

*The Board of Trustees  
of the  
School and Institutional Trust Lands Administration*

*Subject: Written determinations concerning February 18, 2021 Board Meeting*

*Roger Barrus, as Chairman of the Board of Trustees (the "Board") of the School and Institutional Trust Lands Administration, pursuant to Utah Code Section 52-4-207(4), hereby makes the following determinations concerning the need to hold an electronic meeting of the Board, without an anchor location, on February 18, 2021.*

**Facts upon which determination is based:**

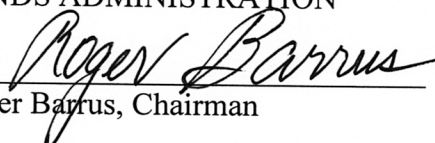
- Federal, State and local authorities have recommended that individuals limit public gatherings and that individuals experiencing symptoms of COVID-19 self-isolate to prevent and control the continuing spread of COVID-19.
- The public monitoring and participation requirements, and the anchor location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

**Determination concerning conduct of February 18, 2021 Board meeting:**

- In light of the facts referenced above, conducting the February 18, 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 February 18, 2021 meeting, and will be read into the record at the beginning of that meeting.

Entered this 5 day of February, 2021.

BOARD OF TRUSTEES, FOR THE UTAH  
SCHOOL AND INSTITUTIONAL TRUST  
LANDS ADMINISTRATION

  
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Roger Barrus, Chairman

# Agenda

## Board of Trustees Meeting Agenda

Thursday, February 18, 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 February 5, 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 February 5, 2021 determination concerning the conduct of the February 18, 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 March Board meeting:

In light of the facts referenced above, conducting the February 18, 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 February 18, 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\\_zHaoRjJ6QtCBcT9-AKZLRA](https://zoom.us/webinar/register/WN_zHaoRjJ6QtCBcT9-AKZLRA). 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](mailto:lsjones@utah.gov) any time before 8:00 a.m. on February 18, 2021 with questions.

1. Welcome

2. Approval of Minutes

January 21, 2021

3. Confirmation of Upcoming Meeting Dates

March 18, 2021 Regular Meeting

April 15, 2021 Regular Meeting

May 20, 2021 Regular Meeting

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

5. 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 are available for dialogue outside of Board meetings.

6. 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. Johns Valley Ground Lease, Garfield County

--- Elise Erler, Deputy Assistant Director, Planning & Development Group

7. Board Action Items

a. Proposed Amended and Restated Surface Sales Rules (R850-80)

--- Michelle McConkie, Assistant Director, Surface

8. Closed Session

Pursuant to Utah Code Section 52-4-205(1)(e), the Board will conduct a strategy session to discuss the sale 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 proposed sale of approximately 23.2 acres of land in Washington County, Utah.

9. 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.

10. Closed Session

Pursuant to Utah Code Section 52-4-205(1)(c), the Board will conduct a strategy session to discuss pending or reasonably imminent litigation. Specifically, the Board will discuss the recently filed administrative protest to the finalization of the Utah Test and Training Range (UTTR) Exchange.

11. Closed Session

Pursuant to 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) 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 other business arrangement terms concerning trust land in the Northwest Quadrant of Salt Lake City.

12. Board Action on Agenda Item 8.

Following the closed sessions, if the Board deems the matter ready for action, the Board will act on the proposed sale of approximately 23.2 acres of land in Washington County, Utah. The Administration will publicly disclose and discuss the terms of the sale prior to the Board taking action.

13. Board Action on Agenda Item 9.

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

14. 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](mailto: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, February 8, 2021.

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Minor Development

Transaction:

Johns Valley Ground

Lease, Garfield County

## MEMORANDUM

To: Board of Trustees  
School and Institutional Trust Lands Administration

Beneficiary: Schools (100%)

From: Elise Erler, Planning & Development Group

**Re: Notice of Minor Transaction – Johns Valley Ground Lease**

Date: February 18, 2021

*This item was reviewed by the Real Estate Committee on January 25, 2021.*

The Trust proposes a Minor Transaction to develop a portion of trust lands in Johns Valley, Garfield County. The property (see Figure 1) is located about 13 miles north of Bryce Canyon National Park and 10 miles north of Bryce Canyon airport in an area that is suitable for low-impact hospitality and recreation uses.

### PROPOSED PROJECT

Under Canvas proposes to lease 750+/- acres for a “glamping” facility, totaling 60+/- acres, surrounded by natural areas that its clients can use for recreation, primarily hiking, mountain biking, and dark sky observation. The glamping experience allows guests the luxury of comfortable lodging in canvas structures while staying in the remote outdoors.

The prospective lessee has identified two separate areas of trees for the canvas structures, one 35+/- acres and the other 25+/- acres (see Figure 2). Due to current winter snow cover, the areas will be refined once the lessee performs its on-the-ground due diligence in the spring.

### KEY INFORMATION

Board Policy 2008-01 identifies key information to be included in the Trust’s presentation of the proposed minor transaction (less than \$5 million in Trust assets). The transaction would be like the Trust-Under Canvas ground lease at Big Water (DEVL 1193). Key information follows:

Current Land Value – The Trust estimates the project’s current land value is approximately \$1,000/acre or about \$750,000. This estimate is based on a January 2020 appraisal of SITLA property located around the Bryce Canyon airport at the intersection of SR-12 and SR-63. A downward adjustment in land value from the airport-area appraisal is due to the Johns Valley property’s larger size and further distance from commercial activities along SR-12, the airport and entry to Bryce Canyon. The current land use of seasonal grazing brings *de minimis* annual revenue to the Trust.

Economic Analysis – A conservative look at the transaction’s potential value to the Trust yields an NPV-7.5 of \$1.4 million for the 30-year project. This assumes 4.5 months/year of operations starting in year 2, 50 units with 50% occupancy, and nightly revenues of \$200/occupied unit.

Transaction Structure – The proposed transaction is a ground lease with the greater of a) \$110,000.00 annual base rent or b) percentage rent of 5% paid on gross revenues from lodging, food



and beverage. The annual base rent will increase every five years by CPI. The lease term is 30 years with one 5-year automatic renewal (at lessee's discretion), followed by three 5-year renewals that may be cancelled by either party. The lessee has the option to purchase the property after 30 years at the appraised value of the land for its then-intended use.

The Trust will provide the necessary water rights, estimated to be 7 acre-feet, while retaining ownership of the water rights. The lessee will drill the water well, install a septic system, and post an environmental bond for the wastewater system. The lessee will also mitigate any archaeological or prairie dog issues and, if necessary, fence the glamping areas so that seasonal grazing permits may continue across the remainder of the property.

Competitive/Advertising Processes – The Trust advertised the property to solicit competing offers for 3 weeks from mid-month to the end of December 2020 in the St George *Spectrum* and the local weekly, *The Wayne and Garfield County Insider*, and gave respondents a January 11, 2021 deadline. In addition, the Trust posted the solicitation on the Trust's website under Development RFPs and included the request on the Trust's website newsfeed. The Trust did not receive any competing offers.

Conflicts of Interest – There are no known conflicts of interest between staff and Under Canvas.

Political Issues – Garfield County staff support the proposed project.

#### **RECOMMENDATION**

The Trust believes that the proposed transaction is in the beneficiary's best interest by increasing ongoing revenues from the property.

