CITY COUNCIL AGENDA
Wednesday, January 10, 2018

NOTICE IS HEREBY GIVEN that the Herriman City Council shall assemble for a meeting in the Herriman City Council Chambers, located at 5355 West Herriman Main Street, Herriman, Utah.

5:00 PM - WORK MEETING: (Fort Herriman Conference Room)

1. Mayor and Council Social
   1.1. The Mayor and Council will meet for informal discussion and dinner. No action will be taken on any items.

2. Council Business – 5:15 PM
   2.1. Review of this Evening’s Agenda
   2.2. Future Agenda Items

3. Administrative Reports
   3.1. City Manager Updates – Brett Wood, City Manager
   3.2. Discussion of the Legislative Objectives – Tami Moody, Director of Administration and Communications
   3.3. Rose Canyon Road Property Exchange Discussion – Blake Thomas, City Engineer
   3.4. The Ice Ribbon Briefing – Wendy Thomas, Director of Parks, Recreation and Events
   3.5. Discussion relating to the cost of Field Rentals for Sports Organizations – Wendy Thomas, Director of Parks, Recreation and Events
   3.6. Review of the Mayor and Council benefits and compensation – Brett Wood, City Manager
   3.7. City Council Boards and Committee Assignments and Mayor Pro Tempore – Brett Wood, City Manager
   3.8. Discussion of the General Plan Vision for Herriman City – Michael Maloy, City Planner

4. Adjournment

7:00 PM - GENERAL MEETING:

1. Call to Order
   1.1. Invocation/Thought/Reading and Pledge of Allegiance
   1.2. Council Disclosure for Conflict of Interest
   1.3. Mayor/Council Comments and Recognitions

2. Public Comment
   Audience members may bring any item to the Mayor and Council’s attention. Comments will be limited to two minutes. State Law prohibits the Council from acting on items that do not appear on the agenda.

3. Mayor and Council Board and Committee Reports

4. Reports, Presentations and Appointments
   4.1. Introduction of the Herriman Hills Trails Alliance Chair – Wendy Thomas, Director of Parks, Recreation and Events
   4.2. Appointment of the 2018 Mayor Pro Tempore – Brett Wood, City Manager
4.3. Appointment of a Representative to the Unified Fire Authority/Unified Fire Service Area Board of Trustees – Brett Wood, City Manager
4.4. Appointment of a Representative to the Unified Police Department Board – Brett Wood, City Manager
4.5. Appointment of a Representative to the South Valley Sewer Board – Brett Wood, City Manager
4.6. Appointment of a Representative to the South Salt Lake Valley Mosquito Abatement District – Brett Wood, City Manager
4.7. Appointment of a Representative to the Council of Government – Brett Wood, City Manager
4.8. Appointment of a Representative to the Wasatch Front Waste and Recycling District – Brett Wood, City Manager

5. Consent Agenda
5.1. Ratification of a Resolution approving the Execution of an Interlocal Cooperative Agreement with Salt Lake County for the transfer of County Transportation Funds for certain Transportation Project Fund – Blake Thomas, City Engineer
5.2. Approval of a resolution approving an Interlocal Cooperative Agreement with the Utah Department of Transportation – Blake Thomas, City Engineer
5.3. Approval of an Ordinance amending the Master Fee Schedule – Monte Johnson, Operations Director

6. Discussion and Action Items
6.1. Discussion and consideration of a Resolution declaring property located at 13011 South Pioneer Street, as surplus, and establishing a minimum bid – Monte Johnson, Operations Director
6.2. Discussion and consideration of a text change to the Land Use Ordinance regarding Mobile Food Trucks (File No. 13z17) – Michael Maloy, City Planner
6.3. Discussion and consideration of a resolution appointing Trustees to the Herriman City Safety Enforcement Area – John Brems, City Attorney
6.4. Discussion and Consideration of a Resolution approving an Interlocal Agreement with the Unified Police Department regarding cell phones – Brett Wood, City Manager

7. Calendar
7.1. Meetings
7.1.1. January 18 – Planning Commission Meeting 6:00 p.m.
7.1.2. January 24 – City Council Work Meeting 5:00 p.m.; City Council Meeting 7:00 p.m.

8. Closed Session (If Needed)
8.1. The Herriman City Council may temporarily recess the City Council meeting to convene in a closed session to discuss pending or reasonable imminent litigation, and the purchase, exchange, or lease of real property, as provided by Utah Code Annotated §52-4-205

9. Recommence to Work Meeting (If Needed)

10. Adjournment

In accordance with the Americans with Disabilities Act, Herriman City will make reasonable accommodation for participation in the meeting. Request assistance by contacting Herriman City at (801) 446-5323 and provide at least 48 hours advance notice of the meeting.

Electronic Participation: Members of the City Council may participate electronically via telephone, Skype, or other electronic means during this meeting.

Public Comment Policy and Procedure: The purpose of public comment is to allow citizens to address items on the agenda. Citizens requesting to address the Council will be asked to complete a written comment form and present it to Jackie Nostrom, City Recorder. In general, the chair will allow an individual two minutes to address the Council. A spokesperson, recognized as representing a group in attendance, may be allowed up to five minutes. At the conclusion of the citizen comment time, the chair may direct staff to assist the citizen on the issue presented; direct the citizen to the proper administrative department(s); or take no action. This policy also applies to all public hearings. Citizens may also submit written requests (outlining their issue) for an item to be considered at a future council meeting. The chair may place the item on the agenda under citizen comments; direct staff to assist the citizen; direct the citizen to the proper administrative departments; or take no action.

1. Jackie Nostrom, certify the foregoing agenda was emailed to at least one newspaper of general circulation within the geographic jurisdiction of the public body, at the principal office of the public body, on the Utah State Public Notice website www.utah.gov/pmn/index.html and on Herriman City’s website at www.herriman.org

Posted and Dated this 4th day of January, 2018

Jackie Nostrom, MMC
City Recorder
DATE: January 3, 2018

TO: The Honorable Mayor and City Council

FROM: Tami Moody, Director of Administration and Communications

SUBJECT: Legislative Objectives

BACKGROUND:
Every January we meet with our legislators to discuss various items of business as we prepare for the Legislative Session.

DISCUSSION:
Staff have scheduled meetings with our local legislators and local lobbyists to discuss several topics of importance to Herriman City. The goal of these meetings is to inform our legislators of Herriman City’s focus as we conduct business and plan for our future. Once the legislators have an understanding of the needs and position of Herriman City, it will assist them in providing us with better representation during the legislative session.

This year’s discussion items include:
- UDOT Properties
  - Coordination between agencies
  - Dog Park
  - Commercial
  - Trail Extension
  - Park N Ride
  - 15 acre and 8 acre parcels
  - 6 acre parcel for Auto Mall
- Camp Williams Sentinel Landscape Bill
  - 60 acres purchased with ACUB
  - DDC Project
  - Emergency Training facility (FEMA)
  - Bonneville Shore Line Trail Funds
  - West Side Recreation
- UTA
  - Transportation Governance
  - Proper planning
  - Right use along corridor
  - Line out of Daybreak
REQUEST:
If members of council wish to add to these discussion topics, we can add those topics that you agree upon.

We will continue these meeting with our legislators until the end of the session. We will also have our Federal lobbyist focusing on some of the items that are impacted by the Federal level.

Thank you,

Tami Moody
Director of Administration and Communications
Government Affairs
DATE: January 3, 2018

TO: The Honorable Mayor and City Council

FROM: Blake Thomas, City Engineer

SUBJECT: UFA Rose Canyon Road Property Exchange

RECOMMENDATION:
Provide guidance to move forward with exchange

BACKGROUND:
Unified Fire Authority (UFA) currently owns a 4 acre parcel located at 7124 West Rose Canyon Road. The alignment of the future 7300 West roadway bisects the UFA parcel leaving a 0.82 acre parcel on the west and a 2.65 acre parcel on the east side of 7300 West. The city will use the 0.82 acre parcel as a storm water detention basin for runoff from 7300 West, Rose Canyon Road, and portions of several adjacent developments. Herriman City owns approximately 2 acres immediately east of the UFA parcel where there is an existing well and pump station.

Herriman City engineering staff has had several discussions with a representative from UFA about the possibility of doing a property swap for the 0.82 acre portion and the future 7300 West road right-of-way. UFA is interested in swapping property so that it could be combined with the remaining 2.65 acre parcel to construct a new fire station at some time in the future.

DISCUSSION:
It appears that the city would not be able to provide enough property in the swap to match the acreage being obtained from UFA. Instead of a paying for the additional property, UFA is requesting that Herriman enter into an agreement with the following conditions:

- Provide a wide access onto 7300 West
- Herriman to work with UFA for stormwater detention/retention for the future fire station (could be located on Herriman property east of the project site).
- Herriman to not require funds from UFSA for construction of road, park strip, curb, and gutter along Rose Canyon Road or 7300 West
- Herriman to prepare surveys, descriptions, and deeds for new parcels.

ALTERNATIVES:
Not approve staff to move forward with the property swap.
FISCAL IMPACT:
$5000 to prepare legal documents
The Ice Ribbon at J. Lynn Crane Park opened on Thursday, December 21. To date, the ribbon has received 3,234 visits (this number and financial details will be updated at the meeting on January 10, 2018).

A significant amount of overtime has been used to build and maintain the ice. Abnormal daytime temperatures have required much of the maintenance to occur in the early morning hours, especially over the New Year’s Holiday.
BACKGROUND:
Previous City Council expressed some interest in charging user groups for field use and reservations for use of City owned parks and facilities for meetings, trainings, practice, leagues and tournaments. User groups include Herriman Youth Football, Copper Mountain Soccer, Herriman Rugby, Oquirrh Mountain Girls Softball, Herriman Lacrosse and Herriman Youth Baseball. Facilities and field space that is generally rented for user groups are located at W & M Butterfield Park, Tuscany Park, Main Street Park, Copper Creek, Rosecrest Park, Umbria Park, and Ranches Park. Rental fees have not been charged to user groups in previous years. User groups provide a critical role in youth recreation and leisure in Herriman City through access to organized play.

DISCUSSION:
Staff would like direction as to whether to charge the published fee schedule rate to organizations, negotiate user agreements with individual organizations, or continue to waive fees as has been done in the past for the 2018 calendar year.

FISCAL IMPACT:
Charging rates for these organizations according to the City’s Fee Schedule would be financially detrimental to user group organizations, however, the City also incurs costs for managing the reservation process, maintenance, supplies, utilities etc.

RECOMMENDATION:
Staff recommend the use of an annual user agreement to be negotiated between the City and user groups that will cover supplies, general maintenance and upkeep. As has become general practice in many municipalities, a tiered system of user groups is recommended, which could take any of the following factors into consideration: organization location, percentage of Herriman residents served, recreation leagues vs. competitive leagues, financial status, history with the City, and cost to participate. Any revenue generated from this practice would generally cover supplies provided by the City, general maintenance and upkeep and would not be intended for new capital projects, capital improvement projects or staff time.
STAFF REPORT

DATE: 01/03/2018

TO: The Honorable Mayor and City Council

FROM: Travis Dunn- HR Manager

SUBJECT: Herriman Review of Benefits and Compensation for the Mayor and Council

RECOMMENDATION:
No proposed recommendation at this meeting. We will review benefits and compensation with the Council and receive any additional feedback and provide any clarification.

BACKGROUND:
With a new Mayor and two new Council members, it is always beneficial to provide an opportunity for feedback and direction on elected official benefits and compensation.

DISCUSSION:
To receive Council direction and feedback on their benefits and compensation.

ALTERNATIVES:
No actions at this meetings.

FISCAL IMPACT:
NONE
DATE: 10/26/2016
TO: The Honorable Mayor and City Council
FROM: Brett Wood, City Manager
SUBJECT: City Council Boards & Committee Assignments and Mayor Pro Tempore

RECOMMENDATION:
Staff recommendation to assign City Council to Herriman and Salt Lake County boards and committees.

BACKGROUND:

Herriman City Boards & Committees:
Arts Council
Be Ready Herriman
Community Fisheries
Community Garden Committee
Healthy Herriman Committee
Historical Committee
Rodeo Committee
Trails Committee
Town Days Committee
Youth Council Committee

Salt Lake Valley Boards & Committees:
Conference of Mayor (COM)
Salt Lake County Council of Governments (COG)
Air Quality Committee
Association of Municipal Councils
COG Public Works Committee
Environmental Quality Advisory Commission (EQAC)
Regional Growth Committee
Salt Lake County Zoo, Arts and Parks (ZAP) Tier II Advisory Board
Transportation Coordinating Committee (Trans Com)
Wasatch Front Regional Council (WFRC)
Joint Policy Advisory Meeting (JPAC)
Jordan Valley Water Conservancy District (JVWCD)
Salt Lake Valley Emergency Communications Center (VECC)
South Salt Lake Mosquito Abatement District (MAD)
South Valley Sewer District
ULCT Legislative Policy Committee
Unified Fire Authority
Unified Police Department
Wasatch Front Waste & Recycling District
Western Growth Coalition
DATE: January 4, 2018

TO: The Honorable Mayor and City Council

FROM: Michael Maloy, City Planner

SUBJECT: Discussion of the General Plan Vision for Herriman City

RECOMMENDATION:
Establish the vision of the General Plan

DISCUSSION:
Following discussions with the City Council and Planning Commission, the Council agreed to draft and express a vision for the Herriman City General Plan. Staff recommends the Council forward the draft vision statement to the Planning Commission to guide future General Plan amendment discussions.

FISCAL IMPACT:
None.
STAFF REPORT

DATE: January 4, 2018

TO: The Honorable Mayor and City Council

FROM: Brett Wood, City Manager

SUBJECT: Resolution Electing a Mayor Pro Tempore

RECOMMENDATION:
Approval of the resolution nominating and electing a Mayor Pro Tempore

DISCUSSION:
Utah law provides for the governing body to be able to elect a member of the governing body to preside over the meeting if the Mayor is absent, unable, or refuses to act.

FISCAL IMPACT:
There is no impact to the Budget
WHEREAS, the Herriman City Council (the “Council”) met in regular meeting on January 10, 2018 to consider, among other things, the appointment of a Mayor Pro Tempore; and

WHEREAS, Utah law provides, among other things, that the governing body may elect a member of the governing body to preside over the meeting as Mayor Pro Tempore; and

WHEREAS, the Council has determined that it is in the best interests of the health, safety, and welfare of the inhabitants of Herriman to elect a Mayor Pro Tempore; and

NOW, THEREFORE, BE IT RESOLVED by the Council that ________________ be elected as mayor pro tempore for the 2018 calendar year, and that this action shall be entered in the minutes of this meeting.

This resolution, shall take effect immediately upon passage and acceptance as provided herein.

PASSED AND APPROVED by the Council of Herriman, Utah, this 10th day of January 2018.

HERRIMAN CITY COUNCIL

David Watts, Mayor

ATTEST:

Jackie Nostrom, MMC
City Recorder
DATE: 1/3/2018

TO: The Honorable Mayor and City Council

FROM: Brett Wood, City Manager

SUBJECT: Appointments to Various Boards and Commissions

RECOMMENDATION:
Staff Recommendation is for City Council to determine and assign representatives to the following boards and committees.

1.1. Appointment of a Representative to the Unified Fire Authority/Unified Fire Service Area Board of Trustees
1.2. Appointment of a Representative to the Unified Police Department Board
1.3. Appointment of a Representative to the South Valley Sewer Board
1.4. Appointment of a Representative to the South Salt Lake Valley Mosquito Abatement District
1.5. Appointment of a Representative to the Council of Government
1.6. Appointment of a Representative to the Wasatch Front Waste and Recycling District
HERRIMAN, UTAH
RESOLUTION NO. 18-

A RESOLUTION OF THE HERRIMAN CITY COUNCIL APPOINTING A REPRESENTATIVE TO THE UNIFIED FIRE AUTHORITY BOARD AND UNIFIED FIRE SERVICE AREA BOARD OF TRUSTEES

WHEREAS, the Herriman City Council ("Council") met in a regular session on January 10, 2018, to consider, among other things, appointing a representative to the Unified Fire Authority Board and Unified Fire Service Area Board of Trustees; and

WHEREAS, after careful consideration, the Council has determined that it is in the best interest of the health, safety, and welfare of the residents of Herriman to appoint a representative to the above referenced boards; and

WHEREAS, the Council has considered the appointment of ________ as Herriman’s representative on the above referenced boards.

NOW, THEREFORE, BE IT RESOLVED by the Council that ________ be appointed as Herriman’s representative to and a member of the Board/Board of Trustees of the Unified Fire Authority and Unified Fire Service Area until his/her replacement is duly appointed.

This Resolution, assigned No. 18-___, shall take effect immediately.

PASSED AND APPROVED by the Herriman City Council this 10th day of January, 2018.

HERRIMAN

____________________________________
David Watts, Mayor

ATTEST:

Jackie Nostrom, MMC
City Recorder
HERRIMAN, UTAH
RESOLUTION NO. 18-

A RESOLUTION OF THE HERRIMAN CITY COUNCIL APPOINTING A REPRESENTATIVE TO THE UNIFIED POLICE DEPARTMENT BOARD

WHEREAS, the Herriman City Council (“Council”) met in a regular session on January 10, 2018, to consider, among other things, appointing a representative to the Unified Police Department Board; and

WHEREAS, after careful consideration, the Council has determined that it is in the best interest of the health, safety, and welfare of the residents of Herriman to appoint a representative to the above referenced board; and

WHEREAS, the Council has considered the appointment of ________ as Herriman’s representative on the above referenced board.

NOW, THEREFORE, BE IT RESOLVED by the Council that ________ be appointed as Herriman’s representative to and a member of the Unified Police Department Board until his/her replacement is duly appointed.

This Resolution, assigned No. 18-___, shall take effect immediately.

PASSED AND APPROVED by the Herriman City Council this 10th day of January, 2018.

HERRIMAN

_______________________________
David Watts, Mayor

ATTEST:

_______________________________
Jackie Nostrom, MMC
City Recorder
WHEREAS, the Herriman City Council ("Council") met in a regular session on January 10, 2018, to consider, among other things, appointing a representative to the South Valley Sewer Board; and

WHEREAS, after careful consideration, the Council has determined that it is in the best interest of the health, safety, and welfare of the residents of Herriman to appoint a representative to the above referenced board; and

WHEREAS, the Council has considered the appointment of ________ as Herriman’s representative on the above referenced board.

NOW, THEREFORE, BE IT RESOLVED by the Council that ________ be appointed as Herriman’s representative to and a member of the South Valley Sewer Board until his/her replacement is duly appointed.

This Resolution, assigned No. 18-___, shall take effect immediately.

PASSED AND APPROVED by the Herriman City Council this 10th day of January, 2018.

HERRIMAN

____________________________________
David Watts, Mayor

ATTEST:

Jackie Nostrom, MMC
City Recorder
WHEREAS, the Herriman City Council (“Council”) met in a regular session on January 10, 2018, to consider, among other things, appointing a representative to the South Salt Lake Valley Mosquito Abatement District; and

WHEREAS, after careful consideration, the Council has determined that it is in the best interest of the health, safety, and welfare of the residents of Herriman to appoint a representative to the above referenced board; and

WHEREAS, the Council has considered the appointment of ________ as Herriman’s representative on the above referenced board.

