53-2-301, a person may be liable for civil damages and guilty of a criminal offense for entering, using, or causing damage to Trust Lands without written authorization from the Administration. The Administration issues written authorizations by lease, permit, or other form of authorization pursuant to statute and rules. However, the Board acknowledges that certain limited uses of Trust Lands would not cause damage and requiring permits for such use would be cost prohibitive for the Administration to manage.

The Board authorizes the Administration to adopt rules permitting the public to access those Trust Lands designated by the Administration subject to restrictions as determined by the Administration.