#### **BOARD CONSENT**

The Trust provides this notification to the Board "for informational purposes and to allow an opportunity for the Board to Comment on the transaction and/or provide guidance to the Director for future transactions" (*Board policy 2008-01*).

Figure 1: Location Map

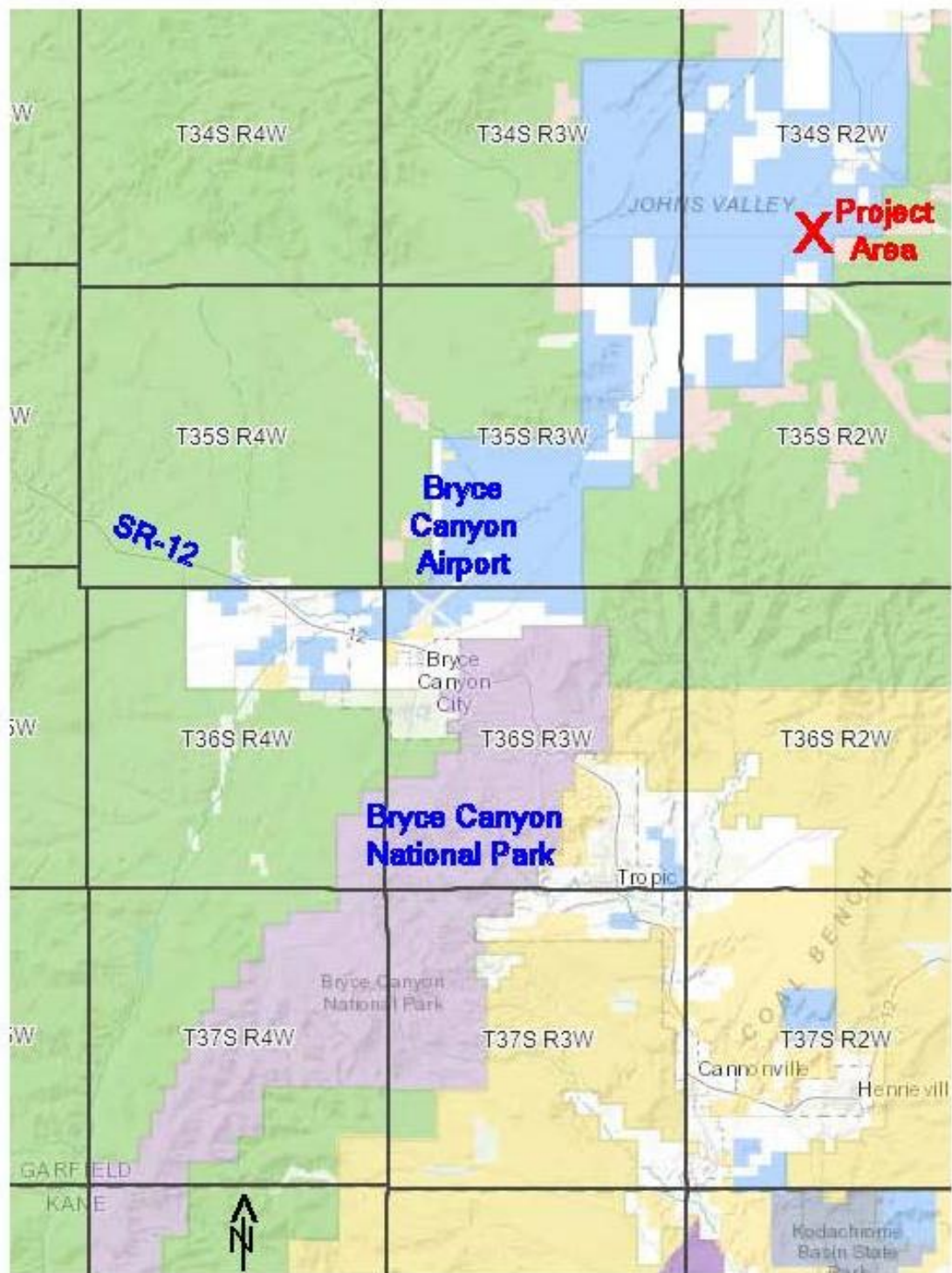


Figure 2: Proposed Plan



Project bounded by roadways on north, west and south on SITLA property.

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# Proposed Amended and Restated Surface Sales Rules (R850-80)

## **MEMORANDUM**

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

**FROM:** Michelle E. McConkie - Assistant Director

**DATE:** February 3, 2021

**SUBJECT:** Proposed Amended and Restated Sales Rules for Surface Group (R850-80)

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### **BACKGROUND INFORMATION**

Utah Administrative Rules 850-80-100, *et seq*, provide that the Surface Group may sell lands in its portfolio through two different processes: (1) public auction; or (2) negotiated sale.<sup>1</sup>

The Surface Group has been focusing on updating and streamlining the processes and procedures used when conducting land sales. The current sales rules contain outdated language and requirements. For example, the sales rules currently require notice of a land sale to be “posted in the governmental administrative building or courthouse” where the parcel is located (see R850-80-600(1)(a) and R850-80-615(1)(a)). This is no longer the most effective means of notifying interested parties of a proposed sale. In addition, the current sales rules require public auctions to be “oral” and require exact procedures be followed for an interested purchaser to qualify as a bidder on a parcel (see R850-80-610).

Due to the COVID-19 outbreak, the Surface Group was not able to perform an in-person oral auction last fall. The Board of Trustees approved a temporary change to the sales rules to allow for the use of an online platform for this auction. The Surface Group used EnergyNet, an online land auction contractor, to coordinate and facilitate the fall auction. This was a very efficient and successful experience, with many new bidders exposed to the SITLA land auction process. EnergyNet effectively marketed the auction parcels and many more interested purchasers participated in the bidding process because the auction was available online to anyone who pre-qualified. Though the online auction was primarily used last fall to adapt to the pandemic, it proved to be successful and the Surface Group would like to option of continuing to use online auctions going forward.

For these reasons, the amendment of the existing Surface Group Sales Rules is requested.

### **RULES**

The proposed Amended and Restated Sales Rules are attached to this Memorandum as Exhibit A. The current Sales Rules are attached to this Memorandum as Exhibit B.<sup>2</sup>

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<sup>1</sup> The Development Group sells lands in its portfolio under separate authority. Pursuant to state law, the surface estate may be sold but not the mineral estate.

<sup>2</sup> A marked-up version of the current rules has not been included in this Memorandum due to the difficulty in reading such a version. For example, there are a fair number of changes involving the reorganization of rules to allow for a more cohesive and logical presentation.

## **RECOMMENDATION**

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**  
(Proposed New Version of Rules)

**R850. School and Institutional Trust Lands, Administration.**

**R850-80. Sale of Trust Lands.**

**R850-80-100. Authorities.**

This rule implements Sections 6, 8, 10, and 12 of the Utah Enabling Act, Articles X and XX of the Utah Constitution, and Subsections 53C-1-302(1)(a)(ii) and 53C-4-101(1), which authorize the director to prescribe the terms and conditions for the sale of trust lands.

**R850-80-150. Planning.**

In addition to those other planning responsibilities described herein, the agency shall:

(1) Submit proposals for the sale of trust lands to the Resource Development Coordinating Committee (RDCC) unless the proposal is exempt from such review;

(2) Evaluate comments received through the RDCC process; and

(3) Evaluate any comments received through the notice and advertising processes conducted pursuant to R850-80-600 and R850-80-615.