NOW, THEREFORE, BE IT RESOLVED by the Council that ________ be appointed as Herriman’s representative to and a member of the South Salt Lake Valley Mosquito Abatement District until his/her replacement is duly appointed.

This Resolution, assigned No. 18-___, shall take effect immediately.

PASSED AND APPROVED by the Herriman City Council this 10th day of January, 2018.

HERRIMAN

_______________________________
David Watts, Mayor

ATTEST:

_______________________________
Jackie Nostrom, MMC
City Recorder
HERRIMAN CITY
RESOLUTION NO. 18- ______

A RESOLUTION OF THE HERRIMAN CITY COUNCIL APPOINTING A REPRESENTATIVE TO THE COUNCIL OF GOVERNMENT

WHEREAS, the Herriman City Council (“Council”) met in regular meeting on January 10, 2016, to consider, among other things, adopting a resolution appointing a representative to the Council of Government (“COG”); and

WHEREAS, after careful consideration, the Council has determined that it is in the best interest of the health, safety, and welfare of the residents of Herriman to appoint a representative to COG; and

WHEREAS, the Council has considered the appointment of ______________________ as the City’s representative on COG.

NOW, THEREFORE, BE IT RESOLVED by the Council that __________________ is appointed as the City’s representative on COG to serve until his/her replacement is duly appointed.

PASSED AND APPROVED by the Council of Herriman, Utah, this 10th day of January, 2018.

HERRIMAN CITY COUNCIL

By _______________________
David Watts, Mayor

ATTEST:

__________________________
Jackie Nostrom, MMC
City Recorder
WHEREAS, the Herriman City Council ("Council") met in regular meeting on January 10, 2016, to consider, among other things, adopting a resolution appointing a representative to the Wasatch Front and Recycling District Board ("Board"); and

WHEREAS, after careful consideration, the Council has determined that it is in the best interest of the health, safety, and welfare of the residents of Herriman to appoint a representative to the Board; and

WHEREAS, the Council has considered the appointment of ______________________ as the City’s representative on the Board.

NOW, THEREFORE, BE IT RESOLVED by the Council that ______________________ is appointed as the City’s representative on the Board to serve until his/her replacement is duly appointed.

PASSED AND APPROVED by the Council of Herriman, Utah, this 10th day of January, 2018.

HERRIMAN CITY COUNCIL

By _________________________
David Watts, Mayor

ATTEST:

Jackie Nostrom, MMC
City Recorder
DATE: January 3, 2018

TO: The Honorable Mayor and City Council

FROM: Blake Thomas, City Engineer

SUBJECT: UFA Rose Canyon Road Property Exchange

RECOMMENDATION:
Provide guidance to move forward with exchange

BACKGROUND:
Unified Fire Authority (UFA) currently owns a 4 acre parcel located at 7124 West Rose Canyon Road. The alignment of the future 7300 West roadway bisects the UFA parcel leaving a 0.82 acre parcel on the west side of 7300 West and a 2.65 acre parcel on the east side. The 0.82 acre parcel could be used as a storm water detention basin for runoff from 7300 West, Rose Canyon Road, and portions of several adjacent developments. Herriman City owns approximately 2 acres immediately east of the UFA parcel and does not have plans for any infrastructure improvements on that property; however, there is an existing well and pump station located on this property.

Herriman City engineering staff has had several discussions with a representative from UFA about the possibility of doing a property swap with the portions of the Herriman property that is not being used for water infrastructure. UFA is interested in swapping property so that it could be combined with the remaining 2.65 acre parcel to construct a new fire station at some time in the future.

ALTERNATIVES:
N/A.

FISCAL IMPACT:
$2,199,895.00 available for reimbursement
HEREIN, UTAH
RESOLUTION NO. 18-____

A RESOLUTION APPROVING AN INTERLOCAL COOPERATIVE AGREEMENT BETWEEN SALT LAKE COUNTY AND HERRIMAN CITY WITH RESPECT TO TRANSFER OF UP TO $2,199,895 OF COUNTY TRANSPORTATION FUNDS TO HERRIMAN CITY FOR THE AUTUMN CREST CONSTRUCTION PROJECT

WHEREAS, the Herriman City Council ("Council") met in regular session on January 10, 2018, to consider, among other things, approving the an Interlocal Cooperative Agreement with Salt Lake County with respect to transfer of up to $2,199,895 of County transportation funds to Herriman City for the Autumn Crest Construction project; and

WHEREAS, during the 2017 General Session, the Utah State Legislature enacted Utah Code Ann. §63B-27-102 and pursuant to such code section the State of Utah issued a General Obligation Bond and provided $47,000,000 of bond proceeds to Salt Lake County (“County Transportation Funds”) for certain transportation projects within the County including the Autumn Crest Project; and

WHEREAS, Herriman City and Salt Lake County (“County”) desire to enter into an Interlocal cooperative agreement to provide for the transfer of County Transportation Funds to Herriman City; and

WHEREAS, the Utah Interlocal Cooperative Act (Utah Code Ann. § 11-13-101, et seq.) (the “Act”) provides that any two or more government entities are authorized to enter into agreements with each other to do what each agency is authorized by law to perform; and

WHEREAS, Herriman City and the County are government entities as contemplated by the Act; and

WHEREAS, Herriman City and the County are authorized to enter into agreements with each other for cooperative action; and

WHEREAS, the Council finds that it is in the best interests of the inhabitants of Herriman to enter into an Interlocal Cooperative Agreement with the County ("Agreement") a copy of which is attached hereto; and

WHEREAS, the Agreement has been prepared for approval, which sets forth the purpose thereof, the extent of participation of the parties, and the rights and duties and responsibilities of the parties.

NOW, THEREFORE, BE IT RESOLVED that the Agreement is approved, and the City Manager and Recorder are hereby authorized and directed to execute and deliver the same.

This Resolution, assigned No. 18-____, shall take effect immediately upon passage and acceptance as provided herein.

PASSED AND APPROVED by the Council this 10th day of January, 2018.
HERRIMAN CITY

David Watts, Mayor

Jackie Nostrom, MMC
City Recorder
**CONTRACT COVER PAGE**

<table>
<thead>
<tr>
<th>Contract Number: 0000001715</th>
<th>Version: 1</th>
<th>Desc: ORD Autumn Crest Road Construc</th>
</tr>
</thead>
<tbody>
<tr>
<td>Supplier Name: HERRIMAN CITY</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Comments: ORD- Interlocal - County Transportation Funds; County to transfer $2,199,895.00 from the County Transportation Funds to Herriman City to be used for its New Road Construction - Autumn Crest (4500 W) project according to Exhibit A in accordance with subsection 63B-27-102(2) of the Utah Code. Term to the earlier of (i) the date the City has been disbursed the Maximum Reimbursable Amount, (ii) the date the agreement is terminated, or (iii) June 30 2020 (date may be extended at the County's discretion by amendment).

Contract Amount: $2,199,895.00

Agency Name: Office of Regional Development

Period Performance from 11/27/2017 to 6/30/2020

Procurement Type: EXI Exempt Interlocal

Reason Code:

Buyer: RTrujillo
RESOLUTION NO. 5295  

A RESOLUTION OF THE SALT LAKE COUNTY COUNCIL APPROVING EXECUTION OF INTERLOCAL COOPERATION AGREEMENTS WITH HERRIMAN CITY, THE CITY OF HOLLADAY, MIDVALE CITY, RIVERTON CITY, AND THE CITY OF TAYLORSVILLE, EACH PROVIDING FOR THE TRANSFER OF COUNTY TRANSPORTATION FUNDS FOR CERTAIN TRANSPORTATION PROJECTS WITHIN SALT LAKE COUNTY.

WITNESSETH

WHEREAS, Salt Lake County (the “County”) and Herriman City, the City of Holladay, Midvale City, Riverton City, and the City of Taylorsville (the “Cities”) are “public agencies” as defined by the Utah Interlocal Cooperation Act, UTAH CODE ANN. §§ 11-13-101 et seq., and, as such, are authorized by the Cooperation Act to each enter into an interlocal cooperation agreement to act jointly and cooperatively on the basis of mutual advantage;

WHEREAS, during the 2017 General Session, the State Legislature enacted UTAH CODE ANN. § 63B-27-102, as part of Senate Bill 277, and pursuant to such code section the State of Utah issued General Obligation Bonds and provided $47,000,000 of bond proceeds to the County for applicable transportation projects prioritized by the County in accordance with Subsection 63B-27-102(2) (hereinafter “County Transportation Funds”); and

WHEREAS, the County desires to use the County Transportation Funds to further regional transportation by financing all or a portion of the costs of transportation projects throughout the County in accordance with UTAH CODE ANN. § 63B-27-102 and all other applicable federal, state and local laws, rules and regulations; and

WHEREAS, the County now desires to enter into an interlocal cooperation agreement with each City, which agreements are attached hereto as ATTACHMENT A (the “Interlocal Agreements”), to provide for the transfer of County Transportation Funds to each City on a reimbursement basis for certain transportation projects, as more fully described in each Interlocal Agreement;

RESOLUTION

NOW, THEREFORE, IT IS HEREBY RESOLVED, by the County Council of Salt Lake County:

1. That the Interlocal Agreements between Salt Lake County and each City is approved, in substantially the form attached hereto as ATTACHMENT A, and that the Salt Lake County Mayor is authorized to execute the same.

2. That each Interlocal Agreement will become effective as stated in each Interlocal
Agreement.

APPROVED AND ADOPTED in Salt Lake City, Salt Lake County, Utah, this 21st day of [Month], 2017.

Steve DeBry, Chairperson

ATTEST:

Sherrie Swensen
Salt Lake County Clerk

Voting:

Council Member Bradley  "Aye"
Council Member Bradshaw  "Aye"
Council Member Burdick  "Aye"
Council Member DeBry  "Aye"
Council Member Granato  "Aye"
Council Member Jensen  "Aye"
Council Member Newton  "Aye"
Council Member Snelgrove  "Aye"
Council Member Wilson  "Aye"

APPROVED AS TO FORM:
Digitally signed by
Stephen Barnes
Date: 2017.11.15
11:10:45 -07'00'

Deputy District Attorney
ATTACHMENT A
Interlocal Cooperation Agreements
INTERLOCAL COOPERATION AGREEMENT

between

SALT LAKE COUNTY

and

HERRIMAN CITY

This Interlocal Cooperation Agreement (this “Agreement”) is entered into by and between SALT LAKE COUNTY, a body corporate and politic of the State of Utah (the “County”) and HERRIMAN CITY, a municipal corporation of the State of Utah (the “City”). The County and the City may each be referred to herein as a “Party” and collectively as the “Parties.”

RECITALS:

A. The County and the City are “public agencies” as defined by the Utah Interlocal Cooperation Act, Utah Code Ann. §§ 11-13-101 et seq. (the “Interlocal Act”), and, as such, are authorized by the Interlocal Act to enter into this Agreement to act jointly and cooperatively in a manner that will enable them to make the most efficient use of their resources and powers. Additionally, Section 11-13-215 of the Interlocal Act authorizes a county, city, town, or other local political subdivision to share its tax and other revenues with other counties, cities, towns, local political subdivisions, or the state.

B. During the 2017 General Session, the State Legislature enacted Section 63B-27-102 of the Utah Code as part of Senate Bill 277. Pursuant to Section 63B-27-102, the State of Utah issued General Obligation Bonds and provided $47,000,000 of bond proceeds to the County for applicable transportation projects prioritized by the County in accordance with Subsection 63B-27-102(2) (hereinafter “County Transportation Funds”).

C. The County desires to use the County Transportation Funds to further regional transportation by financing all or a portion of the costs of transportation projects throughout the County in accordance with Subsection 63B-27-102(2) and all other applicable federal, state and local laws, rules and regulations.

D. The County and the City now desire to enter into this Agreement providing for the transfer of up to Two Million One Hundred Ninety-Nine Thousand Eight Hundred Ninety-Five Dollars ($2,199,895.00) of County Transportation Funds to the City to reimburse the City for certain costs incurred by the City to complete the transportation project described in the Project Description attached hereto as Exhibit A (the “Project”), so long as such costs are consistent with the allowable uses for County Transportation Funds described in Subsection 63B-27-102(2) of the Utah Code.
 AGREEMENT:

NOW, THEREFORE, in consideration of the mutual representations, warranties, covenants and agreements contained herein, the sufficiency of which is hereby acknowledged, the Parties represent and agree as follows:

ARTICLE 1 - INCORPORATION AND DEFINITIONS

1.1. Incorporation and Definitions. The foregoing recitals and all exhibits hereto are hereby made a part of this Agreement. Unless otherwise defined in this Agreement, terms shall have the meaning set forth in the Transportation Code. The following terms shall have the following meanings in this Agreement:

(a) Certificate of Grant Recipient: The Certificate of Grant Recipient attached hereto as Exhibit B.

(b) County Transportation Funds: As defined in the Recitals above.

(c) Event of Default: As defined in Section 6.1 below.

(d) Event of Force Majeure: As defined in Section 7.4 below.

(e) Maximum Reimbursable Amount: The amount specified for the Project in the Project Description attached hereto as Exhibit A.

(f) Project: The transportation project described in the Project Description.

(g) Project Description: The project description attached hereto as Exhibit A.

(h) Project Element: A discrete portion of a Project.

(i) Reimbursable Project Costs: Costs incurred by the City during the Reimbursement Term for the Project, so long as such costs are consistent with the allowable uses for County Transportation Funds described in Subsection 63B-27-102(2) of the Utah Code and in accordance with the Certificate of Grant Recipient.

(j) Reimbursement Term: The period of time commencing with the effective date of this Agreement and expiring upon the earlier of (i) the date the City has been disbursed, in aggregate, the Maximum Reimbursable Amount, (ii) the date this Agreement is terminated, or (iii) June 30, 2020, which date may be extended by the County, in its sole discretion, but only in writing, upon receipt of a written request from the City setting forth the City’s justification for such an extension.

(k) Request for Disbursement: A statement from the City, in the form attached hereto as Exhibit C, requesting an amount of Transportation Funds to be disbursed to the City for reimbursement of Reimbursable Project Costs.
(l) **Transportation Code**: Utah Code Ann. §§ 72-1-101 *et seq.*

(m) **Transportation Funds**: As defined in Section 2.1 below.

1.2. **Interpretation of Action That May be Taken by the County.** Whenever in this Agreement an action may be taken or not taken by the County, in its sole discretion, this shall mean that the action may be taken or not taken by the Mayor of the County, or his/her official designee (or the Director of the Department of Regional Planning, Housing and Economic Development, if such duty is so delegated to him/her by the Mayor of the County), in his/her sole discretion.

**ARTICLE 2 - DISBURSEMENT OF COUNTY TRANSPORTATION FUNDS**

2.1. **County Transportation Funds.** During the Reimbursement Term, the County shall disburse County Transportation Funds (hereinafter “Transportation Funds”) to the City to reimburse the City for Reimbursable Project Costs, up to the Maximum Reimbursable Amount for the Project, all on the terms and subject to the conditions of this Agreement.

2.2. **Annual Status Update.** Until the Project has been completed and Transportation Funds have been fully disbursed to the City, the City shall, on an annual basis, update the County on the status of (a) the Project and (b) the anticipated timing and amount of future Request for Disbursement submittals. This annual update shall be submitted to the County in writing (via letter or email) on or before June 30th each year.

2.3. **Execution of Certificate of Grant Recipient.** Concurrent with the execution of this Agreement, the City shall execute the Certificate of Grant Recipient attached hereto as Exhibit B.

**ARTICLE 3 -- REPRESENTATIONS AND WARRANTIES**

3.1. **City’s Representations and Warranties.** The City hereby represents, covenants, and warrants to the County as follows:

(a) **Use of County Transportation Funds.** Any Transportation Funds disbursed to the City by the County under this Agreement will be used by the City: (1) solely to reimburse the City for costs actually incurred by the City for the Project during the Reimbursement Term, so long as such costs are consistent with the allowable uses for County Transportation Funds described in Subsection 63B-27-102(2) of the Utah Code; and (2) in accordance with all other applicable federal, state and local laws, rules and regulations.

(b) **No Default.** No default or Event of Default has occurred and is continuing, and no event has occurred and is continuing which with the lapse of time or the giving of notice, or both, would constitute a default or an Event of Default in any material respect on the part of the City under this Agreement.

(c) **Information.** To the best of the City’s knowledge, any information furnished to the County by the City under this Agreement or in connection with the
matters covered in this Agreement are true and correct and do not contain any untrue statement of any material fact and do not omit any material fact.

(d) **Relationship of County and City.** The County is not acting as a lender to the City. The County has no fiduciary or other special relationship with the City and therefore no fiduciary obligations are created by this Agreement or are owed to the City or any third parties.

(e) **Effect of Request for Disbursement.** Each Request for Disbursement shall constitute a representation and warranty that the information set forth in such Request for Disbursement is true and correct.

3.2. **City’s Additional Representations – Liability and Reliance.** Notwithstanding anything to the contrary in this Agreement, the City further represents that the County has not opined on and will not at any point be deemed to have opined on whether any particular Reimbursable Project Cost for which a disbursement of Transportation Funds is made to the City under this Agreement is consistent with the allowable uses for County Transportation Funds described in Subsection 63B-27-102(2) of the Utah Code or in accordance with other applicable federal, state and local laws, rules and regulations. As such, notwithstanding anything to the contrary in this Agreement, the City agrees to be liable for and indemnify the County from any improper use of the Transportation Funds, as indicated in Section 5.1 below. Furthermore, the City agrees that it will independently determine whether any particular Reimbursable Project Cost for which a disbursement of Transportation Funds is sought by and made to the City under this Agreement is consistent with the allowable uses for County Transportation Funds described in Subsection 63B-27-102(2) of the Utah Code, and, as indicated in Section 4.2(e) below, the City agrees that it will not rely on the County’s review or acceptance of any Request for Disbursement, the Project Description, or any other information submitted to the County by the City, in making that determination.

**ARTICLE 4 — DISBURSEMENTS**

4.1. **Conditions for Each Disbursement of Transportation Funds.** The County will not be obligated to disburse Transportation Funds to the City to cover Reimbursable Project Costs unless and until the following conditions have been satisfied:

(a) **Documents to be Furnished for Each Disbursement.** The City has furnished to the County, for each and every disbursement:

1. a Request for Disbursement; and

2. invoices and proof of payment for any Reimbursable Project Cost incurred by the City for which the City is seeking reimbursement from the County pursuant to the Request for Disbursement.

(b) **Completion of Project Element.** The City has completed or caused to be completed the Project Element or Elements to which the Request for Disbursement relates and for which Reimbursable Project Costs were incurred by the City.
(c) **Reimbursable Project Costs Paid by the City.** The Reimbursable Project Costs included in the Request for Disbursement have actually been paid by the City.

(d) **No Event of Default.** No Event of Default has occurred and is continuing beyond any applicable cure period.

(e) **Warranties and Representations True.** All warranties and representations made by the City in this Agreement have remained true and correct and all warranties and representations made by the City in the Request for Disbursement are true and correct.