**R850-80-200. Determination to Sell Trust Lands.**

(1) The director may sell all or any portion of a property interest in trust lands if the director determines that the sale would be in the best interest of the trust beneficiaries. The director may take into account any factor and circumstances deemed relevant in determining whether to sell trust lands.

(2) In determining whether the sale of trust lands is in the best interest of the trust beneficiaries, the director may consider the following factors:

(i) whether the subject parcel is appreciating in value at a higher rate than the anticipated rate of return on the purchase price;

(ii) whether there is evidence of competitive market interest, unless the purpose of the sale is to test the market in a particular area;

(iii) whether the sale would create obstacles to future mineral development on trust lands; or

(iv) whether, in the director's sole discretion, the sale would foreclose future development or management options that would likely result in greater long-term economic benefits.

(3) The director may not sell trust lands for less than fair market value.

**R850-80-250. Evaluation of Temporary Easements, Rights-of-Entry, and Other Existing Rights of Record.**

Prior to the sale of trust lands, the agency shall determine, pursuant to R850-40-250(2), whether temporary easements or rights-of-entry exist on the subject parcel. The agency shall also evaluate the presence and impact of other valid existing rights of record on the subject parcel prior to sale.

**R850-80-300. Determination of Fair Market Value and Minimum Acceptable Purchase Price.**

(1) If the director determines that the sale of a parcel of trust lands is in the best interest of the beneficiaries, the agency shall determine the fair market value of the parcel. In determining the fair market value of a parcel, the agency may consider:

- (a) an appraisal;
  - (b) a market analysis, including evaluation of real estate trends, market demand, opportunity costs of the sale, and the management costs of retention; and/or
  - (c) other information that the agency considers relevant.
- (2) The agency shall evaluate whether taking prudent and cost-effective actions would increase the fair market value of the parcel.

**R850-80-400. Deposits on Nominated Parcels.**

(1) If the director evaluates a parcel of trust lands for sale due to a nomination by an interested party, the agency may require the nominator to deposit funds to offset the costs incurred by the agency to prepare the parcel for sale.

(2) If the nominator purchases the parcel, the agency shall credit the deposit against those costs and fees charged by the agency pursuant to R850-80-610(4) and R850-80-620(4).

(3) If the agency does not offer the subject parcel for sale or if the nominator submits a credible bid on the subject parcel but is not the successful bidder, the agency shall refund the deposit to the nominator. A bid less than a disclosed minimum acceptable purchase price is not a credible bid.

**R850-80-500. Agency Financing.**

(1) The agency may offer financing on any unpaid portion of the purchase price or other costs owed by the purchaser at closing. The interest rate charged at closing will be the greater of: (a) the prime rate on the date of sale plus 2.5%, or (b) 7.5%, unless otherwise determined by the director. Every year thereafter, the interest rate charged against the unpaid balance will be the greater of: (a) the prime rate on the date of billing plus 2.5%, or (b) 7.5%, unless otherwise determined by the director. Interest is calculated on a 365-day basis.

(2) A purchaser that finances through the agency shall make annual payments on the debt for no longer than 20 years.

(3) The purchaser shall make the first payment on or before one year from the first day of the month following the date of sale. The purchaser shall make all subsequent payments on the first day of the same month of each year thereafter until the balance is paid in full.

(4) The agency shall apply amounts paid in excess of the current obligation to principal. The purchaser may pre-pay the unpaid balance and accrued interest at any time without penalty.

(5) If the purchaser fails to pay an annual payment or accrued interest when due, the agency shall send the purchaser notice of default and allow the purchaser to cure the default, including paying any late fees, within 30 days of the notice. If the purchaser fails to cure the default within the 30-day cure period, the agency may accelerate the debt, forfeit the purchaser's interest in the subject parcel, and pursue all



other available contractual, legal, or equitable remedies, including specific performance.

(6) A purchaser that finances through the agency shall execute and acknowledge a quitclaim deed in favor of the agency for the subject parcel. The agency may not record the quitclaim deed unless the agency forfeits the purchaser's interest in the subject parcel pursuant to R850-80-500(5).

#### **R850-80-600. Methods of Sale.**

The director may sell trust lands or interests in trust lands using one of the methods described below:

- (1) A public auction pursuant to R850-80-610, or
- (2) A negotiated sale pursuant to R850-80-620.

#### **R850-80-605. Advertisement of Public Auction.**

(1) At least 30 days prior to a public auction, the agency shall give notice by certified mail to:

(a) the appropriate county authority in which the subject parcel is located;

(b) lessees/permittees of record on the subject parcel; and

(c) adjoining landowners as shown on county records.

(2) The notice of sale must include:

(a) the date and time of the auction;

(b) whether the auction will be held in person or by electronic means;

(c) if the auction is held in person, the location of the auction;

(d) if the auction is held electronically, the ways in which a potential bidder may participate;

(e) a general description of the subject parcel and a brief description of its location, including township, range, and section; and

(f) the contact information of the agency office where interested parties can obtain more information.

(3) The agency may advertise public auctions using other methods determined by the agency to increase competition at the auction.

#### **R850-80-610. Public Auction Rules and Procedures.**

(1) The agency may conduct a public auction in person or electronically.

(2) The agency shall publish the bidding procedures at the agency's website, which procedures must include:

(a) information required to register for the auction, if applicable;

(b) payments required to be paid at the auction by the successful bidder, including the down payment and costs and fees assessed by the agency pursuant to R850-80-610(4); and

(c) whether the agency is willing to finance the unpaid portion of the purchase price.

(3) The agency may disclose the minimum acceptable purchase price for the subject parcel.

(4) The agency may require that the successful bidder reimburse the agency for costs incurred by the agency in preparing the parcel for sale, including the costs of advertising, appraisal, cultural resource investigations, and environmental assessments. The agency may also charge a sale processing fee.

(5) A bid constitutes a valid offer to purchase.

(6) At the conclusion of the auction, the successful bidder shall pay the agency the down payment, the costs and fees published pursuant to R850-80-610(4), and if the successful bidder elects to finance through the agency, the interest on the unpaid balance as calculated from the date of sale to the first day of the following month.

(7) If the successful bidder does not finance the remainder of the purchase price through the agency, the successful bidder shall pay the remainder of the purchase price at the conclusion of the auction. If the successful bidder fails to pay the purchase price at the auction, the agency is not required to finalize the transaction and may retain all amounts paid by the successful bidder at the auction.

(8) If the successful bidder fails to pay the amounts required under R850-80-610(6) or fails to execute the certificate of sale within 30 days, pursuant to R850-80-700(2), the director may offer the subject parcel for sale to the person whose bid was second highest at the auction. The purchase price paid by the second highest bidder must meet or exceed the minimum acceptable purchase price. To accept the agency's offer, the second highest bidder shall submit all amounts owing under R850-80-610(6) or R850-80-610(7) and execute the certificate of sale within 30 days after the agency's offer.

(9) If a third party owns improvements on a parcel of trust lands sold at auction that were installed pursuant to a valid permit or other right granted by the agency and such valid right does not survive the sale of the parcel, the purchaser shall permit the owner of the improvements to remove them within 90 days after the date of the auction.