4.2. **Disbursements.**

(b) **Amount of Disbursement.** Subject to compliance with the terms and conditions of this Agreement, the County shall disburse to the City the amount of Transportation Funds requested by the City in a Request for Disbursement for Reimbursable Project Costs, but in no event shall the County be required to disburse more than the Maximum Reimbursable Amount, in aggregate, over the Reimbursement Term. However, if the County determines that the City has not complied with all terms and conditions set forth in this Agreement or determines that the City's Request for Disbursement is deficient in any respect, the County may, in its sole discretion, decline to make a disbursement, or may make a partial disbursement based on the extent to which the City has complied with the terms and conditions set forth in this Agreement.

Notwithstanding the foregoing, the County will not reimburse the City for Reimbursable Project Costs to the extent such costs have been funded with non-City funds (e.g., other federal, state, or local grant funds).

(c) **Payment of Disbursements.** The County shall, within ninety (90) days after receiving a Request for Disbursement from the City, either disburse to the City the amount requested by the City or provide a written notice to the City setting forth the reasons for non-disbursement or partial-disbursement. The County shall have no obligation to accept a Request for Disbursement or to make a disbursement of Transportation Funds to the City after expiration of the Reimbursement Term. Additionally, following expiration of the Reimbursement Term, the County may, in its sole discretion, reallocate any remaining and undisbursed Transportation Funds (for which a Request for Disbursement has not been submitted and is not pending) toward
other projects within Salt Lake County.

(d) Acquiescence Not a Waiver. To the extent that the County may have acquiesced in noncompliance with any conditions precedent to the disbursement of Transportation Funds, such acquiescence shall not constitute a waiver by the County and the County at any time after such acquiescence may require the City, as to future requests for disbursements, to comply with all such applicable conditions and requirements under this Agreement.

(e) Disclaimer of Liability.

(1) The County will not be responsible in any manner to the City or any third-party for the quality, design, construction, structural integrity, or health or safety features of any Project for which Transportation Funds are disbursed to the City to reimburse Reimbursable Project Costs, notwithstanding the County’s review and/or approval of the City’s Requests for Disbursement, the Project Description, or any other information submitted to the County under this Agreement.

(2) Furthermore, the City acknowledges and agrees that the County’s review and/or approval of the City’s Request for Disbursement, the Project Description, or any other information submitted to the County under this Agreement will not be deemed to be a review by the County as to whether any particular Reimbursable Project Cost for which a disbursement of Transportation Funds is sought by and made to the City under this Agreement is consistent with the allowable uses for County Transportation Funds described in Subsection 63B-27-102(2) of the Utah Code or in accordance with other applicable federal, state and local laws, rules and regulations. As such, the City agrees to be liable for and to indemnify the County from any improper use of the Transportation Funds, as indicated in Section 5.1 below.

ARTICLE 5 — COVENANTS AND AGREEMENTS

5.1. Indemnification and Liability.

(a) Liability. Both Parties are governmental entities under the Governmental Immunity Act of Utah, Utah Code Ann. §§ 63G-7-101 et seq. (the “Immunity Act”). Neither Party waives any defenses or limits of liability available under the Immunity Act and other applicable law. Both Parties maintain all privileges, immunities, and other rights granted by the Immunity Act and all other applicable law.

(b) Indemnification. The City agrees to indemnify, hold harmless, and defend the County, its officers, agents, and employees from and against any and all actual or threatened claims, losses, damages, injuries, debts, and liabilities of, to, or by third Parties, including demands for repayment or penalties, however allegedly caused, resulting directly or indirectly from, or arising out of (i) the City’s breach of this Agreement; (ii) any acts or omissions of or by the City, its agents, representatives,
officers, employees, or subcontractors in connection with the performance of this Agreement; (iii) any improper use of the Transportation Funds; or (iv) the City’s breach of the Certificate of Grant Recipient attached hereto as Exhibit B. The City agrees that its duty to defend and indemnify the County under this Agreement includes all attorney’s fees, litigation and court costs, expert witness fees, and any sums expended by or assessed against the County for the defense of any claim or to satisfy any settlement, arbitration award, debt, penalty, or verdict paid or incurred on behalf of the County. The City further agrees that the City’s indemnification obligations in this Section 5.1 will survive the expiration or termination of this Agreement.

5.2. **Recordkeeping.** The City agrees to maintain its books and records in such a way that any Transportation Funds received from the County will be shown separately on the City’s books. The City shall maintain records adequate to identify the use of the Transportation Funds for the purposes specified in this Agreement. Upon request of the County, the City shall make its books and records related to the Transportation Funds available to the County at reasonable times.

5.3. **Assignment and Transfer of Transportation Funds.** The City shall not assign or transfer its obligations under this Agreement nor its rights to the Transportation Funds under this Agreement without prior written consent from the County. The City shall use the Transportation Funds provided pursuant to this Agreement exclusively and solely for the purposes set forth in the Agreement.

**ARTICLE 6 — DEFAULTS AND REMEDIES**

6.1. **City Event of Default.** The occurrence of any one or more of the following shall constitute an “Event of Default” as such term is used herein:

(a) Failure of the City to comply with any of the material terms, conditions, covenants, or provisions of this Agreement that is not fully cured by the City on or before the expiration of a sixty (60) day period (or, if the County approves in writing, which approval shall not be unreasonably withheld, conditioned or delayed, such longer period as may be reasonably required to cure a matter which, due to its nature, cannot reasonably be cured within 60 days) commencing upon the County’s written notice to the City of the occurrence thereof.

6.2. **County’s Remedies in the Event of Default.** Upon the occurrence of any Event of Default, the County may, in its sole discretion, and in addition to all other remedies conferred upon the County by law or equity or other provisions of this Agreement, pursue any one or more of the following remedies concurrently or successively, it being the intent hereof that none of such remedies shall be to the exclusion of any other:

(a) Withhold further disbursement of Transportation Funds to the City; and/or

(b) Reduce the amount of any future disbursement of Transportation Funds to the City by the amount incurred by the County to cure such default; and/or
(c) Terminate this Agreement.

**ARTICLE 7 — MISCELLANEOUS**

7.1. **Interlocal Cooperation Act.** In satisfaction of the requirements of the Interlocal Act in connection with this Agreement, the Parties agree as follows:

(a) This Agreement shall be approved by each Party pursuant to Section 11-13-202.5 of the Interlocal Act.

(b) This Agreement shall be reviewed as to proper form and compliance with applicable law by a duly authorized attorney in behalf of each Party pursuant to and in accordance with Section 11-13-202.5 of the Interlocal Act.

(c) A duly executed original counterpart of this Agreement shall be filed immediately with the keeper of records of each Party pursuant to Section 11-13-209 of the Interlocal Act.

(d) Except as otherwise specifically provided herein, each Party shall be responsible for its own costs of any action done pursuant to this Agreement, and for any financing of such costs.

(e) No separate legal entity is created by the terms of this Agreement. Pursuant to Section 11-13-207 of the Interlocal Act, to the extent this Agreement requires administration other than as set forth herein, the County Mayor and the City Mayor are hereby designated as the joint administrative board for all purposes of the Interlocal Act.

7.2. **Term of Agreement.** This Agreement shall take effect immediately upon the completion of the following: (a) the approval of the Agreement by the governing bodies of the County and the City, including the adoption of any necessary resolutions or ordinances by the County and the City authorizing the execution of this Agreement by the appropriate person or persons for the County and the City, respectively. (b) the execution of this Agreement by a duly authorized official of each of the Parties, (c) the submission of this Agreement to an attorney for each Party that is authorized to represent said Party for review as to proper form and compliance with applicable law, pursuant to Section 11-13-202.5 of the Interlocal Act, and the approval of each respective attorney, and (d) the filing of a copy of this Agreement with the keeper of records of each Party. This Agreement shall terminate upon expiration of the Reimbursement Term. If upon expiration of the Reimbursement Term, the County has not disbursed to the City the Maximum Reimbursable Amount, then all such undisbursed Transportation Funds may be used by the County as the County deems appropriate.

7.3. **Non-Funding Clause.**

(a) The County has requested or intends to request an appropriation of Transportation Funds to be paid to the City for the purposes set forth in this Agreement. If Transportation Funds are not appropriated and made available beyond December 31 of the county fiscal year in which this Agreement becomes effective, the County’s
obligation to contribute Transportation Funds to the City under this Agreement beyond that date will be null and void. This Agreement places no obligation on the County to Contribute Transportation Funds to the City in succeeding fiscal years. The County’s obligation to contribute Transportation Funds to the City under this Agreement will terminate and become null and void on the last day of the county fiscal year for which funds were budgeted and appropriated, except as to those portions of payments agreed upon for which funds are budgeted and appropriated. The Parties agree that such termination of the County’s obligation under this Paragraph will not be construed as a breach of this Agreement or as an event of default under this Agreement, and that such termination of the County’s obligation under this Paragraph will be without penalty and that no right of action for damages or other relief will accrue to the benefit of the City, its successors, or its assigns as to this Agreement, or any portion thereof, which may terminate and become null and void.

(b) If Transportation Funds are not appropriated and made available to fund performance by the County under this Agreement, the County shall promptly notify the City of such non-funding and the termination of this Agreement. However, in no event, shall the County notify the City of such non-funding later than thirty (30) days following the expiration of the county fiscal year for which Transportation Funds were last appropriated for contribution to the City under this Agreement.

7.4. **Force Majeure.** Neither Party will be considered in breach of this Agreement to the extent that performance of their respective obligations is prevented by an Event of Force Majeure that arises after this Agreement becomes effective. “**Event of Force Majeure**” means an event beyond the control of the County or the City that prevents a Party from complying with any of its obligations under this Agreement, including but not limited to: (i) an act of God (such as, but not limited to, fires, explosions, earthquakes, drought, tidal waves and floods); (ii) war, acts or threats of terrorism, invasion, or embargo; or (iii) riots or strikes. If an Event of Force Majeure persists for a period in excess of sixty (60) days, the County may terminate this Agreement without liability or penalty, effective upon written notice to the City.

7.5. **Notices.** Any notice required or permitted to be given hereunder shall be deemed sufficient if given by a communication in writing, and shall be deemed to have been received (a) upon personal delivery or actual receipt thereof, or (b) within three days after such notice is deposited in the United States mail, postage pre-paid, and certified and addressed as follows (or to such other address that may be designated by the receiving party from time to time):

**If to Salt Lake County:**
Department of Regional Transportation, Housing and Economic Development
2001 South State, S2-100
Salt Lake City, Utah 84190

**With a copy to:**
Salt Lake County District Attorney
2001 South State, S3-600
Salt Lake City, Utah 84190
If to the City: Herriman City’s Current Address

7.6. **Ethical Standards.** The City represents that it has not: (a) provided an illegal gift in connection with this Agreement to any County officer or employee, or former County officer or employee, or to any relative or business entity of a County officer or employee, or relative or business entity of a former County officer or employee; (b) retained any person to solicit or secure this Agreement upon an agreement or understanding for a commission, percentage, brokerage or contingent fee, other than bona fide employees of bona fide commercial agencies established for the purpose of securing business; (c) breached any of the ethical standards in connection with this Agreement set forth in State statute or Salt Lake County Code of Ordinances § 2.07; or (d) knowingly influenced, and hereby promises that it will not knowingly influence, in connection with this Agreement, any County officer or employee or former County officer or employee to breach any of the ethical standards set forth in State statute or Salt Lake County Ordinances.

7.7. **Entire Agreement.** This Agreement and the documents referenced herein, if any, constitute the entire Agreement between the Parties with respect to the subject matter hereof, and no statements, promises, or inducements made by either Party, or agents for either Party, that are not contained in this written Agreement shall be binding or valid; and this Agreement may not be enlarged, modified or altered, except in writing, signed by the Parties.

7.8. **Amendment.** This Agreement may be amended, changed, modified or altered only by an instrument in writing signed by both Parties.

7.9. **Governing Law and Venue.** The laws of the State of Utah govern all matters arising out of this Agreement. Venue for any and all legal actions arising hereunder will lie in the District Court in and for the County of Salt Lake, State of Utah.

7.10. **No Obligations to Third Parties.** The Parties agree that the City’s obligations under this Agreement are solely to the County and that the County’s obligations under this Agreement are solely to the City. The Parties do not intend to confer any rights to third parties unless otherwise expressly provided for under this Agreement.

7.11. **Agency.** No officer, employee, or agent of the City or the County is intended to be an officer, employee, or agent of the other Party. None of the benefits provided by each Party to its employees including, but not limited to, workers’ compensation insurance, health insurance and unemployment insurance, are available to the officers, employees, or agents of the other Party. The City and the County will each be solely and entirely responsible for its acts and for the acts of its officers, employees, or agents during the performance of this Agreement.

7.12. **No Waiver.** The failure of either Party at any time to require performance of any provision or to resort to any remedy provided under this Agreement will in no way affect the right of that Party to require performance or to resort to a remedy at any time thereafter. Additionally, the waiver of any breach of this Agreement by either Party will not constitute a waiver as to any future breach.
7.13. **Severability.** If any provision of this Agreement is found to be illegal or unenforceable in a judicial proceeding, such provision will be deemed inoperative and severable, and, provided that the fundamental terms and conditions of this Agreement remain legal and enforceable, the remainder of this Agreement shall remain operative and binding on the Parties.

7.14. **Counterparts.** This Agreement may be executed in counterparts and all so executed will constitute one agreement binding on all the Parties, it being understood that all Parties need not sign the same counterpart. Further, executed copies of this Agreement delivered by facsimile or email will be deemed an original signed copy of this Agreement.

IN WITNESS WHEREOF, each Party hereby signs this Agreement on the date written by each Party on the signature pages attached hereto.

[Intentionally Left Blank - Signature Page Follows]
INTERLOCAL AGREEMENT - SIGNATURE PAGE FOR THE COUNTY

SALT LAKE COUNTY

By ____________________________
Mayor Ben McAdams or Designee

Dated: 11/28/2017

Approved by:
DEPARTMENT OF REGIONAL TRANSPORTATION, HOUSING, AND ECONOMIC DEVELOPMENT

By Carlton J. Christensen
Department Director

Dated: November 15, 2017

Approved as to Form and Legality:

Digitally signed by
Stephen Barnes
Date: 2017.11.15

11:11:28 -07'00'

Deputy District Attorney
INTERLOCAL AGREEMENT – SIGNATURE PAGE FOR CITY

HERRIMAN CITY

By __________________________

Name: _________________________

Title: _________________________

Dated: ________________________, 20____

Attest:

______________________________

____________________, City Recorder

Date signed: _____________________

Approved as to Form and Legality:

CITY ATTORNEY

By __________________________

Name: _________________________

Dated: ________________________, 20____
<table>
<thead>
<tr>
<th><strong>Project Description:</strong></th>
<th>New road construction at 4500 West from 13800 South to 14200 South, including buffered or protected bike lanes.</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Maximum Reimbursable Amount:</strong></td>
<td>$2,199,895.00</td>
</tr>
</tbody>
</table>

1) **Project Title:** New Road Construction - Autumn Crest (4500 West)
CERTIFICATE OF GRANT RECIPIENT

In connection with the issuance of the State of Utah’s $142,070,000 General Obligation Bonds, Series 2017 (the “Bonds”) and pursuant to Section 63B-27-102, Utah Code Annotated 1953, as amended (the “Utah Code”), the Utah Department of Transportation (“UDOT”) provided $47,000,000 (the “Transportation Funds”) to Salt Lake County, Utah (the “County”) for applicable projects to be prioritized by the County pursuant to Section 63B-27-102(2) of the Utah Code.

Pursuant to the terms of the Interlocal Cooperation Agreement (the “Agreement”) between the County and Herriman City (the “Recipient”) (DA Log No. 17-09862), the County has committed to provide up to Two Million One Hundred Ninety-Nine Thousand Eight Hundred Ninety-Five Dollars and No Cents ($2,199,895.00) of the Transportation Funds (the “Grant”) to the Recipient to reimburse the Recipient for certain costs incurred by the Recipient to complete the transportation project or projects described in the Agreement (the “Project” or “Projects”). The undersigned officer or agent of the Recipient hereby certifies that all applicable requirements have been met for distribution of the Grant and that the Grant will be used solely for the Project or Projects.

The Recipient hereby further (a) acknowledges that the Project or Projects will be treated as finance with the proceeds of tax-exempt bonds and (b) in order to maintain the tax-exempt status of the Bonds, agrees as follows:

(i) no more than five percent of the Grant plus investment earnings thereon will be used, directly or indirectly, in whole or in part, in any Private Business Use; and

(ii) no user of the Project other than a state or local governmental unit will use more than five percent of the Project, in the aggregate, on any basis other than the same basis as the general public.

For purposes of the preceding sentence, “Private Business Use” means any use of the Project or Projects by any person other than a state or local government unit, including as a result of (a) ownership, (b) actual or beneficial use pursuant to a lease or a management, service, incentive payment, research or output contract or (c) any other similar arrangement, agreement or understanding, whether written or oral, except for use of the Project or Projects on the same basis as the general public. Private Business Use includes any formal or informal arrangement with any person other than a state or local governmental unit that conveys special legal entitlements to any portion of the Project or Projects that is available for use by the general public or that conveys to any person other than a state or local governmental unit any special economic benefit with respect to any portion of the Project or Projects that is not available for use by the general public.

(Signature page follows.)
IN WITNESS WHEREOF, Herriman City, Utah has caused this certificate to be executed as of the day and year first above written.

RECIPIENT

By: ________________________

Its: ________________________

Date: ________________________
REQUEST FOR DISBURSEMENT

To:      Salt Lake County

Re:     Herriman City – Interlocal Agreement for Transportation Funds (DA Log No. 17-09862)

Terms not otherwise defined herein shall have the meaning ascribed to such terms in the
Interlocal Cooperation Agreement (the “Agreement”) between the Salt Lake County (the
“County”) and Herriman City (the “City”) (DA Log No. 17-09862). In connection with said
Agreement, the undersigned hereby states and certifies that:

1. Each item listed on Schedule 1 attached hereto is a Reimbursable Project Cost and was incurred in connection with the Project.

2. These Reimbursable Project Costs have been paid by the City and are reimbursable under the Agreement.

3. Each item listed on Schedule 1 has not previously been paid or reimbursed from money obtained from the County.

4. Invoices and proof of payment for each item listed on Schedule 1 is attached hereto.

5. There has not been filed with or served upon the City any notice of any lien, right of lien or attachment upon or claim affecting the right of any person, firm, or corporation to receive payment of the amounts stated in this request, except to the extent any such lien is being contested in good faith.

6. All work for which reimbursement is requested has been performed in a good and workmanlike manner and in accordance with the Agreement.

7. The City is not in default or breach of any term or condition of the Agreement, and no event has occurred and no condition exists which constitutes an Event of Default under the Agreement.

8. All of the City’s representations set forth in the Agreement remain true and correct as of the date hereof.

9. The City acknowledges and agrees that the County’s review and/or approval of this Request for Disbursement will not be deemed to be a review by the County as to whether any particular Reimbursable Project Cost for which a disbursement of Transportation Funds is sought hereunder is consistent with the allowable uses for County Transportation Funds described in Subsection 63B-27-102(2) of the Utah Code or in accordance with other applicable
federal, state and local laws, rules and regulations. As such, the City agrees to be liable for and to indemnify the County from any improper use of the Transportation Funds, as indicated in Section 5.1 of the Agreement.

Dated this ___ day of ____________, 20__.