**R850-80-615. Advertisement of Negotiated Sale.**

(1) The agency shall give notice of a negotiated sale by certified mail to:

(a) the appropriate county authority in which the subject parcel is located;

(b) lessees/permittees of record on the subject parcel; and

(c) adjoining landowners as shown on county records.

(2) The notice of sale must include:

(a) a general description of the subject parcel and a brief description of its location, including township, range, and section; and

(b) the contact information of the agency office where interested parties can obtain more information.

(3) The agency may advertise negotiated sales using other methods determined by the agency if in the best interest of the beneficiaries.

**R850-80-620. Negotiated Sale Procedures.**

(1) If the agency receives an expression of competitive interest within the notice period, the agency shall evaluate the offer and determine what action is in the best interest of the beneficiaries.

(2) The agency shall give the board and affected beneficiary prior notice of the proposed negotiated sale, which notice must describe the terms, reasons, and other pertinent facts of the proposed negotiated sale.

(3) Board approval of a negotiated sale is required if:

(a) the fair market value of the subject parcel exceeds \$250,000.00;

(b) the subject property exceeds 320 acres; or

- (c) the agency receives a competitive offer on the subject parcel.
- (4) The agency may require the purchaser to pay a down payment and the costs and fees described in R850-80-610(4).

**R850-80-700. Certificates of Sale.**

(1) Following a public auction or on concurrence of the parties in a negotiated sale, the agency shall prepare and deliver a certificate of sale to the purchaser. The certificate must contain:

- (a) a legal description of the subject parcel;
- (a) the purchase price and any pre-paid amounts;
- (b) costs assessed by the agency;
- (c) financing terms, if applicable;
- (d) the dates on which obligations must be met;
- (e) the beneficiary of the subject parcel;
- (f) remedies available to the agency on default by the purchaser, including forfeiture; and
- (g) any other terms, covenants, deed restrictions, or conditions that the agency considers appropriate.

(2) For trust lands purchased at an auction, the successful bidder must execute the certificate of sale within 30 days of receipt from the agency. If the successful bidder fails to execute the certificate of sale within the 30-day period, the agency is not required to finalize the transaction and may retain the down payment and costs paid by the successful bidder at the auction.

(3) The agency may terminate a negotiated sale for any reason prior to finalization of the certificate of sale. If a negotiated sale is terminated by the proposed purchaser, the agency may retain the costs and fees paid pursuant to R850-80-620(4).

(4) A certificate of sale is not final until the purchaser and the director or other authorized agency representative executes the certificate.

(5) The purchaser under a certificate of sale may assign the certificate of sale to any person qualified to purchase trust lands. If the purchaser desires to assign the certificate prior to payment in full of the purchase price and all accrued interest, the purchaser must have the agency's prior written consent to the assignment. The agency may require the assignee to execute a quitclaim deed, as required under R850-80-500(6), as a condition to consent to the assignment. An assignment of a certificate of sale must clearly identify the subject parcel, the certificate of sale number, the name and address of the assignee, and be executed by both the assignor and assignee.

(6) Assignment of a certificate of sale does not relieve the assignor from any obligations arising prior to the date of assignment.

(7) Within a reasonable time after payment in full of the amounts owing under a certificate of sale, the agency shall seek issuance of a patent from the governor or the governor's designee to the owner of the property.

**R850-80-750. Partial Releases.**

(1) The director may authorize a partial release of trust lands sold under a certificate of sale if in the director's sole determination, it is in the best interest of the trust beneficiaries. In considering whether a partial release is in the best interest of the trust beneficiaries, the director may consider the following:

(a) whether access to the remainder of the parcel is preserved without restriction;

(b) whether utilities and infrastructure, including water, sewer and storm drains, electric power, and natural gas, installed on trust lands covered by the certificate have the capacity and capability to service the whole of the parcel;

(c) whether the value of the remaining portion of the parcel is less than the remaining principal balance of the certificate; and

(d) any other factor the director deems reasonable to preserve the value of the remainder of the parcel.

**KEY: administrative procedures, sales**

**Date of Enactment or Last Substantive Amendment: October 9, 2007**

**Notice of Continuation: June 27, 2017**

**Authorizing, and Implemented or Interpreted Law: 53C-1-302(1)(a)(ii); 53C-2-201(1)(a); 53C-4-101(1); 53C-4-102; 53C-4-202(6); 63G-2-305; 72-5-203(1)(a)(i); 72-5-203(2)(a)**

(Current Sale of Trust Lands Rules)

**R850. School and Institutional Trust Lands, Administration.**

**R850-80. Sale of Trust Lands.**

**R850-80-100. Authorities.**

This rule implements Sections 6, 8, 10, and 12 of the Utah Enabling Act, Articles X and XX of the Utah Constitution, and Subsections 53C-1-302(1)(a)(ii) and 53C-4-101(1) which authorize the director to prescribe the terms and conditions for the sale of trust land.

**R850-80-150. Planning.**

In addition to those other planning responsibilities described herein, the agency shall:

1. Submit proposals for the sale of trust lands to the Resource Development Coordinating Committee (RDCC) unless the proposal is exempt from such review;

2. Evaluate and respond to comments received through the RDCC process; and

3. Evaluate any comments received through the notice and advertising processes conducted pursuant to R850-80-600 and R850-80-615.

**R850-80-200. Sale of Trust Lands.**

The agency may sell trust land if the agency determines that the sale of the land would be in the best interest of the trust beneficiaries and provided that the land is sold for no less than fair market value.

**R850-80-250. Evaluation of Temporary Easements, Rights-of-Entry and Existing Rights of Record.**

Prior to the sale of any trust land, the agency shall undertake the notification process set forth in R850-40-250(2) to evaluate whether any temporary easement or right-of-entry exists on the subject property. The agency shall also evaluate the presence and impact of other valid existing rights of record on the subject property prior to sale, and take any appropriate steps to mitigate adverse impacts resulting from such rights.

**R850-80-300. Sales Initiation Process.**

The sales process shall be initiated by an agency determination to evaluate the appropriateness of the sale of a particular parcel of trust land. The evaluation shall be undertaken in accordance with R850-80-500. In determining the appropriateness of a parcel of trust land for sale, the agency may consider nominations by interested parties.

**R850-80-400. Sales Deposits.**

If the agency evaluates a parcel of trust land for sale due to a nomination by an interested party, the person making such nomination may be required to deposit funds in an amount determined by the agency to be used to offset costs incurred in preparing the parcel for sale. In the event the person making the deposit is the successful purchaser of such

land, the deposit shall be a credit against any fees charged by the agency to the purchaser for preparing the land for sale. In the event the person making the deposit is not the successful purchaser of such land or the land is not offered for sale, the deposit shall be refunded.

**R850-80-500. Sale Determination Procedures.**

1. Preliminary Analysis

- (a) The director shall not offer trust land for sale when:
  - i) the subject property is appreciating in value at a rate in excess of the anticipated return from the investment of the principle;
  - ii) there is no evidence of competitive market interest, unless the purpose of the sale is to test the market in a particular area;
  - iii) the sale would create obstacles to future mineral development on trust lands; or
  - iv) in the sole discretion of the director, it has been determined that the sale would foreclose future development or management options which would likely result in greater long term economic benefit.

2. Market Analysis

- (a) The agency shall conduct a market analysis of a proposed sale of trust land which shall include an estimate of value. If the estimate of value is determined by an appraisal, the cost of the appraisal shall be borne by the successful purchaser.
- (b) The market analysis may also include the evaluation of:
  - i) real estate trends;
  - ii) market demand;
  - iii) opportunity costs including potential for appreciation; and
  - iv) associated management costs of retention.