HERRIMAN CITY

By: _______________________

Name: _______________________

Title: _______________________

Approved for Payment this ___ day of __________, 20__.

SALT LAKE COUNTY

By: _______________________

Name: _______________________

Title: _______________________
SCHEDULE 1
Reimbursable Project Costs (RPC) Request for Disbursement

Project Title: ________________________________

Reimbursable Project Costs Request Detail:

<table>
<thead>
<tr>
<th>Vendor Name</th>
<th>Date of Service</th>
<th>Date Paid by City</th>
<th>Reimbursable Project Cost Description</th>
<th>Requested Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Total RPC Request $ ______

This portion above is to be filled out by the City.
This portion below is to be filled out by the County.

RPC Approved – This Request ______

(plus) RPC Approved/Paid to Date ______

Total Approved/Paid to Date ______

Maximum Reimbursable Amount ______

(less) Total Approved/Paid to Date ______

Remaining Transportation Funds ______

Approving Signature by County

Page 22 of 22
DATE: January 3, 2018

TO: The Honorable Mayor and City Council

FROM: Blake Thomas, City Engineer

SUBJECT: Interlocal Agreement for TAP Funding for Sidewalk Construction along Anthem Park Blvd.

RECOMMENDATION:
Approve

BACKGROUND:
UDOT manages funds for the Transportation Alternative Program (TAP). Eligible projects were reviewed by staff and it was determined that the project that best met the criteria was a section of sidewalk along a safe walking route that is adjacent to Mountain View Corridor. An application for funding was submitted to UDOT and our project was selected.

DISCUSSION:
This Interlocal agreement is between UDOT and Herriman to outline the scope of the projects, funding amounts, and criteria. The funding will be provided as a reimbursement to Herriman for actual costs associated with the project.

ALTERNATIVES:
N/A.

FISCAL IMPACT:
$31,432.50 ($23,432.50 to be reimbursed by UDOT) these funds are already approved in the current budget.
HERRIMAN, UTAH
RESOLUTION NO. 18.

A RESOLUTION OF THE CITY COUNCIL OF HERRIMAN
APPROVING AN INTERLOCAL COOPERATIVE AGREEMENT
WITH UDOT FOR CONSTRUCTION AND MAINTENANCE OF A SIDEWALK NEAR
MOUNTAIN VIEW CORRIDOR AND ANTHEM BLVD

WHEREAS, the Herriman City Council (“Council”) met in regular meeting on January 10, 2018 to consider, among other things, approving an Interlocal cooperative agreement with UDOT for construction and maintenance of a sidewalk near Mountain View corridor and Anthem Blvd; and

WHEREAS, the Utah Local Cooperative Act (UTAH CODE ANN. § 11-13-101, et seq.) (the “Act”) provides that two local governmental entities are authorized to enter into agreements with each other, upon a resolution to do so by their respective governing bodies, to do what each agency is authorized by law to perform; and

WHEREAS, UDOT and Herriman are governmental entities as contemplated in the Act; and

WHEREAS, UDOT and Herriman are authorized to enter into an agreement for the amendment of the existing agreement; and

WHEREAS, Herriman has determined that it is best interests of the inhabitants of Herriman to enter into an Interlocal cooperative agreement with UDOT for construction of a sidewalk near Mountain View corridor and Anthem Blvd; and

WHEREAS, an Interlocal cooperative agreement for such construction and maintenance has been prepared for approval which sets forth the purpose thereof, the extent of participation of the parties, and the rights, duties and responsibilities of the parties. A copy of the Interlocal cooperative agreement for such services is attached hereto.

NOW, THEREFORE, BE IT RESOLVED that the attached Interlocal cooperative agreement is approved, and the city manager and recorder are hereby authorized and directed to execute and deliver the same.

This resolution, assigned no. 18.__, shall take effect immediately upon passage and acceptance as provided herein.

PASSED AND APPROVED by the Council of Herriman, Utah, this 10th day of January 2018.
HERRIMAN

______________________________
Mayor David Watts

ATTEST:

Jackie Nstrom, MMC
City Recorder
### Cooperative Agreement Converted TAP Funds for Local Agency

<table>
<thead>
<tr>
<th>Pin: 16148</th>
<th>Project Description: Anthem Park Blvd East of MVC; 2018 TAP Local Agency: Herriman City</th>
<th>31,432.50</th>
</tr>
</thead>
<tbody>
<tr>
<td>Job/ Project: Anthem Park Blvd East of MVC</td>
<td>Date Executed</td>
<td></td>
</tr>
</tbody>
</table>

**PROJECT DESCRIPTION:**
Anthem Park Blvd East of MVC; 2018 TAP

**LOCAL AGENCY:** Herriman City

**AMOUNT:** 31,432.50

**DATE EXECUTED:** 11/15/2017

---

**State of Utah Department of Transportation**

**Cooperative Agreement**

**CONVERTED TAP FUNDS FOR LOCAL AGENCY**

**PROJECT DESCRIPTION:**
Anthem Park Blvd East of MVC; 2018 TAP
Local Agency: Herriman City

**AMOUNT:** 31,432.50

**DATE EXECUTED:** 11/15/2017

---

**Recitals**

WHEREAS, in the interest of the public, it is the desire of the parties hereto to construct and thereafter maintain a Sidewalk near Mountain View Corridor on Anthem Park Blvd described as Sidewalk Project; and

WHEREAS, funds for the construction of Transportation Alternative Program (TAP) projects have been made available by UDOT; and

WHEREAS, it is the intent of UDOT that participation in TAP projects be on a 25% Local, 75% State match basis with a maximum State participation of $250,000.00; and

**THIS COOPERATIVE AGREEMENT** is made to set out the terms and conditions where the work shall be performed.

---

**Agreement**

NOW THEREFORE, it is agreed by and between the parties hereto as follows:

I. The **Local Agency** with its regular engineering and construction forces at the standard schedule of wages and working hours and in accordance with the terms of its agreement with such employees, or through qualified contractors with whom it has obtained contracts upon appropriate solicitation in accordance with the laws of the State of Utah, shall perform the necessary field and office engineering, furnish all materials and perform the construction work covered by this Agreement.

II. The **Local Agency** is required to pay, as part of the total project cost, 50% of the cost of any utility facility relocations required within the UDOT highway right-of-way, and the utility company is required to pay the remainder of the cost of relocation. The **Local Agency** will determine, as part of the design of the project, those utility companies with facilities that will require relocation and the cost thereof, and will execute a Utility Relocation – 50% Reimbursement Agreement with those companies prior to advertising the project for bids. Contact the Region 2 Utility and Railroad Leader Garret Jenson, telephone number 801-910-2047 or gjenson@utah.gov for assistance in preparing the Reimbursement Agreement.

III. The **Local Agency** will comply with all applicable state and federal environmental regulations, including, but not limited to, Section 404 of the Clean Water Act and Utah Administrative Code 9-8-404. Contact the Region 2 Environmental Manager, telephone number 801.910.2010 or by email at tylerallen@utah.gov for assistance with any environmental compliance requirements.

IV. All construction work performed by the **Local Agency** or its contractor within UDOT highway right-of-way shall conform to UDOT’s standards and specifications. For work performed within UDOT’s
right-of-way, the **Local Agency** shall submit plans to **UDOT** for review and approval prior to starting construction. The **Local Agency** shall comply with Utah Administrative Code R930-6 if performing any work within **UDOT’s** right-of-way. Any inspection by **UDOT** does not relieve the **Local Agency** of its obligation to meet the standards and specifications. **Local Agency’s** construction may conform to local standards if they are equal to or greater than **UDOT’s** standards and specifications.

V. All construction performed under this Agreement shall be barrier free to wheelchairs at crosswalks and intersections according to state and local standards.

VI. The **Local Agency** will participate at a minimum of 25% of the total project. **Local Agency’s** participation can be through financial contribution, preliminary or construction engineering costs, donated labor or equipment, etc. Supporting documentation will be required to verify all costs.

VII. The total estimated cost of the project including **Local Agency’s** participation is as follows:

<table>
<thead>
<tr>
<th></th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>UDOT Funds</strong> (Allocated Amount)</td>
<td>$23,432.50</td>
</tr>
<tr>
<td><strong>Local Agency’s Funds</strong> (Participation Amount)</td>
<td>$ 8,000.00</td>
</tr>
<tr>
<td><strong>Total Project</strong></td>
<td>$31,432.50</td>
</tr>
</tbody>
</table>

VIII. Upon completion of construction and final inspection by **UDOT**, and upon request of the **Local Agency**, **UDOT** will deliver to the **Local Agency** a lump sum amount of $23,432.50 or 100% of **UDOT’s** funds for the construction of the facilities covered by this Agreement. This amount is the maximum amount of **UDOT’s** contribution. If the project should overrun the estimated project amount contained herein, the **Local Agency** shall be responsible to cover the additional amount. If the project is completed for an amount less than the estimated cost, the amounts in paragraph 7 will be adjusted proportionally and **UDOT** will deliver to the **Local Agency** a lump sum amount based on the percentages as stated in this Agreement.

IX. The **Local Agency** will furnish to **UDOT** a statement upon completion of the project for which the grant was made certifying the amount expended on the project and certification that the project was completed in accordance with the standards and specifications adopted for the project by this Agreement.

X. **UDOT** shall have the right to audit all cost records and accounts of the **Local Agency** pertaining to this project. Should the audit disclose that **UDOT’s** share of the total cost should be less than the lump sum payment made to the **Local Agency** under this Agreement, the **Local Agency** will promptly refund to **UDOT** the identified overpayment. For purpose of audit, the **Local Agency** is required to keep and maintain its records of work covered herein for a minimum of 3 years after completion of the project.

XI. Upon commencement of the construction, the **Local Agency** agrees to complete the construction by September 30, 2018. If for any reason, the **Local Agency** cannot complete construction by September 30, 2018, the **Local Agency** must request, in writing before September 30, 2018, an extension of the grant with a full explanation of why the project cannot be completed on time and provide a new planned completion date. **UDOT** will review the request and inform the **Local Agency**, in writing, whether or not the request has been approved. Reasons for which **UDOT** will allow an extension of time include, but are not limited to, weather delays, material shortages, labor strike, natural disaster, or other circumstances that are beyond the **Local Agency’s** control. If the request is not approved the **Local Agency** will relinquish the grant allocation for the project and this Agreement shall be terminated.

XII. If the **Local Agency** modifies its project and the modification affects the work, the **Local Agency** will notify **UDOT**. In the event there are changes in the scope of the work, extra work, or changes in the planned work that require a modification of this Agreement, such modification must be approved in writing by the parties prior to the start of work on the changes or additions.

XIII. Upon completion of the work covered by this Agreement, the **Local Agency** shall be responsible for all costs associated with the ongoing care and maintenance of the resulting improvements.
XIV. UDOT and the Local Agency are both governmental entities subject to the Governmental Immunity Act. Each party agrees to indemnify, defend and save harmless the other party from any and all damages, claims, suits, costs, attorney’s fees and actions arising from or related to its actions or omissions or the acts or omissions of its officers, agents, or employees in connection with the performance and/or subject matter of this Agreement. It is expressly agreed between the parties that the obligations to indemnify is limited to the dollar amounts set forth in the Governmental Immunity Act, provided the Act applies to the action or omission giving rise to the protections of this paragraph. This paragraph shall not be construed as a waiver of the protections of the Governmental Immunity Act by the parties. The indemnification in this paragraph shall survive the expiration or termination of this Agreement.

XV. Each party agrees to undertake and perform all further acts that are reasonably necessary to carry out the intent and purposes of the Agreement at the request of the other party.

XVI. The failure of either party to insist upon strict compliance of any of the terms and conditions, or failure or delay by either party to exercise any rights or remedies provided in this Agreement, or by law, will not release either party from any obligations arising under this Agreement.

XVII. This Agreement does not create any type of agency relationship, joint venture or partnership between the parties.

XVIII. Each party represents that it has the authority to enter into this Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by its duly authorized officers as of the day and year first above written.

<table>
<thead>
<tr>
<th>Herriman City</th>
<th>Utah Department of Transportation</th>
</tr>
</thead>
<tbody>
<tr>
<td>By</td>
<td>Date</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Steven J. Quinn, Project Manager</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Bryan Adams Director, Region II</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Comptroller Office</td>
</tr>
</tbody>
</table>

By [Signature] Date [Date]

By [Signature] Date [Date]

By [Signature] Date [Date]
DATE: January 4, 2018

TO: The Honorable Mayor and City Council

FROM: Monte Johnson

SUBJECT: Amendment to the Master Fee Schedule

RECOMMENDATION:
Staff recommends amending the Master Fee Schedule to correct some minor typographical errors.

DISCUSSION:
The fees to rent the Community Center were mistakenly changed to an hourly rate instead of a flat rate. Also the Community room at the new building did not reflect the proper rate when the room is combined into a larger room. See attachment with the correct rental rates that were presented in the last council meeting.

FISCAL IMPACT:
No significant impact on the financial budget.
AN ORDINANCE OF THE CITY COUNCIL AMENDING THE SPECIAL EVENTS, PARK RENTAL, AND CITY HALL RENTAL MASTER FEE SCHEDULE

WHEREAS, the Herriman City Council (the “Council”) met in regular meeting on January 10, 2018, to consider, among other things, amending the special events, park rental, and city hall rental master fee schedule; and

WHEREAS, Sections 7-7-1 et seq. and 7-8-1 et seq. of the Code provide among other things for the adoption of a master fees schedule; and

WHEREAS, the Council has reviewed the master fee schedule as set forth in the attached exhibit “A” and based on staff representations the Council finds that the fees set forth therein reimburse the City for cost incurred with respect to each matter identified therein; and

WHEREAS, after careful consideration, the Council has determined that it is in the best interest of the health, safety, and welfare of the inhabitants of the City to amend the master fee schedule as set forth in the attached exhibit “A”.

NOW, THEREFORE, BE IT ORDAINED by the Council that as contemplated in Sections 7-7-1 et seq. and 7-8-1 et seq. of the Code the attached exhibit “A” is hereby amending as the Master Fee Schedule.

PASSED AND APPROVED this 10th day of January, 2018.

HERRIMAN COUNCIL

By: ______________________________________
    David Watts, Mayor

ATTEST:

Jackie Nostrom, MMC
City Recorder
<table>
<thead>
<tr>
<th>Type</th>
<th>FINAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Special Events</td>
<td></td>
</tr>
<tr>
<td>Special Event Permit Charge</td>
<td>$100.00</td>
</tr>
<tr>
<td>Special Event Permit Late Fee</td>
<td>$50.00</td>
</tr>
<tr>
<td>Special Event Staffing Fee</td>
<td>$40 per hour, per staff member, two hour minimum</td>
</tr>
<tr>
<td>Special Event Street Sweeping Charge</td>
<td>$50 per event plus $2.00 per participant (participant fee to be charged following event)</td>
</tr>
<tr>
<td>Herriman Community Garden</td>
<td></td>
</tr>
<tr>
<td>Single Plot - per growing season</td>
<td>$40 deposit, refundable</td>
</tr>
<tr>
<td>Double Plot - per growing season</td>
<td>$60 deposit, refundable</td>
</tr>
<tr>
<td>Park Pavilion Rental *All park pavilions other than Rosecrest Pavilion, Main Street, Blackridge Large Pavilion and J. Lynn Crane Park</td>
<td></td>
</tr>
<tr>
<td>Park Pavilion 1/2 Day (9:00 AM - 2:00 PM OR 4:00 PM - 10:00 PM)</td>
<td>$25 resident, $50 non-resident</td>
</tr>
<tr>
<td>Park Pavilion Full Day (9:00 AM - 10:00 PM)</td>
<td>$40 resident, $75 non-resident</td>
</tr>
<tr>
<td>Main Street Park &amp; Blackridge Large Pavilion - Park Pavilion Rental</td>
<td></td>
</tr>
<tr>
<td>Park Pavilion 1/2 Day (9:00 AM - 2:00 PM OR 4:00 PM - 10:00 PM)</td>
<td>$50 resident, $100 non-resident</td>
</tr>
<tr>
<td>Park Pavilion Full Day (9:00 AM - 10:00 PM)</td>
<td>$80 resident, $150 non-resident</td>
</tr>
<tr>
<td>Crane Park - Park Pavilion &amp; Gazebo Rental</td>
<td></td>
</tr>
<tr>
<td>Playground Pavilion or Gazebo Full Day (9:00 AM - 10:00 PM)</td>
<td>$80 resident, $150 non-resident</td>
</tr>
<tr>
<td>Crane Park - Bandstand</td>
<td></td>
</tr>
<tr>
<td>Bandstand Rental 1/2 day (9:00 AM - 2:00 PM OR 4:00 PM - 10:00 PM)</td>
<td>$100 resident, $175 non-resident</td>
</tr>
<tr>
<td>Bandstand Rental Full Day (9:00 AM - 10:00 PM)</td>
<td>$175 resident, $250 non-residency</td>
</tr>
<tr>
<td>Sound technician</td>
<td>$40 per hour, per staff member, two hour minimum</td>
</tr>
<tr>
<td>Crane Park - Ice Ribbon</td>
<td></td>
</tr>
<tr>
<td>Ice Skating - Adults (Ages 12 - 60)</td>
<td>$3</td>
</tr>
<tr>
<td>Ice Skating - Child (Ages 3 - 11)</td>
<td>$2</td>
</tr>
<tr>
<td>Ice Skating - Child two and under</td>
<td>Free</td>
</tr>
<tr>
<td>Ice Skating - Senior (60+)</td>
<td>$2</td>
</tr>
<tr>
<td>Ice Skate Rental (All ages)</td>
<td>$3</td>
</tr>
<tr>
<td>Helmet Rental</td>
<td>Free</td>
</tr>
<tr>
<td>Ice Walker Rental</td>
<td>$5</td>
</tr>
<tr>
<td>10 time punch pass (includes skate rental)</td>
<td>$45</td>
</tr>
<tr>
<td>Group Discount</td>
<td>$1 off per skater for ice skating</td>
</tr>
<tr>
<td>W &amp; M Butterfield Park - Rosecrest Pavilion</td>
<td></td>
</tr>
<tr>
<td>Deposit</td>
<td>$500 refundable</td>
</tr>
<tr>
<td>Stage Front (bathrooms, stage, seating areas)</td>
<td></td>
</tr>
<tr>
<td>Park Pavilion 1/2 Day (9:00 AM - 2:00 PM OR 4:00 PM - 10:00 PM)</td>
<td>$325 resident, $375 non-resident</td>
</tr>
<tr>
<td>Park Pavilion Full Day (9:00 AM - 10:00 PM)</td>
<td>$600 resident, $650 non-resident</td>
</tr>
<tr>
<td>Run of House (bathrooms, stage, seating areas, backstage, lights, sound)</td>
<td></td>
</tr>
<tr>
<td>Rosecrest Pavilion 1/2 Day (9:00 AM - 2:00 PM OR 4:00 PM - 10:00 PM)</td>
<td>$450 resident, $550 non-resident</td>
</tr>
<tr>
<td>Rosecrest Pavilion Full Day (9:00 AM - 10:00 PM)</td>
<td>$675 resident, $725 non-resident</td>
</tr>
<tr>
<td>Stage and Dressing Rooms only</td>
<td>Remove</td>
</tr>
<tr>
<td>Event Staffing Fee</td>
<td>$40 per hour, per staff member, two hour minimum</td>
</tr>
<tr>
<td>W &amp; M Butterfield Park - Equestrian</td>
<td></td>
</tr>
<tr>
<td>Deposit</td>
<td>$500 refundable</td>
</tr>
<tr>
<td>Arena 1/2 Day Rental (9:00 AM - 2:00 PM OR 4:00 PM - 10:00 PM)</td>
<td>$150 resident, $200 non-resident</td>
</tr>
<tr>
<td>Arena Full Day Rental (9:00 AM - 10:00 PM)</td>
<td>$300 resident, $350 non-resident</td>
</tr>
<tr>
<td>Arena Lights</td>
<td>$25 per hour</td>
</tr>
<tr>
<td>Large practice arena - week night</td>
<td>$15 resident, $25 non-resident per session resident, $400 non-resident per season $300</td>
</tr>
<tr>
<td>Small practice arena - week night</td>
<td>$10 resident, $20 non-resident per session resident, $300 non-resident per season $200</td>
</tr>
<tr>
<td>Additional Arena Work Fee - Equestrian Arena (per request &amp; availability)</td>
<td>$50.00 per working</td>
</tr>
<tr>
<td>Additional Arena Work Fee - Practice Arenas (per request &amp; availability)</td>
<td>$25 per working</td>
</tr>
<tr>
<td>Stall Barn Rentals (Includes one bag of shavings)</td>
<td>$25</td>
</tr>
<tr>
<td>Extra shavings</td>
<td>$15</td>
</tr>
<tr>
<td>W &amp; M Butterfield Park - Concessions (Rosecrest Pavilion, Baseball and Equestrian Arena)</td>
<td>$500 with $500 deposit</td>
</tr>
<tr>
<td>Concessions</td>
<td></td>
</tr>
<tr>
<td>Concessions, Staging Only</td>
<td>$50 with $500 deposit</td>
</tr>
<tr>
<td>W &amp; M Butterfield Park, Tuscany Park, &amp; Main Street Park- Baseball Fields</td>
<td>$500 with $500 deposit</td>
</tr>
</tbody>
</table>