3. Sale Determination

- (a) The director may take into account any factor and circumstances deemed relevant, as well as any applicable policy adopted by the board, when making a determination as to whether to sell trust land. Prior to the sale of trust land, the agency shall take prudent and cost-effective actions to increase the value of the land.

- (b) If a sale is determined to be appropriate, the agency shall determine the minimum acceptable selling price of the subject property, which minimum acceptable selling price shall not be less than fair market value. This determination may include information from any of the following:

- i) the appraisal;
  - ii) the data gathered pursuant to R850-80-500(2); and
  - iii) any other information which the agency considers relevant.

- (c) The minimum acceptable selling price shall be provided protected records status until the sale is consummated, unless otherwise ordered by the director.

**R850-80-550. Methods of Sale.**

The agency may sell land or assets using one of the methods described below:

- 1. A public sale pursuant to R850-80-610, or
- 2. A negotiated sale pursuant to R850-80-620.

**R850-80-600. Public Sale Notice and Advertising.**

1. At least 30 days prior to a public sale, notice shall be sent by certified mail to:

(a) the appropriate county authority in which the subject property is located with a request to have the notice posted in the governmental administrative building or courthouse and other appropriate locations;

(b) lessees/permittees of record on the subject property; and

(c) adjoining landowners as shown on county records.

2. The notice of sale shall include:

(a) the date, time, and location where the sale will be held;

(b) a general description of the subject property including township, range, and section and a brief description of the location of the subject property; and

(c) contact information of the agency office where interested parties can obtain more information.

3. The agency may advertise public sales using any other methods the director has determined may increase the potential for additional competition at the sale.

**R850-80-610. Public Sale Auctions.**

Public sale auctions shall be conducted as follows:

1. Sealed bids shall be accepted until the day prior to the auction by the agency, or on the day of the auction by the officer conducting the auction.

2. A sealed bid shall contain funds in an amount equal to at least 10% of the total bid amount offered to purchase the subject property and may be required to consist of certified funds. Bids and bid deposits shall be a specified dollar amount. The agency reserves the right to reject any bid however submitted.

3. Purchasers who have defaulted on certificates of sale may be required to make larger down-payments or submit sealed bids in the form of certified funds even if such a requirement is not contained in the notice of sale.

4. The persons submitting the three highest bids shall be allowed to enter into oral bidding, which shall begin at the amount of the highest sealed bid, subject to those terms and conditions of R850-80-610(5). Those persons who submit a sealed bid that is within 20% of the third highest sealed bid shall also be allowed to participate in oral bidding, subject to those terms and conditions of R850-80-610(5).

5. In the event the minimum selling price of a property is disclosed prior to the auction, persons who bid less than the disclosed minimum selling price shall be disqualified and shall not be eligible for oral bidding, even if such bids would otherwise meet those requirements in R850-80-610(4) or (6).

6. Only current grazing permittees, materials permittees and special use lessees on the subject property who submit sealed bids shall automatically qualify to enter into oral bidding, subject to those terms and conditions of R850-80-610(5).

7. All bids, whether sealed or oral, constitute a valid offer to purchase. An attempt to withdraw a sealed bid after the first sealed bid has been read, or an attempt to withdraw or amend an oral bid may

result in the forfeiture of the bid deposit and any other remedy afforded the agency at law or equity.

8. If, after the first round of oral bidding, no bid is submitted which equals or exceeds the agency's minimum selling price, then the sale shall not be made except as provided below.

(a) At the discretion of the officer conducting the sale, qualified bidders may enter into additional rounds of oral bidding, starting at the high bid reached in the previous round.

(b) To facilitate the sale of the parcel, the officer conducting the sale may divulge the minimum selling price.

9. At the conclusion of the auction, the agency shall collect from the successful bidder:

(a) a down payment in the amount required by the sale notice;

(b) interest on the unpaid balance from the date of sale to the first day of the following month; and

(c) reimbursement of costs incurred in preparing the parcel for sale, which may include costs incurred for advertising, appraisal, cultural resource investigations, environmental assessments, and a sale processing charge.

10. The first payment shall be due one year from the first day of the month following the sale; subsequent payments shall be due on the first day of the same month each year thereafter until the balance is paid in full.

11. Amounts paid in excess of the current obligations shall be applied to principal. The unpaid balance, plus interest to date, may be paid in full at any time without penalty.

12. If the successful bidder defaults on the down payment or otherwise fails to meet the requirements of R850-80-610(9), the property may, upon approval by the director, be offered for sale to the person whose bid was second highest at the auction provided that the terms of the sale shall meet or exceed the minimum acceptable selling price established for the subject property. The second highest bidder shall have 30 days from the date of the agency's offer to submit the amounts required under R850-80-610(9).

13. The interest rate which shall be charged against any unpaid balance at the conclusion of the auction shall be the prime rate, as determined by the agency on the date the public sale is approved by the director, plus 2 1/2% (Prime Rate + 2 1/2%). Interest shall be calculated on a 365-day basis. Every year thereafter, the interest rate which shall be charged against the unpaid balance shall be the prime rate, as determined by the agency on the date of billing, plus 2 1/2% (Prime Rate + 2 1/2%).

14. Third parties owning authorized improvements on the parcel at the time of the sale shall be allowed 90 days from the date of the sale to remove the improvements. This provision is not applicable when such improvements are permitted under a valid existing right of record when such right survives the sale of the parcel.

#### **R850-80-615. Negotiated Sale Notice and Advertising.**

1. Prior to an agency decision to initiate a negotiated sale, notice of such shall be sent by certified mail to:



(a) the appropriate county authority in which the subject property is located with a request to have the notice posted in the governmental administrative building or courthouse and other appropriate locations;

(b) lessees/permittees of record on the subject property; and

(c) adjoining landowners as shown on county records.

2. The notice of sale shall include:

(a) a general description of the subject property including township, range, and section and a brief description of the location of the subject property; and

(b) contact information of the agency office where interested parties can obtain more information.

3. The agency may advertise negotiated sales using any other methods the director has determined may increase the potential for additional interest in the subject property.

#### **R850-80-620. Negotiated Sale Procedures.**

1. Negotiated sales shall be advertised in the manner set forth in R850-80-615. In the event a competing offer(s) is received, the agency shall evaluate the offers and determine what action is in the best interest of the beneficiaries.

2. The board and affected beneficiary institution(s) shall be provided notice 30 days prior to the sale describing the terms, reasons, and other pertinent facts of the proposed negotiated sale.

3. Board approval of a negotiated sale is required if:

(a) the value of the subject property exceeds \$250,000.00;

(b) the subject property exceeds 320 acres in size; or

(c) additional interested person(s) indicate to the agency an interest in purchasing the subject property.

4. A purchaser of trust land sold at a negotiated sale may be required to reimburse the agency for costs incurred in preparing the parcel for sale, which may include costs for advertising, appraisal, cultural resource investigations, environmental assessments, and a sale processing charge.

#### **R850-80-700. Certificates of Sale.**

1. Following a public sale or upon concurrence of the parties in a negotiated sale, the agency shall prepare and deliver a certificate of sale to the purchaser. This certificate shall contain a legal description of the subject property, and shall include:

(a) information regarding the amount paid;

(b) the amount due;

(c) the time when the principal and interest shall become due;

(d) the beneficiary of the land;

(e) provisions for remedies the agency may elect in the event of a default, as such remedies are set forth in R850-80-700(8); and

(f) any other terms, covenants, deed restrictions, or conditions which the agency considers appropriate.

2. Certificates of sale must be executed by the purchaser and returned to the agency within 30 days from the date of the purchaser's receipt of the certificate. If the certificate is not received by the agency within the 30 day period, certified notice shall be sent to the

purchaser giving notice that after 30 days the sale may be canceled with all monies received, including the down-payment, forfeited to the agency. Notification by certified mail, return receipt requested, of this forfeiture provision shall accompany the transmittal of the certificate to the purchaser.

3. A certificate of sale shall be signed by the director after it has been signed by the purchaser and returned to the agency. The certificate shall not be final and no rights shall vest in the purchaser until the certificate is executed by the director. The agency reserves the right to cancel a sale of trust land for any reason prior to execution of the certificate by the director.

4. A certificate of sale may be assigned to any person qualified to purchase trust lands, provided that the assignment is approved by the director, and that no assignment is effective until approval is given by the director in writing.

5. An assignment of a certificate of sale shall be consistent with these rules, executed by the assignee and assignor and acknowledged, and shall clearly set forth the certificate of sale number, the land involved, and the name and address of the assignee.

6. Assignment of a certificate of sale does not relieve the assignor from any obligations under the original certificate of sale.

7. Upon payment in full and surrender of the original certificate of sale for any tract of land sold, or payment in full of any amounts required under R850-80-750(3) for the partial release of property, the agency shall issue a patent to the appropriate person.

8. In the event of a purchaser's default under the certificate of sale, the agency's remedies shall include, without limitation, acceleration of the debt, forfeiture, any remedy which the agency may pursue under the certificate of sale, suit for judgment, foreclosure as provided for under Section 57-1-19 et seq. for trust deeds, and any other remedies afforded at law or equity.

#### **R850-80-750. Partial Releases.**

Partial release of property sold under a certificate of sale may be allowed at the discretion of the director. The following conditions shall be met:

1. Access to the remainder of the land must be preserved without restriction;

2. All utilities and infrastructure, including water, sewer and storm drains, electric power, and natural gas, installed on land covered by the certificate shall have the capacity and capability to service all trust land originally included in the certificate;

3. Unless the director makes a written finding that waiver of this condition would be in the best interests of the trust beneficiaries, payment shall be made to the agency in an amount equal to 125% of the original price per acre, multiplied by the number of acres to be released, plus interest on that amount to the date payment is received. The payment shall be in the form of certified funds, and shall be applied to principal. This payment shall not affect the amount or due dates of annual payments;

4. Unless the director makes a written finding that waiver of this condition would be in the best interests of the beneficiaries, the

125% payment required by paragraph 3 above shall not include the 10% down payment or any annual installment paid under the certificate of sale;

5. The buyer shall provide a survey and legal description prepared and sealed by a Utah Registered Land Surveyor of the parcel to be released and the remaining land under the certificate; and

6. The value of the remaining land shall not be reduced to an amount less than the remaining principal balance of the certificate.

**KEY: administrative procedures, sales**

**Date of Enactment or Last Substantive Amendment: October 9, 2007**

**Notice of Continuation: June 27, 2012**

**Authorizing, and Implemented or Interpreted Law: 53C-1-302(1)(a)(ii); 53C-2-201(1)(a); 53C-4-101(1); 53C-4-102; 53C-4-202(6); 63G-2-305; 72-5-203(1)(a)(i); 72-5-203(2)(a)**

8/12

Sale of 23.2 Acres +/-  
for Health and Wellness  
Center, Washington  
County

## Memorandum

**TO:** Board of Trustees, School and Institutional Trust Lands Administration  
**FROM:** Kyle Pasley, Assistant Director, Planning and Development  
**DATE:** January 19, 2021  
**RE:** *Sale of 23.2 acres +/- for Health and Wellness Center*  
**BENEFICIARY:** Schools

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### History

As part of the strategic planning process for Trust development assets in Washington County, staff underwent a thorough vetting of planned commercial/retail property holdings starting in 2010. Over time and after several studies it was determined that the Trust had an excess of planned commercial/retail property within its portfolio. Much of the property delineated as retail/commercial has since been re purposed or looked at for alternate uses. On the north side of MP 13 (Exhibit A) it was determined that the best use for this property would be for a future, regional, mixed use, health care campus. Activity was undertaken starting in 2015 to study and open discussions with possible users in this arena. Due to the time intensive nature of soliciting this use and also owing to its complexity, the Trust visited with several local brokers and developers to ascertain if assistance could be given to make this happen. After several fits and starts an option and marketing agreement was entered into with Rise Health Partners (Originally Kirch and Todd) in early 2016 to help facilitate meetings and planning on the 80 + acre area. In the intervening years, Rise has helped facilitate meetings with several different major regional and national health care developers and has helped the Trust facilitate feasibility studies and research on the area. As a large health care campus was contemplated it became clear that the area would need to have the presence of a large, health care specific developer and investor.

By the end of 2019 several health and wellness developers and investors had expressed their desire to locate on this parcel. The subsequent year and the COVID pandemic that ensued, trimmed interested parties but left several. One entity has put forward a letter of interest to close and develop pursuant to a health and wellness concept.

### Offer

CREF LLC, a large, private health care specific REIT, with a national presence has submitted an offer to purchase 23.2 acres for development of a health and wellness center.