W & M Butterfield Park, Tuscany Park, & Main Street Park- Baseball Fields

W & M Butterfield Park, Tuscany Park, & Main Street Park- Baseball Fields
<table>
<thead>
<tr>
<th>Activity</th>
<th>Resident Fee</th>
<th>Non-Resident Fee</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Week Night</td>
<td>$15/field</td>
<td>$20/field</td>
<td></td>
</tr>
<tr>
<td>Tournaments</td>
<td>$20/field</td>
<td>$25/field</td>
<td></td>
</tr>
<tr>
<td>Lights (Butterfield Only)</td>
<td></td>
<td>$25/field</td>
<td></td>
</tr>
<tr>
<td>Park Staffing Fee (per request and availability)</td>
<td>$40/per hour, per staff member, two hour minimum</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Park Active Open Space - City Wide</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Park Soccer &amp; Football Fields Week Night</td>
<td>$10/field</td>
<td>$15/field</td>
<td></td>
</tr>
<tr>
<td>Park Soccer &amp; Football Fields Tournament Use</td>
<td>$15/field</td>
<td>$20/field</td>
<td></td>
</tr>
<tr>
<td><strong>Field 6 at RSL</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Herriman Field at RSL</td>
<td>$30/field</td>
<td>$40/field</td>
<td></td>
</tr>
<tr>
<td>Herriman Field at RSL - Tournament Use</td>
<td>$40/field</td>
<td>$50/field</td>
<td></td>
</tr>
<tr>
<td><strong>Building</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Herriman Community Center</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Community Room</td>
<td>$50</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Kitchen</td>
<td>$25</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Audio/Video Equipment</td>
<td>$25</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Piano</td>
<td>$25</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Deposit</td>
<td>$100 refundable</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Herriman City Hall</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Conference Room</td>
<td>$20/2hr</td>
<td>$30/2hr</td>
<td></td>
</tr>
<tr>
<td>Lobby</td>
<td>$50/2hr</td>
<td>$75/2hr</td>
<td></td>
</tr>
<tr>
<td>Bingham Canyon A</td>
<td>$50/2hr</td>
<td>$75/2hr</td>
<td></td>
</tr>
<tr>
<td>Bingham Canyon B</td>
<td>$50/2hr</td>
<td>$75/2hr</td>
<td></td>
</tr>
<tr>
<td>Combined Bingham Canyon A&amp;B</td>
<td>$100/2hr</td>
<td>$150/2hr</td>
<td></td>
</tr>
<tr>
<td>Kitchen</td>
<td>$25/2hr</td>
<td>$35/2hr</td>
<td></td>
</tr>
<tr>
<td>Audio/Video Equipment</td>
<td>$25/2hr</td>
<td>$35/2hr</td>
<td></td>
</tr>
<tr>
<td>Deposit</td>
<td>$100 refundable</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Additional Fees</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Setup Staff</td>
<td>$20/2hr</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cleanup Staff</td>
<td>$20/2hr</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
## Facilities Rental Rates

### Herriman Community Center

<table>
<thead>
<tr>
<th>Service</th>
<th>Resident Rate</th>
<th>Non-Resident Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Room Reservations</td>
<td>$50.00</td>
<td></td>
</tr>
<tr>
<td>Kitchen</td>
<td>$25.00</td>
<td></td>
</tr>
<tr>
<td>Audio / Video Equipment</td>
<td>$25.00</td>
<td></td>
</tr>
<tr>
<td>Piano</td>
<td>$25.00</td>
<td></td>
</tr>
<tr>
<td>Security Deposit</td>
<td>$100.00</td>
<td></td>
</tr>
</tbody>
</table>

### Herriman City Hall

<table>
<thead>
<tr>
<th>Service</th>
<th>Resident Rate</th>
<th>Non-Resident Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Conference Room</td>
<td>$20.00 per hour with 2 hour minimum</td>
<td>$30.00 per hour with 2 hour minimum</td>
</tr>
<tr>
<td>Lobby</td>
<td>$50.00 per hour with 2 hour minimum</td>
<td>$75.00 per hour with 2 hour minimum</td>
</tr>
<tr>
<td>Bingham Canyon A</td>
<td>$50.00 per hour with 2 hour minimum</td>
<td>$75.00 per hour with 2 hour minimum</td>
</tr>
<tr>
<td>Bingham Canyon B</td>
<td>$50.00 per hour with 2 hour minimum</td>
<td>$75.00 per hour with 2 hour minimum</td>
</tr>
<tr>
<td>Combined A &amp; B</td>
<td>$100.00 per hour with 2 hour minimum</td>
<td>$150.00 per hour with 2 hour minimum</td>
</tr>
<tr>
<td>Kitchen</td>
<td>$25.00 per hour</td>
<td>$35.00 per hour</td>
</tr>
<tr>
<td>Audio / Video Equipment</td>
<td>$25.00 per hour</td>
<td>$35.00 per hour</td>
</tr>
<tr>
<td>Security Deposit</td>
<td>$100.00</td>
<td>$100.00</td>
</tr>
</tbody>
</table>

### Additional Fees

- Setup Staff: $20.00 per hour
- Cleanup Staff: $20.00 per hour

Weekend & holiday overtime charges will apply.

*City sponsored events are exempt from fees.
*Security Deposit will be refunded upon compliance of the rules provided and verification of no damage.
*If a City Event conflicts with your scheduled event, the City Event will take precedence.
DATE: January 3, 2018

TO: The Honorable Mayor and City Council

FROM: Monte Johnson, Operations Director

SUBJECT: Herriman Community Center

RECOMMENDATION:
Staff would like to receive direction from the Mayor and City Council on which option to pursue. Maintaining ownership, lease options, or declaring the property surplus and setting a minimum bid.

DISCUSSION:
We will look at different options to determine which one would be in the best interest of the city. Options will include: Maintaining ownership, providing space for another agency that may benefit the community, lease options, and an appraisal for possible sale.

FISCAL IMPACT:
No immediate impact to the fiscal budget. The City may receive revenue in the future.
Herriman, Utah  
Ordinance No. 18-___

AN ORDINANCE DECLARING HERIMAN COMMUNITY CENTER LOCATED AT _____________ HERIMAN, SALT LAKE COUNTY, UTAH, AS SURPLUS; ESTABLISH A MINIMUM BID; AND ESTABLISH A METHOD TO DETERMINE THE HIGHEST AND BEST ECONOMIC RETURNS TO THE CITY

WHEREAS, the Herriman City Council ("Council") met in special meeting on January 10, 2018, to consider, among other things, declaring the Herriman Community Center located at _____________ Herriman, Salt Lake County, Utah, as surplus; establish a minimum bid; and establish a method to determine the highest and best economic returns to the City; and

WHEREAS, the staff has recommended to the Council, and the Council has determined that the Herriman Community Center located at _____________ Herriman, Salt Lake County, Utah, ("Property") is no longer needed for City purposes; and

WHEREAS, the legal description and a map of the Property are attached hereto; and

WHEREAS, after careful consideration, the Council has determined that it is in the best interest of the public to declare the Property as surplus, to establish a minimum bid, and to establish a method to determine the highest and best economic returns to the City.

NOW, THEREFORE, BE IT ORDAINED by the Council that it is in the best interest of the public to declare the Property as surplus and the Property is hereby declared surplus, that the minimum bid for the Property shall be _____________, and that the highest and best economic return to the City shall be by competitive bid.

BE IT FURTHER ORDAINED by the Council that the Property is a significant parcel of real property, as that term is defined in Section 2.32.155 of the Herriman Code of Ordinances, and direct that notice be given as provided therein.

BE IT FURTHER ORDAINED that the City Manager and Recorder are hereby authorized and directed to surplus the Property as provided herein, provided no public comment on the proposed dispositions are received on or before _____________, 2018, and that such transaction take place at such time as the City manager determines that is in the best interest of the City.
PASSED AND APPROVED this 10th day of January, 2018.

HERRIMAN CITY

By: ______________________________
    David Watts, Mayor

ATTEST:

____________________________________
Jackie Nostrom, MMC
City Recorder
APPRAISAL REPORT

EXISTING OFFICE BUILDING

LOCATED AT
13011 South Pioneer Road
Herriman, Utah

DATE OF VALUATION
August 29, 2016

REPORT # UT01-16-0467-0000

PREPARED FOR
Mr. Brett Geo. Wood
City Manager
Herriman City
13011 South Pioneer Road
Herriman, Utah 84096

PREPARED BY
Gary R. Free, MAI, SRA
and
Tyler A. Free

Valbridge | Free and Associates, Inc.
Real Estate Appraisers and Consultants

1100 East 6600 South, Suite 201
Salt Lake City, Utah 84121
(801) 262-3388

260 South 2500 West, Suite 301
Pleasant Grove, Utah 84062
(801) 492-0000

20 North Main Street, Suite 304
St. George, Utah 84770
(435) 773-6300
September 26, 2016

Mr. Brett Geo. Wood
City Manager
Herriman City
13011 South Pioneer Road
Herriman, Utah 84096

RE: Office Building (Existing)
13011 South Pioneer Road
Herriman, Utah

Dear Mr. Wood:

At your request, we have prepared the following narrative appraisal report on the above referenced property. The purpose of the appraisal report is to determine the "as is" fee simple estate market value of the subject property. The report will be used for determining the market value of this property for internal management decisions.

Also at your request, the report has been prepared in a summary format as defined by USPAP Standards Rule 2-2(a). This type of written report presents only a summary discussion of the data and analyses that are employed in the appraisal process to develop an opinion of value.

The appraisal report has been prepared in a manner to conform to the Uniform Standards of Professional Appraisal Practice (USPAP) adopted by the Appraisal Standards of the Appraisal Foundation.

The subject consists of a 16,101 square foot office building located on a 23,958 square foot improved site. A more detailed description of the subject is found in the following report.

In the valuation process, the sales comparison and income approaches to value have been expanded and lead to good correlation of value. The cost approach was not developed due to the fact that the subject building was originally constructed over 15 years ago.
After careful consideration of the information and analysis contained within this report, we are of the opinion the subject property has the following estimated value conclusion(s):

<table>
<thead>
<tr>
<th>Appraisal Scenario(s)</th>
<th>Date of Value</th>
<th>Interest Applied</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>“As Is” Market Value</td>
<td>August 29, 2016</td>
<td>Fee Simple</td>
<td>$1,690,000</td>
</tr>
</tbody>
</table>

The following appraisal report provides supporting data, assumptions, and justifications for our final value conclusions. The appraisal is made subject to the general assumptions and limiting conditions stated at the end of the report.

Please call if there are any questions.

Respectfully submitted,

VALBRIDGE | FREE AND ASSOCIATES, INC.

Gary R. Free, MAI, SRA  
Senior Managing Director

Tyler A. Free  
Senior Appraiser

Utah State - Certified General Appraiser  
License # 5451769-CG00 (Exp. 6/30/17)

Utah State - Certified General Appraiser  
License # 6050225-CG00 (Exp. 12/31/16)
EXECUTIVE SUMMARY

General Information:

Subject - Office Building
Location - 13011 South Pioneer Road, Herriman, Utah (Salt Lake County)
Tax ID Number(s) - 26-35-257-001
Owner(s) of Record - Herriman City
Highest and Best Use:
  Land as If Vacant - Residential use
  Land as Improved - Continuation of office use
Zoning - A-.25; Low density residential - Herriman City Jurisdiction
Purpose of Appraisal - Estimate market value
Property Rights - Fee simple estate
Estimated Exposure and Marketing Time - Twelve months

Site Description:

Size - 23,958 square feet or 0.55 acres
Number of Parcels - One
Shape - Rectangular
Topography - Basically level
Corner or Interior - Corner
Street Frontage - 233.31 feet on the south side of 13000 South, and 120 feet on the east side of Pioneer Street
Access - Ingress and egress are adequate via 13000 South and Pioneer Street, which are publicly dedicated and maintained.

Off-Site Improvements - 2-lane asphalt paved street; curb, gutter, and sidewalk.
On-Site Improvements - Asphalt paved parking, minimal landscaping, sidewalks, and fencing.
Parking - 7 onsite parking stalls and 19 off-street parking stalls, and shared parking/access agreement with neighboring LDS Church, which appears to provide adequate parking. The appraisal assumes parking agreement with neighboring property remains in place.
Utilities - All utilities are located at the site, and are considered adequate for development.
Flood Designation - Floodscape Map # 49035C0418G, dated 9/25/09 Zone X or C - Area of low flood risk.
Summary - Continued

Building Improvement Description:
Basic Construction - Wood Frame Stucco and stone (average quality class “D”)
Year Built - 2001
Effective Age - 10 years
Quality - Average
Condition - Average
Size - 16,101 square feet
First Floor area = 8,275 sf 51%
Basement area = 7,826 sf 49%
Shape - Rectangular
Number of Stories - One (plus finished basement area)
Building-to-Land Ratio - 35 percent (footprint)
67 percent (overall)

Appraisal Dates:
Valuation Date - August 29, 2016
Report Date - September 26, 2016

Valuation Conclusions:
Sales Comparison Approach - $ 1,690,000
Income Capitalization Approach - $ 1,660,000
Concluded Final “As Is” Value $ 1,690,000
Personal Property - $ -0-
# TABLE OF CONTENTS

## General Information
- Client, Intended User, Use, and Purpose of Appraisal .......................................................... 1
- Date of the Appraisal .............................................................................................................. 1
- Property Rights Appraised .................................................................................................... 1
- Extraordinary Assumptions and/or Hypothetical Conditions ............................................. 1
- Furniture, Fixtures, and Equipment (FF&E) ......................................................................... 1
- Estimated Exposure Time ...................................................................................................... 1
- Identification of the Property ............................................................................................... 1
- History of the Property ......................................................................................................... 3
- Scope of Work ....................................................................................................................... 4
- Definitions ............................................................................................................................. 5

## Area and Property Descriptions
- Area Data ............................................................................................................................ 7
- Neighborhood Data ............................................................................................................. 11
- Land and Site Description .................................................................................................. 13
- Zoning ................................................................................................................................ 16
- Improvement Description ................................................................................................... 17
- Tax Assessment Analysis .................................................................................................... 27
- Highest and Best Use .......................................................................................................... 28

## Valuation of the Property
- Sales Comparison Approach ............................................................................................... 31
- Income Capitalization Approach ....................................................................................... 41
- Reconciliation and Final Value Estimate ............................................................................ 58

- Certification of Value ......................................................................................................... 60
- General Assumptions .......................................................................................................... 61
- General Limiting Conditions .............................................................................................. 62
- Special Limiting Conditions ............................................................................................... 63

- Qualifications of the Appraisers .........................................................................................

## ADDENDUM
**GENERAL INFORMATION**

**Identification of the Assignment**

**Client** - The client, who engaged our services on August 23, 2016, is Mr. Brett Geo. Wood of Herriman City.

**Intended User(s) of the Appraisal** - The intended user of this appraisal report is Herriman City. There are no other intended users.

**Intended Use of the Appraisal** - The intended use of this appraisal is to provide the client with an opinion of value for internal management decisions.

**Purpose of the Appraisal** - The purpose of the appraisal is to estimate the "as is" market value of the subject property.

**Date of the Appraisal** - The effective date of the appraisal is August 29, 2016, which is also when the inspection of the subject property was conducted by the appraisers. The date of the report or completion date is September 19, 2016.

**Property Rights Appraised** – The subject has fee simple estate property rights.

**Extraordinary Assumptions and/or Hypothetical Conditions**

None

**Furniture, Fixtures, and Equipment (FF&E)**

For the purpose of this report, there is no value attributable to FF&E.

**Estimated Exposure & Marketing Time**

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

**Identification of the Property**

**Statement of Ownership** - According to the county recorder's office, the title to the subject property is currently vested in the name of Herriman City.

**General Description of the Subject** - The property consists of an office building situated on one land parcel.
Occupyant of the Subject - The property is currently 100% owner occupied.

Address of the Subject - The subject address is 13011 South Pioneer Road, Herriman, Utah.

Legal Description of the Subject - The legal description was taken from the county recorder's office and is as follows:

Parcel # 26-35-257-001  
W 200 FT OF N 120 FT OF LOT 3 BLK 19 HERRIMAN 1459-82 6841-1730 8414-5775
History of the Property

According to county records, and discussions with the current property owner, the following is a summary of the subject property’s recent history:

Current Owner of Record - Herriman City
Length of Ownership - Over 15 years
Listings (3 yrs.) - The subject is not listed, however, the appraisal is being performed to establish a market value for the subject for a future listing.
Offers (3 yrs.) - None
Leases - None
Recent Sales / Contracts (3 yrs.) - None

To the best of our knowledge, with the exception of the foregoing, the property has not sold, been offered for sale, been placed under contract for sale, or received a purchase offer within the last three years.
Scope of Work

The scope of work for this assignment is summarized below:

**Inspection** - We inspected the subject site and the interior and exterior of the subject building improvements. We measured the exterior building improvements.

**Data Researched** - We have performed an extensive investigation in the local marketplace and market conditions for valuation of the subject property. We have analyzed comparable data of other transactions that have occurred in the subject’s market. Our valuation research included, but is not limited to, talking with city and county officials, real estate brokers, appraisers, and local property owners. Any sales data or rental information used in this report has been verified with a responsible party. Utah is a non-disclosure state; therefore, information used in this report is as reliable as practical.

**Valuation Approaches** - In the valuation process, three approaches are usually considered when developing an opinion of value: (1) cost approach; (2) sales comparison approach; and (3) income capitalization approach. In this assignment, the sales comparison and income capitalization approaches have been developed; however, the cost approach is not considered applicable to arrive at a credible opinion of value. The subject building was originally constructed over 15 years ago; as such, the figures associated with current construction costs potentially reflect quite different technologies, standards, and types of materials. Moreover, depreciation estimates would be quite subjective. Consequently, any estimate of value associated with the cost approach is substantially weakened, largely meaningless, and potentially misleading.

**Report Format** - This report is a summary appraisal report in accordance with Standards Rule 2-2(a) of the *Uniform Standards of Professional Appraisal Practice*. All applicable approaches to value have been expanded and evaluated; however, the report presents only summary discussions of the data, reasoning and analyses that were used in the appraisal process to develop the appraiser's opinion of value. Supporting documentation concerning the data, reasoning and analyses is retained in the appraisers' files. The depth of discussion contained within this report is specific to the needs of the client and for the intended use stated.

**Conforming Requirements** - The appraisal report has been prepared in a manner to conform to the Uniform Standards of Professional Appraisal Practice (USPAP) adopted by the Appraisal Standards of the Appraisal Foundation.
DEFINITIONS

The following selected definitions were obtained from the following sources:

- Federal Register, Volume 55, Number 163, (August 22, 1990)

Accrued Depreciation
The difference between an improvement's reproduction or replacement cost and its market value as of the date of the appraisal.

"As Is" Premise
Market Value "as is" on appraisal date means an estimated of the market value of a property in the condition observed upon inspection and as it physically and legally exists without hypothetical conditions, assumptions, or qualifications, as of the date the appraisal is prepared.

Fee Simple Estate
Absolute ownership unencumbered by any other interest or estate; subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.

Highest and Best Use
The reasonably probable and legal use of vacant land or an improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value.

Leased Fee Interest
The ownership interest held by the lessor, which includes the right to the contract rent specified in the lease plus the reversionary right when the lease expires.

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

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

Operating expenses
Operating expenses are the periodic expenditures necessary to maintain the real property and continue the production of the effective gross income.

Substitution
The appraisal principle that states when several similar or commensurate commodities, goods, or services are available, the one with the lowest price will attract the greatest demand and widest distribution.
Exposure time
The estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of appraisal; a retrospective opinion based on an analysis of past events assuming a competitive and open market. Exposure time is always presumed to occur prior to the effective date of the appraisal.

Marketing time
An opinion of the amount of time it might take to sell a real property interest at the concluded market value level during the period immediately after the effective date of an appraisal.
AREA DATA

Location - The subject property is located in northern Utah within the boundaries of Salt Lake County. The metropolitan area of Salt Lake County is the largest population, transportation, and business center in the state of Utah. Salt Lake is the financial center for the Intermountain Region, which encompasses all of Utah, southern Idaho, southwestern Wyoming, and eastern Nevada. Salt Lake County is part of a four-county area that is commonly known as the Wasatch Front.

Size and Topography - Salt Lake County physically encompasses an area which extends 33 miles along Interstate 15 from Bountiful City on the north to Draper City on the south. The elevation varies from 4,200 to 5,200 feet above sea level with Salt Lake City having an official elevation of 4,330.35 feet.

Population - Salt Lake County encompasses the Salt Lake metropolitan area and had a 2010 population of 1,063,842 which was about 37 percent of the state’s population estimate of 2,855,287.

1 US Census Bureau Quick Facts
Economic Considerations - The economic base is fairly diversified and unemployment levels are low with no single employer predominant in the local work force, with the exception of the University of Utah. This is beneficial, since a major employer cannot adversely affect the local economy and local real estate values by terminating a large number of workers. The per capita income level of the state is lower than the national average, but is experiencing significant increases, which are bringing it more in line with the rest of the country. The area real estate markets, with respect to commercial and industrial properties, are on the rise since recovery from the economic downturn. The residential market has experienced growth since the sub-prime credit crisis.

Economic Base – In November 2015, unemployment in Salt Lake County was at 3.1 percent, which was lower than the statewide average of 3.8 percent and lower than the national average of 5.5 percent. The Salt Lake County labor force consisted of approximately 690,100 persons in November 3015. Top employers in the county are summarized in the following chart:

<table>
<thead>
<tr>
<th>Top Employers</th>
<th>Industry</th>
<th>Employment Range</th>
</tr>
</thead>
<tbody>
<tr>
<td>University of Utah</td>
<td>Higher Education</td>
<td>20000-24999</td>
</tr>
<tr>
<td>IHC</td>
<td>Healthcare</td>
<td>15000-19999</td>
</tr>
<tr>
<td>State of Utah</td>
<td>State Government</td>
<td>10000-14999</td>
</tr>
<tr>
<td>Granite School District</td>
<td>Public Education</td>
<td>7000-9999</td>
</tr>
<tr>
<td>Jordan School District</td>
<td>Public Education</td>
<td>5000-6999</td>
</tr>
<tr>
<td>United States Government</td>
<td>Federal Government</td>
<td>5000-6999</td>
</tr>
<tr>
<td>Wal-Mart</td>
<td>Supercenter</td>
<td>4000-4999</td>
</tr>
<tr>
<td>Zions Bank</td>
<td>Banking</td>
<td>3000-3999</td>
</tr>
<tr>
<td>SL Community College</td>
<td>Higher Education</td>
<td>2000-2999</td>
</tr>
<tr>
<td>Convergys</td>
<td>Tele Call Centers</td>
<td>2000-2999</td>
</tr>
<tr>
<td>Kennecott Utah Copper</td>
<td>Metal Mfg</td>
<td>1000-1999</td>
</tr>
<tr>
<td>Snowbird</td>
<td>Ski Resort</td>
<td>1000-1999</td>
</tr>
</tbody>
</table>

Education - According to the Utah State Education Office, Salt Lake County currently has 162 elementary schools, 41 junior high schools, 23 high schools, and 35 special education schools. The State of Utah also has 102 regular charter schools and 8 special education charter schools. Utah has a student per teacher ratio of 22.1 in 2014 compared with the national average of 16.1 students per teacher. This is the highest in the nation and is attributed to the high birth rate and young age of the Utah population. The statistics indicate that more money is needed for public education in the state. The high student per teacher ratio is likely to continue in the future and is a negative factor that somewhat reduces the appeal of the general area for the re-location of companies and individuals.

---

2 Department Workforce Services
3 Department of Workforce Services
Environmental Considerations - The environmental considerations are favorable to the region and real estate market. The climate is moderate. Transportation facilities are adequate, although the level of air pollution in the county has been a concern in recent years. There is sufficient recreation and cultural activities in the area to support continued growth and expansion in the future.

Summary - All factors necessary for a long-term strong economy are in place including an abundance of natural resources, high education level and productivity of the population, a good diversification of employment, and a high quality of life.
AREA MAP
A neighborhood, according to *The Appraisal of Real Estate*, 13th edition, published by the Appraisal Institute, is defined as "a group of complementary land uses."

**Neighborhood Boundaries** - The subject has the following boundaries:

- North Boundary: 12900 South (Herriman)
- South Boundary: 13100 South
- East Boundary: 5600 West
- West Boundary: 6000 West

**Description of Neighborhood and Property Uses** - The area within the neighborhood boundaries consists largely of mature and new residential and commercial development with the commercial development along the major traffic arteries. The immediate neighborhood of the subject is influenced primarily by a variety of residential development. The general neighborhood is estimated to be over 65 percent built up.

**Access, Transportation and Traffic Arteries** - The subject is located along Pioneer Road west of the Mountain View Corridor, Bangerter Parkway and the I-15/12600 South interchange. This location provides good exposure and access to major transportation routes, including the Mountain View Corridor and I-15. I-15 is the major north/south traffic artery through the state of Utah and the Wasatch Front area.

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

**Summary and Conclusion** - In summary, the general neighborhood is a well-developed residential corridor located in Herriman. The subject is situated near Bangerter Parkway and I-15, both of which are major traffic arteries on the west side of Salt Lake County. Property uses in the immediate area of the subject property are predominantly residential. Overall, it is expected that land and property values will remain fairly constant due to these influences on the neighborhood.
**LAND AND SITE DESCRIPTION**

The subject site is described as follows:

<table>
<thead>
<tr>
<th>Description</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Size</td>
<td>23,958 square feet or 0.55 acres</td>
</tr>
<tr>
<td>Number of Parcels</td>
<td>One</td>
</tr>
<tr>
<td>Shape</td>
<td>Rectangular</td>
</tr>
<tr>
<td>Topography</td>
<td>Basically level</td>
</tr>
<tr>
<td>Corner or Interior</td>
<td>Corner</td>
</tr>
<tr>
<td>Street Frontage</td>
<td>233.31 feet on the south side of 13000 South, and 120 feet on the east side of Pioneer Street</td>
</tr>
<tr>
<td>Access</td>
<td>Ingress and egress are adequate via 13000 South and Pioneer Street, which are publicly dedicated and maintained.</td>
</tr>
<tr>
<td>Off-Site Improvements</td>
<td>2-lane asphalt paved street; curb, gutter, and sidewalk.</td>
</tr>
<tr>
<td>On-Site Improvements</td>
<td>Asphalt paved parking, minimal landscaping, sidewalks, and fencing.</td>
</tr>
<tr>
<td>Parking</td>
<td>7 onsite parking stalls and 19 off-street parking stalls, and shared parking/access agreement with neighboring LDS Church, which appears to provide adequate parking. The appraisal assumes parking agreement with neighboring property remains in place.</td>
</tr>
<tr>
<td>Utilities</td>
<td>All utilities are located at the site, and are considered adequate for development.</td>
</tr>
<tr>
<td>Flood Designation</td>
<td>Floodscape Map # 49035C0418G, dated 9/25/09 Zone X or C - Area of low flood risk.</td>
</tr>
<tr>
<td>Size</td>
<td>23,958 square feet or 0.55 acres</td>
</tr>
<tr>
<td>Soils</td>
<td>Soil conditions appear to be adequate to support development.</td>
</tr>
<tr>
<td>Easements, Hazards, &amp; Adverse Conditions</td>
<td>There does not appear to be any unusual easements, hazards, or nuisances that would have a negative influence on the value of the subject property.</td>
</tr>
</tbody>
</table>
The subject property is located within the boundaries of Herriman City and is under that jurisdiction for zoning and enforcement. The following zoning information applies to the subject property:

- **Zoning Designation**: A-.25 – low density residential
- **Uses Allowed**: Variety of low density residential
- **Minimum Lot Size for Development**: 10,000 square feet
- **Legal Conforming Use**: Appears to be legal non-conforming
- **Zoning Ordinance**: Available in the appraiser’s work file upon request.
IMPROVEMENT DESCRIPTION

The subject’s building improvements are described as follows:

Use Classification - Office building  
Basic Construction - Wood Frame Stucco and stone (average quality class “D”)  
Year Built - 2001  
Effective Age - 10 years  
Quality - Average  
Condition - Average  
Size - 16,101 square feet  
First Floor area = 8,275 sf  51%  
Basement area = 7,826 sf  49%  
Shape - Rectangular  
Number of Stories - One (plus finished basement area)  
Building-to-Land Ratio - 35 percent (footprint)  
67 percent (overall)  
Basic Construction - Wood Frame Stucco and stone (average quality class “D”)  
Exterior Walls & Height - Concrete block exterior. Exterior walls are about 18 feet in height.  
Roof - Asphalt shingle coverings.  
Interior Walls and Ceilings - Interior partitions consist primarily of painted gypsum board. Ceilings are also painted gypsum board and suspended acoustical tile.  
Floor Coverings - Carpet throughout office areas, tile in the entries and bathrooms.  
Doors - Customer entrance doors are glass in the front of the building; the back and side doors are glass doors; interior doors are hollow wood.  
Windows - Double pane glass in aluminum or vinyl frames.  
Electrical & Lighting - Typical wiring and power. Lighting primarily consists of fluorescent tubing and bulbs.  
Restrooms/Plumbing - Men’s and women’s restroom. Typical ceramic porcelain fixtures.
Heating & Air Conditioning - Central heating and air throughout the building.

Fire Protection - There is no ceiling sprinkling system.

Other Improvements - None

Functional Utility - Functionally adequate and suited for office use. There is no evidence of major functional deficiency or superadequacy.

Original Life Expectancy and Remaining Economic Life - The original estimated life (as new) is 45 years. The remaining economic life is estimated at 35 years.

Incurable Physical Deterioration - 22% (10 ÷ 45 yrs.)

Curable Physical Deterioration (Deferred Maintenance) - None

Furniture, Fixtures, & Equipment - None associated with the subject.

**ADA Compliance (Handicap Accessibility)**

The subject has handicap parking and restroom facilities, and appears to be built in accordance with the Americans with Disabilities Act of 1990 Overview of Title III.
Building Sketch

First Floor
8275.4 sf

Basement
7826.2 sf

Comments:

AREA CALCULATIONS SUMMARY

<table>
<thead>
<tr>
<th>Code</th>
<th>Description</th>
<th>Net Size</th>
<th>Net Totals</th>
</tr>
</thead>
<tbody>
<tr>
<td>GBA1</td>
<td>First Floor</td>
<td>8275.42</td>
<td>8275.42</td>
</tr>
<tr>
<td>BSMT</td>
<td>Basement</td>
<td>7826.20</td>
<td>7826.20</td>
</tr>
</tbody>
</table>

BUILDING AREA BREAKDOWN

<table>
<thead>
<tr>
<th>Breakdown</th>
<th>Subtotals</th>
</tr>
</thead>
<tbody>
<tr>
<td>71.8 x 109.0</td>
<td>7826.20</td>
</tr>
<tr>
<td>6.1 x 6.1</td>
<td>31.59</td>
</tr>
<tr>
<td>0.7 x 6.1</td>
<td>4.27</td>
</tr>
<tr>
<td>2.9 x 21.5</td>
<td>62.35</td>
</tr>
<tr>
<td>0.7 x 6.1</td>
<td>4.27</td>
</tr>
</tbody>
</table>

6 Items (rounded) 8275
## Building Photos

<table>
<thead>
<tr>
<th>West elevation</th>
<th>South elevation</th>
</tr>
</thead>
<tbody>
<tr>
<td><img src="image1" alt="West elevation Image" /></td>
<td><img src="image2" alt="South elevation Image" /></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>East elevation</th>
<th>North elevation</th>
</tr>
</thead>
<tbody>
<tr>
<td><img src="image3" alt="East elevation Image" /></td>
<td><img src="image4" alt="North elevation Image" /></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Lobby/entrance</th>
<th>Desk area</th>
</tr>
</thead>
<tbody>
<tr>
<td><img src="image5" alt="Lobby/entrance Image" /></td>
<td><img src="image6" alt="Desk area Image" /></td>
</tr>
</tbody>
</table>
Building Photos

Typical office

Typical office

Typical office

Typical office

Typical office

Typical office
Building Photos

Typical office

Conference room

Typical office

Typical office

Conference room

Typical office

Conference room
<table>
<thead>
<tr>
<th>Improvement Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Building Photos</td>
</tr>
<tr>
<td>Council room</td>
</tr>
<tr>
<td>Council room</td>
</tr>
<tr>
<td>Kitchen</td>
</tr>
<tr>
<td>Kitchen</td>
</tr>
<tr>
<td>Closet</td>
</tr>
<tr>
<td>Restroom</td>
</tr>
<tr>
<td>Building Photos</td>
</tr>
<tr>
<td>-----------------</td>
</tr>
<tr>
<td><img src="image1.png" alt="Restroom" /></td>
</tr>
<tr>
<td><img src="image3.png" alt="Storage area" /></td>
</tr>
<tr>
<td><img src="image5.png" alt="Typical office" /></td>
</tr>
</tbody>
</table>
## Building Photos

<table>
<thead>
<tr>
<th>Typical office</th>
<th>Typical office</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hallway Office</td>
<td>Typical office</td>
</tr>
<tr>
<td>Typical office</td>
<td>Typical office</td>
</tr>
<tr>
<td>Basement counter</td>
<td>Typical office</td>
</tr>
<tr>
<td>------------------</td>
<td>---------------</td>
</tr>
<tr>
<td>Cubicle</td>
<td>Typical office</td>
</tr>
<tr>
<td>Typical office</td>
<td>Lobby</td>
</tr>
</tbody>
</table>
TAX ASSESSMENT ANALYSIS

According to the county treasurer’s office, the subject has had the following tax history over the past three years:

<table>
<thead>
<tr>
<th>Year</th>
<th>Land Value</th>
<th>Improvement Value</th>
<th>Assessed Value</th>
<th>Taxable Value</th>
<th>Taxes</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>$207,200</td>
<td>$1,578,200</td>
<td>$1,785,400</td>
<td>$1,785,400</td>
<td>$29,082.38</td>
</tr>
<tr>
<td>2015</td>
<td>$207,200</td>
<td>$1,578,200</td>
<td>$1,785,400</td>
<td>$1,785,400</td>
<td>$28,486.06</td>
</tr>
<tr>
<td>2016</td>
<td>$215,600</td>
<td>$1,569,800</td>
<td>$1,785,400</td>
<td>$1,758,400</td>
<td>Not assessed</td>
</tr>
</tbody>
</table>

No delinquent taxes were reported on the subject parcel. The 2015 effective tax rate is 0.015955.
Real estate is typically valued in terms of its highest and best use. The definition provided by *The Appraisal of Real Estate*, is as follows:

Highest and best use is the reasonably probable and legal use of vacant land or an improved property that is legally permissible, physically possible, appropriately supported, financially feasible, and that results in the highest value.

In estimation of the highest and best use, the appraiser must consider these four basic stages of analysis for proposed uses:

1. **Legally permissible uses.** Are there zoning or deed restrictions that would prohibit proposed uses?

2. **Physically possible uses.** From the permissible uses, which are physically possible when considering all aspects of the site size, shape, and topography or any other physical aspects?

3. **Financially feasible uses.** Which of the above legally permissible and possible uses will produce a net return to the owner of the site?

4. **Maximally productive or highest and best use.** After analyzing the above considerations, which of the proposed uses will produce or generate the highest rate of net return over a projected period of time?

In determining the highest and best use of a property, the site is considered with two classifications. The first type is the highest and best use as though vacant. The second is the highest and best use as improved. Each type requires a separate discussion and analysis.
Highest and Best Use as if Vacant

Considering the subject's A-.25, Residential zoning, the legally permissible uses are low density residential or other similar commercial uses. The subject site is 23,958 square feet or 0.55 acres, and has the necessary physical characteristics to accommodate all of the legally possible uses. The local residential market is currently stable. Low density residential uses are considered the most financially feasible uses for the subject site. The highest and best use of the subject as vacant has been determined to be for residential use.