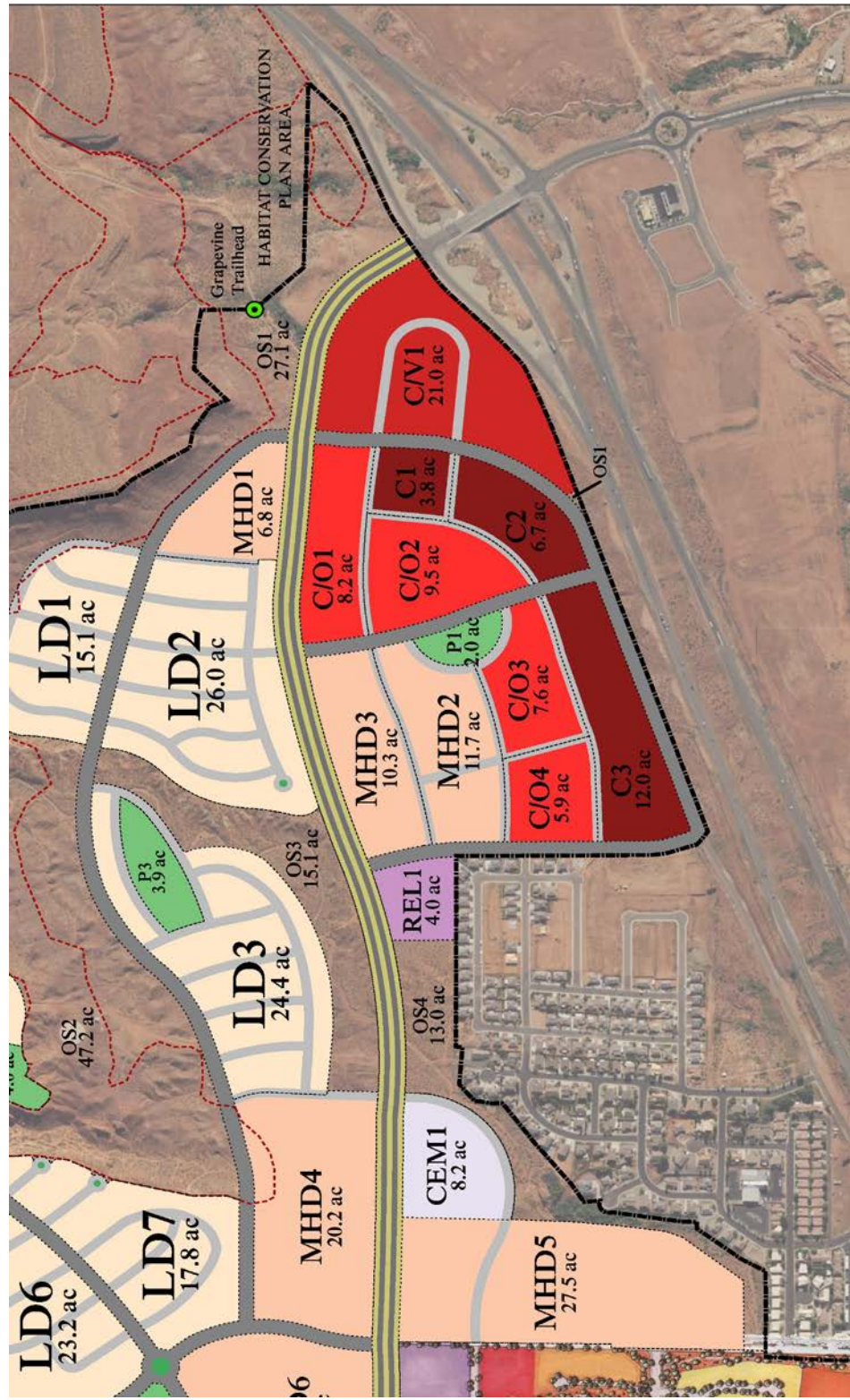
CREF LLC has offered to purchase the property at \$5,558,256 or approximately \$5.50 per square foot and pursue development of a mixed use, health and wellness center.

### Intended Action

Staff proposes moving forward with the transaction with the selling price of \$5.50 per square foot.

This transaction will be a very desirable use that will drive value in the area. The commercial side of north mile post 13 could sit for years and compete with the south side of the interchange for attention and revenue from commercial / retail position. CREF LLC, is willing to pioneer the north side commercial and in turn drive demand for SITLA retail in the area.

## Exhibit A



9/13

# Segregation and Amendment of 51573-OBA



## BOARD MEMORANDUM

**DATE:** February 8, 2021

**TO:** Board of Trustees, Utah School & Institutional Trust Lands Administration

**FROM:** Michael Johnson, Assistant Director and Chief Legal Counsel

**RE:** *Segregation and Amendment of 51573-OBA*

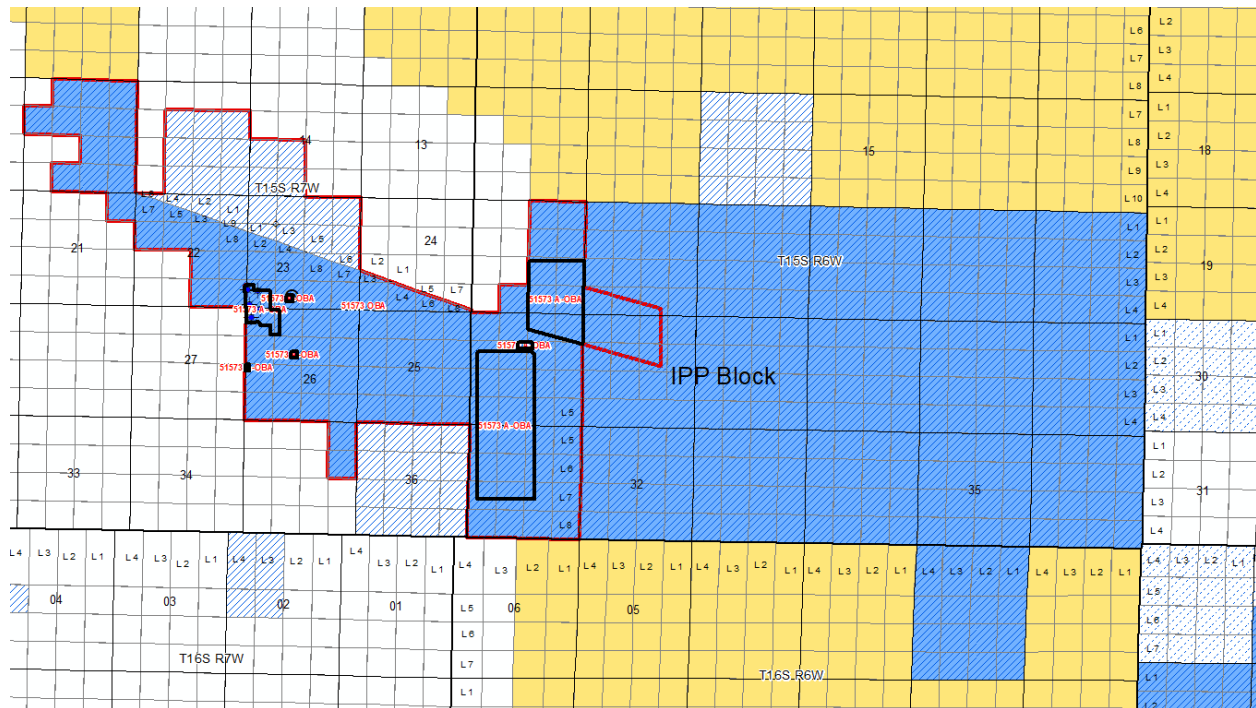
**FUND:** Schools

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This request involves geographically segregating existing Lease 51573-OBA (the “Existing Lease”) into two separate parts, as well as amending and restating the existing lease terms, primarily to establish authority and rent/royalty pricing for a large-scale energy storage project utilizing green hydrogen. The details are more fully discussed below.

### SITE HISTORY

The Existing Lease is situated on the western side of the IPP Block. The IPP Block is located in northern Millard County, just north of Delta, Utah. It is comprised of approximately 15,000 acres of surface estate and 21,000 acres of mineral estate (see the inset map, below). SITLA is also slated to receive additional neighboring surface and mineral estate lands in the UTTR and Emery County (Dingell Act) exchanges. The western portion of the block is located above an



underground salt dome structure, unique in the western United States, in which caverns can be created for the storage of gases and liquids. The utility and value of the entire block, and the salt dome beneath it, is enhanced by existing roads, rail lines, high-capacity interstate power transmission lines and related infrastructure.

## **LEASE HISTORY**

SITLA initially entered into the Existing Lease with Magnum Holdings, LLC on January 22, 2009. The lease was subsequently amended a number of times, including the carving out of a portion of the original lease in 2013 for a natural gas liquids (NGLs) storage project. The segregated natural gas storage lease (the several parcels of which are outlined on the inset map in a black border) is now held by Sawtooth Caverns, LLC and will not be affected by the current proposal. The present matter concerns the remaining acreage under the original lease held by Magnum Holdings, LLC (outlined in red on the map).