Highest and Best Use as Improved

The improvements meet the legal restrictions of zoning, as they are an approved non-conforming use. The improvements have a typical building-to-land ratio and are well located within the site. The improvements have supported the successful operation of the existing office building, and represent one of the financially feasible uses concluded earlier. Furthermore, the existing building improvements offer substantial contribution above the site value; therefore, the financially feasible use is to continue the current use of the improvements without addition or new construction. Overall, the existing building improvements represent the highest and best use of the land as improved.
The appraisal process for valuation of real estate involves a systematic analysis of facts based on supply and demand, and other various economic principles. To organize these pertinent factors, appraisal theory has developed three basic approaches to the appraisal process. They are applied on the basis of the highest and best use of the property. These three basic approaches are summarized as follows:

**Cost Approach** - This approach to value is based on the justification an informed investor or purchaser would pay no more for the subject property than it would cost him to produce a substitute offering the same utility. The cost approach involves determining the depreciated value of the improvements plus land value and profit. This approach is most useful when valuing properties that are newer in age, and when reproduction and replacement cost data is readily available; or when the property consists of unique or specialized improvements.

**Sales Comparison Approach** - This approach is a process of comparing similar properties to the subject, to estimate the market value. The comparable sales are chosen from those recently sold or currently listed properties that would generally compete for the same purchasers in the market. Comparison to the subject may be made of the whole comparable property or of some element (such as the ratio of gross income to price or the sales price per square foot, per unit, per room), or another unit of comparison. Points of difference must be identified and considered, and then adjustments are applied to the comparables to reflect value differences for comparison to the subject property. From the adjusted values, the most probable selling price of the subject is estimated. This approach is applicable to most all property types where there are several similar, recent, and reliable transactions.

**Income Capitalization Approach** – This approach is the process of measuring and converting future benefits of ownership into present value estimation. These future benefits are generally measured by the net income produced by a property over a given period of time, plus the proceeds of a resale of the property. Market rents are estimated. Deductions are then made for vacancy/collection loss and operating expenses. The resulting net operating income is then divided by an overall capitalization rate to derive an opinion of value.

In the valuation process, the sales comparison and income approaches to value have been expanded and lead to good correlation of value. The cost approach was not developed due to the fact that the subject building was originally constructed over 15 years ago.

After the conclusions have been reached by the various approaches to value, the results are reviewed and reconciled, and a final value estimate is determined.
The sales comparison approach is a method of estimating market value by comparing the subject to similar properties that have sold, or that are currently listed for sale. The most accurate comparisons of properties are those that are similar in physical characteristics, location, financing terms or conditions of the sale, market conditions and income characteristics. Adjustments are made to account for the dissimilarities.

The sales comparison approach is primarily based on the appraisal principle of substitution. Substitution is defined in *The Dictionary of Real Estate Appraisal* as follows: "The appraisal principle that states when several similar or commensurate commodities, goods, or services are available, the one with the lowest price will attract the greatest demand and widest distribution." Other appraisal principles which apply to this approach include supply and demand, balance, and externalities.

In applying this approach, we have performed the following steps.

a. Research the market to obtain information on sales transactions similar to the subject.

b. Verify the information by confirming that the data obtained are factually accurate.

c. Select relevant units of comparison (price per acre, income multiplier, etc.)

d. Compare sale properties with the subject property and make appropriate adjustments.

e. Reconcile value indications into a single value indication or range of values.

The *price per square foot analysis* will be developed for the subject property valuation.

An extensive search was made of the local market area and neighboring markets for sale comparables that were arm's length transactions, similar to the subject in highest and best use, and similar in conditions of sale, time of sale, economic factors, and physical characteristics. The comparables, an adjustment grid, and an explanation of adjustments can be found on the following pages.
**Property Identification**

<table>
<thead>
<tr>
<th>Property/Sale ID</th>
<th>23953/12144</th>
</tr>
</thead>
<tbody>
<tr>
<td>Property Type</td>
<td>Office Building</td>
</tr>
<tr>
<td>Address</td>
<td>6875 South 900 East, Midvale, Utah 84047</td>
</tr>
<tr>
<td>City, State Zip</td>
<td>Salt Lake</td>
</tr>
<tr>
<td>Tax ID</td>
<td>22-20-376-049-4001, 4002, 050, and -052</td>
</tr>
</tbody>
</table>

**Transaction Data**

<table>
<thead>
<tr>
<th>Sale Date</th>
<th>2/25/2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sale Status</td>
<td>Closed</td>
</tr>
<tr>
<td>Grantor</td>
<td>Hawthorne Capital LLC</td>
</tr>
<tr>
<td>Grantee</td>
<td>Sunrise Secretariat LLC</td>
</tr>
<tr>
<td>Property Rights</td>
<td>Fee Simple</td>
</tr>
<tr>
<td>Financing</td>
<td>Typical</td>
</tr>
<tr>
<td>Conditions of Sale</td>
<td>Typical</td>
</tr>
<tr>
<td>Days on Market</td>
<td>N/A</td>
</tr>
<tr>
<td>Sale Price</td>
<td>$1,900,000</td>
</tr>
<tr>
<td>Adjusted Price</td>
<td>$1,900,000</td>
</tr>
</tbody>
</table>

**Property Description**

<table>
<thead>
<tr>
<th>Gross Building SF</th>
<th>12,367</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Rentable SF</td>
<td>12,367</td>
</tr>
<tr>
<td>Building Condition</td>
<td>Average</td>
</tr>
<tr>
<td>Building Quality</td>
<td>Average</td>
</tr>
<tr>
<td>Construction Class</td>
<td>C</td>
</tr>
<tr>
<td>Year Built</td>
<td>1989</td>
</tr>
<tr>
<td>Effective Age (est.)</td>
<td>15</td>
</tr>
<tr>
<td>Investment Class</td>
<td>C</td>
</tr>
<tr>
<td>Occupancy Type</td>
<td>Owner occupied</td>
</tr>
<tr>
<td>Tenancy</td>
<td>N/A</td>
</tr>
<tr>
<td>Gross Acres</td>
<td>1.690</td>
</tr>
<tr>
<td>Usable Acres</td>
<td>1.690</td>
</tr>
<tr>
<td>Flr. Area Ratio (FAR)</td>
<td>0.17</td>
</tr>
<tr>
<td>Land Cov. Rat. (LCR)</td>
<td>N/A</td>
</tr>
<tr>
<td>Gross Land to Bldg</td>
<td>5.95</td>
</tr>
</tbody>
</table>

**Physical Indicators**

<table>
<thead>
<tr>
<th>$/SF GBA</th>
<th>$153.63</th>
</tr>
</thead>
<tbody>
<tr>
<td>$/SF NRA</td>
<td>$153.63</td>
</tr>
</tbody>
</table>

**Verification**

<table>
<thead>
<tr>
<th>Confirmed With</th>
<th>Jace Bankhead, Pentad Properties</th>
</tr>
</thead>
<tbody>
<tr>
<td>Confirmed By</td>
<td>BJ Clark</td>
</tr>
</tbody>
</table>

**Remarks**

Sale of a 12,367 sf office building on 900 East in Midvale. Property was designed to accommodate multiple tenants but will be 100 percent owner occupied. The interior of the building was recently renovated.
# Office Comparable 2

## Property Identification

<table>
<thead>
<tr>
<th>Property/Sale ID</th>
<th>22763/11588</th>
</tr>
</thead>
<tbody>
<tr>
<td>Property Type</td>
<td>Office</td>
</tr>
<tr>
<td>Address</td>
<td>1288 West Silcox Drive</td>
</tr>
<tr>
<td>City, State Zip</td>
<td>Riverton, Utah 84065</td>
</tr>
<tr>
<td>County</td>
<td>Salt Lake</td>
</tr>
<tr>
<td>Tax ID</td>
<td>27-35-101-023</td>
</tr>
</tbody>
</table>

## Transaction Data

<table>
<thead>
<tr>
<th>Sale Date</th>
<th>8/27/2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sale Status</td>
<td>Closed</td>
</tr>
<tr>
<td>Grantor</td>
<td>RJ Med, LLC</td>
</tr>
<tr>
<td>Grantee</td>
<td>Eden Glen Holdings, LLC</td>
</tr>
<tr>
<td>Property Rights</td>
<td>Leased Fee</td>
</tr>
</tbody>
</table>

## Property Description

<table>
<thead>
<tr>
<th>Gross Building SF</th>
<th>4,542</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Rentable SF</td>
<td>4,542</td>
</tr>
<tr>
<td>Building Condition</td>
<td>Average</td>
</tr>
<tr>
<td>Building Quality</td>
<td>Good</td>
</tr>
<tr>
<td>Construction Class</td>
<td>D</td>
</tr>
<tr>
<td>Year Built</td>
<td>2000</td>
</tr>
<tr>
<td>Effective Age (est.)</td>
<td>10</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Investment Class</th>
<th>B</th>
</tr>
</thead>
<tbody>
<tr>
<td>Occupancy Type</td>
<td>Owner occupied</td>
</tr>
<tr>
<td>Tenancy</td>
<td>Single-Tenant</td>
</tr>
<tr>
<td>Gross Acres</td>
<td>0.500</td>
</tr>
<tr>
<td>Usable Acres</td>
<td>0.500</td>
</tr>
<tr>
<td>Flr. Area Ratio (FAR)</td>
<td>0.21</td>
</tr>
<tr>
<td>Gross Land to Bldg</td>
<td>4.80</td>
</tr>
</tbody>
</table>

## Financial Data & Indicators (Actual)

<table>
<thead>
<tr>
<th>12-Month End</th>
<th>N/A</th>
</tr>
</thead>
<tbody>
<tr>
<td>PGI</td>
<td>$79,948</td>
</tr>
<tr>
<td>Vacancy</td>
<td>$4,797</td>
</tr>
<tr>
<td>EGI</td>
<td>$75,151</td>
</tr>
<tr>
<td>Expenses</td>
<td>$3,758</td>
</tr>
<tr>
<td>NOI</td>
<td>$71,393</td>
</tr>
<tr>
<td>PGIM</td>
<td>10.190</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>EGIM</th>
<th>10.85</th>
</tr>
</thead>
<tbody>
<tr>
<td>Expense Ratio</td>
<td>5.00%</td>
</tr>
<tr>
<td>Expenses/SF</td>
<td>$.83</td>
</tr>
<tr>
<td>NOI/SF</td>
<td>$15.72</td>
</tr>
<tr>
<td>NOI/Unit</td>
<td>$71,393</td>
</tr>
<tr>
<td>Expense Ratio</td>
<td>5.00%</td>
</tr>
<tr>
<td>Expenses/SF</td>
<td>$.83</td>
</tr>
</tbody>
</table>

## Physical Indicators

<table>
<thead>
<tr>
<th>$/SF GBA</th>
<th>$179.44</th>
</tr>
</thead>
<tbody>
<tr>
<td>$/SF NRA</td>
<td>$179.44</td>
</tr>
</tbody>
</table>

## Verification

<table>
<thead>
<tr>
<th>Confirmed With</th>
<th>Kyle McMullin Commerce Real Estate Solutions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Confirmed By</td>
<td>Commerce CRG Reports</td>
</tr>
</tbody>
</table>

## Remarks

Property was fully occupied upon purchase.
**OFFICE COMPARABLE 3**

### Property Identification

<table>
<thead>
<tr>
<th>Property/Sale ID</th>
<th>22263/11417</th>
</tr>
</thead>
<tbody>
<tr>
<td>Property Type</td>
<td>Office</td>
</tr>
<tr>
<td>Address</td>
<td>11657 South Redwood Road</td>
</tr>
<tr>
<td>City, State Zip</td>
<td>South Jordan, Utah 84095</td>
</tr>
<tr>
<td>County</td>
<td>Salt Lake</td>
</tr>
<tr>
<td>Tax ID</td>
<td>27-22-451-016</td>
</tr>
</tbody>
</table>

### Transaction Data

<table>
<thead>
<tr>
<th>Date</th>
<th>8/25/2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Status</td>
<td>Closed</td>
</tr>
<tr>
<td>Grantor</td>
<td>Castlewood Ins Agcy</td>
</tr>
<tr>
<td>Grantee</td>
<td>Cerebral Palsy of Utah</td>
</tr>
<tr>
<td>Rights</td>
<td>Fee Simple</td>
</tr>
<tr>
<td>Financing</td>
<td>Typical</td>
</tr>
<tr>
<td>Conditions of Sale</td>
<td>Typical</td>
</tr>
<tr>
<td>Days on Market</td>
<td>210</td>
</tr>
<tr>
<td>Sale Price</td>
<td>$620,000</td>
</tr>
<tr>
<td>Adjusted Price</td>
<td>$620,000</td>
</tr>
</tbody>
</table>

### Property Description

<table>
<thead>
<tr>
<th>Gross Building SF</th>
<th>5,854</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Rentable SF</td>
<td>5,854</td>
</tr>
<tr>
<td>Building Condition</td>
<td>Average</td>
</tr>
<tr>
<td>Building Quality</td>
<td>Average</td>
</tr>
<tr>
<td>Construction Class</td>
<td>C/D</td>
</tr>
<tr>
<td>Year Built</td>
<td>2002</td>
</tr>
<tr>
<td>Effective Age (est.)</td>
<td>5</td>
</tr>
<tr>
<td>Investment Class</td>
<td>B</td>
</tr>
<tr>
<td>Occupancy Type</td>
<td>Owner occupied</td>
</tr>
<tr>
<td>Tenancy</td>
<td>Single-Tenant</td>
</tr>
<tr>
<td>Gross Acres</td>
<td>0.790</td>
</tr>
<tr>
<td>Usable Acres</td>
<td>0.790</td>
</tr>
<tr>
<td>Flr. Area Ratio (FAR)</td>
<td>0.17</td>
</tr>
<tr>
<td>Land Cov. Rat. (LCR)</td>
<td>N/A</td>
</tr>
<tr>
<td>Gross Land to Bldg</td>
<td>5.88</td>
</tr>
</tbody>
</table>

### Physical Indicators

<table>
<thead>
<tr>
<th>$/SF GBA</th>
<th>$105.91</th>
</tr>
</thead>
<tbody>
<tr>
<td>$/SF NRA</td>
<td>$105.91</td>
</tr>
</tbody>
</table>

### Verification

<table>
<thead>
<tr>
<th>Confirmed With</th>
<th>Coldwell Banker Commercial</th>
</tr>
</thead>
<tbody>
<tr>
<td>Confirmed By</td>
<td>Tyler Free</td>
</tr>
</tbody>
</table>

### Remarks

This a small office building that sold to the Cerebral Palsy of Utah.
## Property Identification

<table>
<thead>
<tr>
<th>Property/Sale ID</th>
<th>19783/10357</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Property Type</strong></td>
<td>Office Building</td>
</tr>
<tr>
<td><strong>Address</strong></td>
<td>1278 West Bateman Lane</td>
</tr>
<tr>
<td><strong>City, State Zip</strong></td>
<td>West Jordan, Utah 84084</td>
</tr>
<tr>
<td><strong>County</strong></td>
<td>Salt Lake</td>
</tr>
<tr>
<td><strong>Tax ID</strong></td>
<td>21-23-352-057</td>
</tr>
</tbody>
</table>

## Transaction Data

<table>
<thead>
<tr>
<th><strong>Sale Date</strong></th>
<th>7/14/2014</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Sale Status</strong></td>
<td>Closed</td>
</tr>
<tr>
<td><strong>Grantor</strong></td>
<td>G 3 J Investments LLC</td>
</tr>
<tr>
<td><strong>Grantee</strong></td>
<td>HFMB LLC</td>
</tr>
<tr>
<td><strong>Property Rights</strong></td>
<td>Leased Fee</td>
</tr>
<tr>
<td><strong>Financing</strong></td>
<td>Typical</td>
</tr>
<tr>
<td><strong>Conditions of Sale</strong></td>
<td>Typical</td>
</tr>
<tr>
<td><strong>Days on Market</strong></td>
<td>199 days</td>
</tr>
<tr>
<td><strong>Sale Price</strong></td>
<td>$600,000</td>
</tr>
<tr>
<td><strong>Adjusted Price</strong></td>
<td>$600,000</td>
</tr>
</tbody>
</table>

## Property Description

<table>
<thead>
<tr>
<th><strong>Gross Building SF</strong></th>
<th>5,580</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net Rentable SF</strong></td>
<td>5,580</td>
</tr>
<tr>
<td><strong>Building Condition</strong></td>
<td>Average</td>
</tr>
<tr>
<td><strong>Building Quality</strong></td>
<td>Average</td>
</tr>
<tr>
<td><strong>Construction Class</strong></td>
<td>N/A</td>
</tr>
<tr>
<td><strong>Year Built</strong></td>
<td>1999</td>
</tr>
<tr>
<td><strong>Effective Age (est.)</strong></td>
<td>15</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Investment Class</strong></th>
<th>D</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Occupancy Type</strong></td>
<td>Tenant occupied</td>
</tr>
<tr>
<td><strong>Tenancy</strong></td>
<td>N/A</td>
</tr>
<tr>
<td><strong>Gross Acres</strong></td>
<td>0.310</td>
</tr>
<tr>
<td><strong>Usable Acres</strong></td>
<td>0.310</td>
</tr>
<tr>
<td><strong>FAR</strong></td>
<td>0.41</td>
</tr>
<tr>
<td><strong>Gross Land to Bldg</strong></td>
<td>2.42</td>
</tr>
</tbody>
</table>

## Physical Indicators

<table>
<thead>
<tr>
<th><strong>$/SF GBA</strong></th>
<th>$107.53</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>$/SF NRA</strong></td>
<td>$107.53</td>
</tr>
</tbody>
</table>

## Verification

<table>
<thead>
<tr>
<th>Confirmed With</th>
<th>Michelle Doong, Mountain West Real Estate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Confirmed By</td>
<td>BJ Clark</td>
</tr>
</tbody>
</table>

## Remarks

Sale of a 5,580 square foot multi-tenant office building including 1,860 square feet of finished basement level area that has been included in the gross building area. Asking price was $620,000 and sold for a 3.23 percent discount after 199 days of marketing.
## Summary of Building Sales

<table>
<thead>
<tr>
<th>#</th>
<th>Location</th>
<th>Sale Date</th>
<th>Size (SF)</th>
<th>Building Class</th>
<th>Effective Age/Condition</th>
<th>Bldg/Land Ratio</th>
<th>Purchase Price</th>
<th>Cap Rate</th>
<th>Price/SF</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>6875 S 900 E Midvale</td>
<td>2/16</td>
<td>12,367</td>
<td>Class C</td>
<td>15 yrs Average</td>
<td>17%</td>
<td>$1,900,000</td>
<td>N/A</td>
<td>$153.63</td>
</tr>
<tr>
<td>2</td>
<td>1288 W Silcox Riverton</td>
<td>8/15</td>
<td>4,542</td>
<td>Class D</td>
<td>10 yrs Average</td>
<td>21%</td>
<td>$815,000</td>
<td>8.76%</td>
<td>$179.44</td>
</tr>
<tr>
<td>3</td>
<td>11657 S Redwood South Jordan</td>
<td>8/15</td>
<td>5,854</td>
<td>Class C/D</td>
<td>5 yrs Average</td>
<td>17%</td>
<td>$620,000</td>
<td>N/A</td>
<td>$105.91</td>
</tr>
<tr>
<td>4</td>
<td>1278 W Bateman West Jordan</td>
<td>7/14</td>
<td>5,580</td>
<td>Class D</td>
<td>15 yrs Average</td>
<td>41%</td>
<td>$600,000</td>
<td>N/A</td>
<td>$107.53</td>
</tr>
<tr>
<td></td>
<td>13011 S Pioneer Rd Herriman</td>
<td>N/A</td>
<td>16,101</td>
<td>Class D</td>
<td>10 yrs Average</td>
<td>67%</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
</tbody>
</table>
BUILDING SALES COMPARABLES
### Building Sales Adjustment Grid