## **PROPOSAL**

SITLA and Magnum would like to modify the Existing Lease to achieve several things:

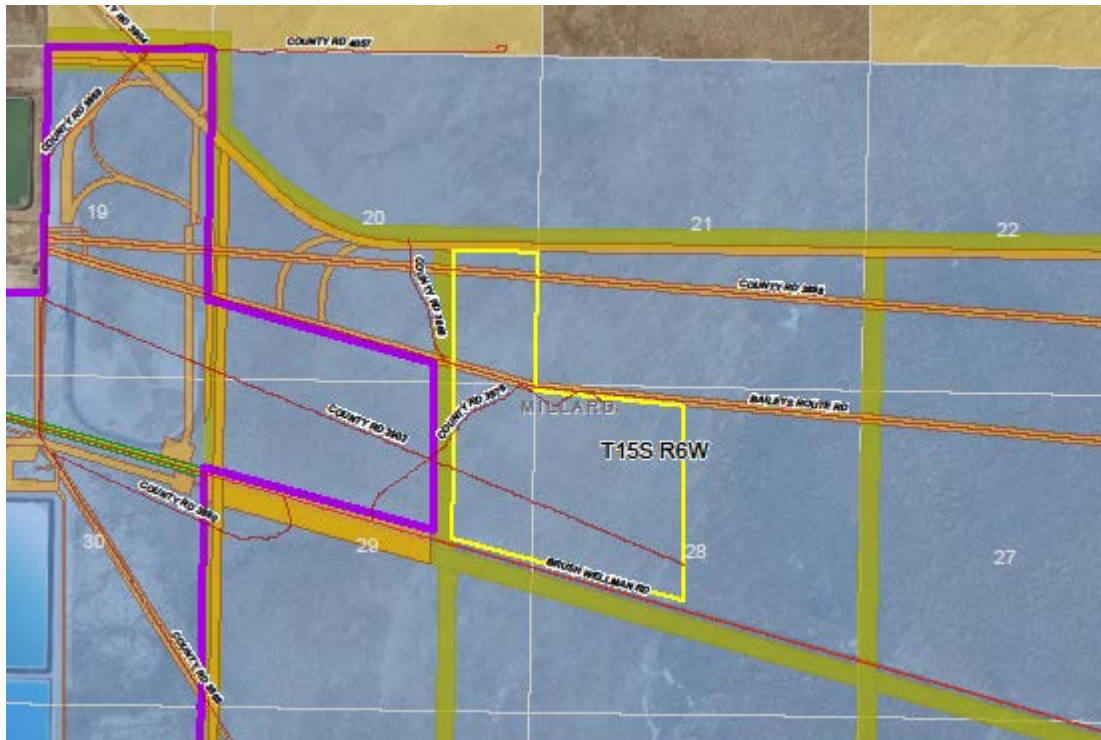
- Segregate the acreage into two separate leases, a smaller “traditional” lease for the storage of hydrocarbons, and a larger “renewables” lease for energy storage in the form of green hydrogen. The renewables lease may also involve hydrogen-generation facilities (electrolyzers) which will utilize renewable energy to create hydrogen for storage in the caverns before it is burned in turbines in the IPP power plant.
- Establish rent and royalty pricing schemes for these uses.
- Combine the original lease terms, together with the terms of the various later amendments, into restated replacement leases for the “traditional” and “renewables” operations.
- Clarify the nature of Magnum’s preemptive rights to certain acreage that SITLA may acquire via land exchanges.

Establishing appropriate market-based pricing for rent, royalties and other fees associated with the project involved significant research and analysis, particularly with respect to the unique hydrogen creation and storage activities proposed for the “renewables” lease. SITLA utilized outside expert consultants to assist in establishing pricing for all contemplated activities on terms advantageous to the Trust. The basic pricing elements applicable to each lease are as follows:

- Renewables Lease.
  - Preliminary phase rent: Magnum shall pay an initial preliminary phase rent of \$100,000 per year. Commencing on January 1, 2025, Magnum shall pay an enhanced preliminary phase rent of \$150,000 per year, which shall increase by \$50,000 per year each year thereafter until commencement of operations.

- Operating minimum rent: Upon commencement of operations, Magnum shall pay an operating minimum rent of \$1,200,000 per year. This amount assumes that Intermountain Power Authority awards Magnum a contract to provide no less than a specified amount of hydrogen annually. In the event that a smaller contract is awarded, the \$1,200,000 per year minimum rent will be proportionately reduced.
- Percentage rent for ACES Hydrogen project:
  - Upon commencement of operations Magnum will pay a royalty (“percentage rent”) on all project revenues received by Magnum or its affiliates of 2% in the years 2020 and 2029, 3% between 2030 and 2039, and 4% beginning in 2040. Magnum will pay this percentage rent on all revenue from the project area, regardless of whether the subject operations occurred on the leased Trust lands or on adjacent lands owned by Magnum.
  - For transactions involving the direct sales of hydrogen, both the percentage rent referenced above, as well as a per-kilogram fee of \$.05 per kilogram from 2020 through 2044, or \$.04 per kilogram after 2044, shall be calculated when the revenue is received, and Magnum shall pay the greater of the two in connection with its monthly percentage rent payments.
  - For fee-based contracts, Magnum shall pay the percentage rent (2%, 3% or 4%) referenced above at the time revenues are received under those contracts. As part of an annual reconciliation, if physical deliveries of hydrogen have been made under fee-based contracts, the quantity in kilograms delivered will be multiplied by the per-kilogram fees referenced above. Percentage rent will be paid on the greater of the revenues actually received or the total calculated per-kilogram dollar amounts for the year.
  - Amounts paid as operating minimum rent will constitute a credit against the percentage rent accruing for that lease year.
- A 2% royalty on any salt extracted and sold remains unchanged from the prior lease.
- Traditional Lease.
  - Rent prior to commencement of operations: Initial annual rent for the first five years is \$15,000 per year with a CPI Index-based escalation. Annual rent beginning in year six is \$50,000 per year with the same escalation.
  - Rent after the commencement of operations: \$25,000 per year subject to escalation.
  - Minimum annual fee after commencement of operations: Magnum shall pay a minimum annual fee of \$125,000, subject to escalation. Magnum may offset against the minimum fee any amounts paid for the salt royalties or the percentage rent discussed below.

- Storage fees/royalty on all storage operations: The royalty applicable to any revenue associated with oil or natural gas storage (whether in the form of injection and withdrawal fees, storage fees, or other revenue) shall be 2% of all revenue for the first 10 years, 3% for the following 10 years, then 4% thereafter.
- A 2% royalty on any salt extracted and sold remains unchanged from the prior lease.
- An approximately 300-acre parcel will be added to the lease for purposes of a rail loop to serve the project. This parcel will be subject to a \$25,000 per year rent payment until the commencement of operations. The rail loop parcel is outlined in a yellow border on the inset map below.



The renewables portion of the proposed OBA (which contains the majority of the amended terms and new pricing) was reviewed and vetted by the Board’s Minerals Committee. The committee members were supportive of the proposal and recommended it be presented to the full Board of Trustees for discussion and action.

## RECOMMENDATION

SITLA requests that the Board of Trustees, under the authority provided in Utah Code Ann. § 53C-1-303(3)(e), grant the Director the authority to enter into these amended and restated lease terms as an “Other Business Arrangement” subject to finalization of the lease language and exhibits.