<table>
<thead>
<tr>
<th>Summary of Comparables</th>
<th>6875 S</th>
<th>1288 W</th>
<th>11657 S</th>
<th>1278 W</th>
<th>13011 S</th>
</tr>
</thead>
<tbody>
<tr>
<td>Address</td>
<td>Silcox</td>
<td>Redwood</td>
<td>Bateman</td>
<td>Pioneer Road</td>
<td></td>
</tr>
<tr>
<td>Location</td>
<td>Midvale</td>
<td>Riverton</td>
<td>S. Jordan</td>
<td>W. Jordan</td>
<td>Herriman</td>
</tr>
<tr>
<td>Date of Sale</td>
<td>2/16</td>
<td>8/15</td>
<td>8/15</td>
<td>7/14</td>
<td>---</td>
</tr>
<tr>
<td>Effective Age</td>
<td>15 yrs</td>
<td>10 yrs</td>
<td>5 yrs</td>
<td>15 yrs</td>
<td>10 yrs</td>
</tr>
<tr>
<td>Building Quality/Type</td>
<td>Class C</td>
<td>Class D</td>
<td>Class C/D</td>
<td>Class D</td>
<td>Class D</td>
</tr>
<tr>
<td>Condition</td>
<td>Average</td>
<td>Average</td>
<td>Average</td>
<td>Average</td>
<td>Average</td>
</tr>
<tr>
<td>Building/Land Ratio</td>
<td>17%</td>
<td>21%</td>
<td>17%</td>
<td>41%</td>
<td>67%</td>
</tr>
<tr>
<td>Sales Price</td>
<td>$1,900,000</td>
<td>$815,000</td>
<td>$620,000</td>
<td>$600,000</td>
<td>--</td>
</tr>
<tr>
<td>Size (SF)</td>
<td>12,367</td>
<td>4,542</td>
<td>5,854</td>
<td>5,580</td>
<td>16,101</td>
</tr>
<tr>
<td>Price/SF</td>
<td>$153.63</td>
<td>$179.44</td>
<td>$105.91</td>
<td>$107.53</td>
<td></td>
</tr>
<tr>
<td>Adjustments</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property Rights</td>
<td>0%</td>
<td>-10%</td>
<td>0%</td>
<td>0%</td>
<td></td>
</tr>
<tr>
<td>Adjusted Price/SF</td>
<td>$153.63</td>
<td>$161.49</td>
<td>$105.91</td>
<td>$107.53</td>
<td></td>
</tr>
<tr>
<td>Conditions/Terms</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td></td>
</tr>
<tr>
<td>Adjusted Price/SF</td>
<td>$153.63</td>
<td>$161.49</td>
<td>$105.91</td>
<td>$107.53</td>
<td></td>
</tr>
<tr>
<td>Market (Time) Adj.</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td></td>
</tr>
<tr>
<td>Adjusted Price/SF</td>
<td>$153.63</td>
<td>$161.49</td>
<td>$105.91</td>
<td>$107.53</td>
<td></td>
</tr>
<tr>
<td>Location</td>
<td>-10%</td>
<td>-10%</td>
<td>20%</td>
<td>0%</td>
<td></td>
</tr>
<tr>
<td>Adjusted Price/SF</td>
<td>$153.63</td>
<td>$161.49</td>
<td>$105.91</td>
<td>$107.53</td>
<td></td>
</tr>
<tr>
<td>Size</td>
<td>0%</td>
<td>-5%</td>
<td>-5%</td>
<td>-5%</td>
<td></td>
</tr>
<tr>
<td>Adjusted Price/SF</td>
<td>$153.63</td>
<td>$161.49</td>
<td>$105.91</td>
<td>$107.53</td>
<td></td>
</tr>
<tr>
<td>Effective Age</td>
<td>5%</td>
<td>0%</td>
<td>-5%</td>
<td>5%</td>
<td></td>
</tr>
<tr>
<td>Adjusted Price/SF</td>
<td>$153.63</td>
<td>$161.49</td>
<td>$105.91</td>
<td>$107.53</td>
<td></td>
</tr>
<tr>
<td>Building Quality/Type</td>
<td>-5%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td></td>
</tr>
<tr>
<td>Adjusted Price/SF</td>
<td>$153.63</td>
<td>$161.49</td>
<td>$105.91</td>
<td>$107.53</td>
<td></td>
</tr>
<tr>
<td>Condition</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td></td>
</tr>
<tr>
<td>Adjusted Price/SF</td>
<td>$153.63</td>
<td>$161.49</td>
<td>$105.91</td>
<td>$107.53</td>
<td></td>
</tr>
<tr>
<td>Building/Land Ratio</td>
<td>-10%</td>
<td>-10%</td>
<td>-10%</td>
<td>0%</td>
<td></td>
</tr>
<tr>
<td>Adjusted Price/SF</td>
<td>$153.63</td>
<td>$161.49</td>
<td>$105.91</td>
<td>$107.53</td>
<td></td>
</tr>
<tr>
<td>Basement</td>
<td>-8%</td>
<td>-8%</td>
<td>-8%</td>
<td>-5%</td>
<td></td>
</tr>
<tr>
<td>Adjusted Price/SF</td>
<td>$153.63</td>
<td>$161.49</td>
<td>$105.91</td>
<td>$107.53</td>
<td></td>
</tr>
<tr>
<td>Adj. Price/SF</td>
<td>$110.62</td>
<td>$108.20</td>
<td>$97.44</td>
<td>$102.15</td>
<td></td>
</tr>
<tr>
<td>Net Adjustment</td>
<td>-28%</td>
<td>-33%</td>
<td>-8%</td>
<td>-5%</td>
<td></td>
</tr>
<tr>
<td>Gross Adjustment</td>
<td>38%</td>
<td>33%</td>
<td>48%</td>
<td>15%</td>
<td></td>
</tr>
<tr>
<td>Minimum</td>
<td>$97.44</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Maximum</td>
<td>$110.62</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mean Value</td>
<td>$104.60</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Conclusion of Value

**Property Rights** – The subject has fee simple title. Sale 2 was fully leased at the time of purchase and is adjusted downward 10% for property rights.

**Conditions/Terms** – No adjustment required for the sales.

**Location** – Sales 1 and 2 are superior in location with superior surrounding influences and are adjusted downward 10%. Sale 3 is inferior as it is located behind a car wash and does not have direct visibility to redwood road and is adjusted upward 20%.

**Size** – The subject is 16,101 square feet. Sales 2, 3 and 4 are smaller and are adjusted downward 5% as smaller properties sale at a higher price per square foot for building size.

**Effective Age** – The subject has a 10 year effective age. Respective adjustments are indicated on the grid.

**Building Quality/Type** – The subject is a Class D building. Sale 1 is superior with a downward 5% adjustment indicated.

**Condition** – No adjustment required.

**Building/Land Ratio** – The subject has a 67% building to land ratio. The subject does have parking agreements with the adjoining church property, allowing weekday parking. Sales 1, 2 and 3 have larger land areas and are adjusted downward 10%.

**Basement** – The subject has 49% of the gross building area in the basement. Typically basement areas sell at a lower price per square foot ranging from 5% to 20%. As the subject has 9 foot ceilings and windows and only half the building is in the basement, an adjustment of 8% downward is indicated for the comparables 1 thru 3. Sale 4 has 1/3 of the building in the basement and is adjusted downward 5%.
The comparables indicate an adjusted sale price range of from $97.44 to $110.62 per square foot with an average of $104.60 per square foot.

We have determined that an appropriate rounded price per unit for the subject property, and resulting calculation of value, as indicated by the sales comparison approach, is as follows:

<p>| | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>$105.00 per sf x</td>
<td>16,101 sf</td>
<td></td>
<td>$1,690,605</td>
</tr>
<tr>
<td>Less Curable Physical Deterioration</td>
<td></td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>Plus Excess Land</td>
<td></td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
<td>$1,690,605</td>
</tr>
</tbody>
</table>

After careful consideration of the information presented in this section of the report, we are of the opinion the “as is” market value estimate of the subject property, as determined by the sales comparison approach and with fee simple title property rights, as of August 29, 2016, is:

$1,690,000 (Rounded)

"ONE MILLION SIX HUNDRED NINETY THOUSAND DOLLARS"
INCOME CAPITALIZATION APPROACH

The income capitalization approach considers the anticipated benefits in terms of money which are to be derived from the ownership of the property. This approach comprises the methods used to estimate a property’s capacity to produce future earnings, and to convert or capitalize those benefits into an indication of value.

The following five steps are used in developing the income capitalization approach:

1. **Estimate potential gross income (PGI).** Potential gross income is the total potential income attributable to the property under full occupancy. Income for investment properties consist primarily of rent. There are two primary types of rent – contract rent and market rent. Contract rent is basically the actual rental income from the property under the terms of a lease. Market rent is the rental income that a property would be able to command in the open market as of the date of the appraisal.

2. **Estimate vacancy and collection loss.** This is a deduction made to take into account space that is not leased during the economic life of the subject or rents that cannot be collected. This loss factor is deducted from PGI to establish *effective gross income*.

3. **Forecast stabilized operating expenses.** An estimate of operating expenses requires that the forecast reflect the prevailing expense structure that is found in market lease agreements. Expense structures could include full service, modified gross, or triple net.

4. **Determine net operating income.** Deduction of the operating expenses from effective gross income results in the net operating income (pre-tax income before debt service or depreciation). The results from steps 1-4 are shown in a pro-forma statement.

5. **Capitalize the net operating income.** The resulting net operating income is converted to a stabilized market value using a capitalization rate. Then, when applicable, adjustments are made to establish the “as is” value of the leased fee estate.

**Potential Gross Income**

The subject is owner occupied. To determine the potential gross income for the subject property, a survey of similar type buildings and leases is performed. An analysis of the data found is made to estimate the market rent per square foot per year for the subject. The comparables and an adjustment grid can be found in the following pages.
<table>
<thead>
<tr>
<th>Property Identification</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Property/Rent ID</td>
<td>24367/8905</td>
</tr>
<tr>
<td>Property Type</td>
<td>Office</td>
</tr>
<tr>
<td>Property Name</td>
<td>N/A</td>
</tr>
<tr>
<td>Address</td>
<td>6361 West 13400 South</td>
</tr>
<tr>
<td>City, State Zip</td>
<td>Herriman, Utah 84096</td>
</tr>
<tr>
<td>County</td>
<td>Salt Lake</td>
</tr>
<tr>
<td>Tax ID</td>
<td>32-02-101-021</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Transaction Data</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Lessor</td>
<td>Rose Canyon Properties LLC</td>
</tr>
<tr>
<td>Lessee</td>
<td>C Agency LLC</td>
</tr>
<tr>
<td>Suite No.</td>
<td>N/A</td>
</tr>
<tr>
<td>Tenant SF</td>
<td>1,750</td>
</tr>
<tr>
<td>Entire Bldg Lease</td>
<td>No</td>
</tr>
<tr>
<td>Lease Status</td>
<td>Executed</td>
</tr>
<tr>
<td>Commencement</td>
<td>11/1/2013</td>
</tr>
<tr>
<td>Expiration</td>
<td>10/31/2018</td>
</tr>
<tr>
<td>Term (mos.)</td>
<td>60</td>
</tr>
<tr>
<td>Lease Type</td>
<td>NNN</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Rent Escalation</th>
<th>N/A</th>
</tr>
</thead>
<tbody>
<tr>
<td>Property Exp./SF</td>
<td>N/A</td>
</tr>
<tr>
<td>Property Occupancy</td>
<td>100.0%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Rental Rates</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Initial Rent/SF</td>
<td>$14.00</td>
</tr>
<tr>
<td>Current Rent/SF</td>
<td>$14.00</td>
</tr>
<tr>
<td>Effective Rent/SF</td>
<td>$14.00</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Property Description</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross Building SF</td>
<td>5,800</td>
</tr>
<tr>
<td>Net Rentable SF</td>
<td>5,800</td>
</tr>
<tr>
<td>Year Built</td>
<td>2007</td>
</tr>
<tr>
<td>Tenancy</td>
<td>Multi-Tenant</td>
</tr>
<tr>
<td>Occupancy Type</td>
<td>Tenant occupied</td>
</tr>
<tr>
<td>Building Quality</td>
<td>Average</td>
</tr>
<tr>
<td>Building Condition</td>
<td>Average</td>
</tr>
<tr>
<td>Stories</td>
<td>1</td>
</tr>
<tr>
<td>Gross Acres</td>
<td>0.900</td>
</tr>
<tr>
<td>Flr. Area Ratio (FAR)</td>
<td>0.15</td>
</tr>
<tr>
<td>Land to Bldg Ratio</td>
<td>6.76</td>
</tr>
<tr>
<td>Access</td>
<td>Average</td>
</tr>
<tr>
<td>Visibility</td>
<td>Average</td>
</tr>
<tr>
<td>Corner/Interior</td>
<td>Interior</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Verification</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Confirmed With</td>
<td>Larry Green, Leasing Rep</td>
</tr>
<tr>
<td>Confirmed By</td>
<td>Tyler Free</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Remarks</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>This is a partial lease of the first floor of this building in Herriman.</td>
<td></td>
</tr>
</tbody>
</table>
**Office Rent Comparable 2**

### Property Identification

<table>
<thead>
<tr>
<th>Property/Rent ID</th>
<th>24247/8868</th>
</tr>
</thead>
<tbody>
<tr>
<td>Property Type</td>
<td>Office</td>
</tr>
<tr>
<td>Property Name</td>
<td>N/A</td>
</tr>
<tr>
<td>Address</td>
<td>8925 South 2700 West</td>
</tr>
<tr>
<td>City, State Zip</td>
<td>West Jordan, Utah 84088</td>
</tr>
<tr>
<td>City</td>
<td>Salt Lake</td>
</tr>
<tr>
<td>Tax ID</td>
<td>27-04-251-012</td>
</tr>
</tbody>
</table>

### Transaction Data

<table>
<thead>
<tr>
<th>Lessor</th>
<th>Asset Management Solutions, Inc</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lessee</td>
<td>Cerebral Palsy of Utah</td>
</tr>
<tr>
<td>Suite No.</td>
<td>N/A</td>
</tr>
<tr>
<td>Tenant SF</td>
<td>2,464</td>
</tr>
<tr>
<td>Entire Bldg Lease</td>
<td>Yes</td>
</tr>
<tr>
<td>Lease Status</td>
<td>Executed</td>
</tr>
<tr>
<td>Commencement</td>
<td>10/1/2015</td>
</tr>
<tr>
<td>Expiration</td>
<td>9/30/2018</td>
</tr>
<tr>
<td>Term (mos.)</td>
<td>36</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Lessor</th>
<th>Asset Management Solutions, Inc</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lessee</td>
<td>Cerebral Palsy of Utah</td>
</tr>
<tr>
<td>Suite No.</td>
<td>N/A</td>
</tr>
<tr>
<td>Tenant SF</td>
<td>2,464</td>
</tr>
<tr>
<td>Entire Bldg Lease</td>
<td>Yes</td>
</tr>
<tr>
<td>Lease Status</td>
<td>Executed</td>
</tr>
<tr>
<td>Commencement</td>
<td>10/1/2015</td>
</tr>
<tr>
<td>Expiration</td>
<td>9/30/2018</td>
</tr>
<tr>
<td>Term (mos.)</td>
<td>36</td>
</tr>
</tbody>
</table>

| Lease Type         | NNN                             |
| Rent Escalation    | 2% annual                      |
| Property Exp./SF   | N/A                             |
| Property Occupancy | 100.0%                          |

### Rental Rates

- **Initial Rent/SF**: $14.00
- **Current Rent/SF**: $14.28
- **Effective Rent/SF**: $14.00

### Property Description

<table>
<thead>
<tr>
<th>Gross Building SF</th>
<th>2,464</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Rentable SF</td>
<td>2,464</td>
</tr>
<tr>
<td>Year Built</td>
<td>1983</td>
</tr>
<tr>
<td>Tenancy</td>
<td>Single-Tenant</td>
</tr>
<tr>
<td>Occupancy Type</td>
<td>Tenant occupied</td>
</tr>
<tr>
<td>Building Quality</td>
<td>Average</td>
</tr>
<tr>
<td>Building Condition</td>
<td>Average</td>
</tr>
</tbody>
</table>

| Stories           | 1 |
| Gross Acres       | 1.000 |
| Flr. Area Ratio (FAR) | 0.06 |
| Land to Bldg Ratio| 17.68 |
| Access            | Average |
| Visibility        | Average |
| Corner/Interior   | Interior |

### Verification

<table>
<thead>
<tr>
<th>Confirmed With</th>
<th>Costar and county records</th>
</tr>
</thead>
<tbody>
<tr>
<td>Confirmed By</td>
<td>Tyler Free</td>
</tr>
</tbody>
</table>

### Remarks

This is the full building lease to the Cerebral Palsy of Utah. The lease escalates 2% annually.
# Office Rent Comparable 3

## Property Identification
- **Property/Rent ID**: 21926/7961
- **Property Type**: Office
- **Property Name**: Oakwood Office Plaza
- **Address**: 5320 S. 900 E, #140
- **City, State Zip**: Murray, Utah 84107
- **County**: Salt Lake
- **Tax ID**: 22-08-376-013

## Transaction Data
- **Lessor**: Terramerica
- **Lessee**: Smart, Schofield, Shorter, Lunceford
- **Suite No.**: 140
- **Tenant SF**: 8,912
- **Entire Bldg Lease**: No
- **Lease Status**: Executed
- **Commencement**: 7/30/2015
- **Expiration**: 1/31/2023
- **Term (mos.)**: 90
- **Lease Type**: NNN Adj.
- **Rent Escalation**: 3% annually
- **Property Exp./SF**: N/A
- **Property Occupancy**: N/A

## Rental Rates
- **Initial Rent/SF**: $14.50
- **Current Rent/SF**: $9.50
- **Effective Rent/SF**: $9.50

## Property Description
- **Gross Building SF**: 22,295
- **Net Rentable SF**: 22,295
- **Year Built**: 1985
- **Tenancy**: N/A
- **Occupancy Type**: Tenant occupied
- **Building Quality**: Average
- **Building Condition**: Average
- **Stories**: 2
- **Gross Acres**: 2.900
- **Flr. Area Ratio (FAR)**: N/A
- **Land to Bldg Ratio**: N/A
- **Access**: Adequate on 900 East
- **Visibility**: Average
- **Corner/Interior**: Interior

## Verification
- **Confirmed With**: Patrick Lucero, CBC Advisors
- **Confirmed By**: BJ Clark

## Remarks
Lease of 8,912 square feet of office space within the Oakwood Office Plaza on 900 East in Murray. Initial lease rate is $14.50 psf (full service) which has been adjusted to triple net terms based on $5.00 psf of expenses or $9.50 psf (NNN). Lease escalates 3% annually and included 6 months of free rent and no TI allowance.
### Property Identification

<table>
<thead>
<tr>
<th>Property/Rent ID</th>
<th>23957/8739</th>
</tr>
</thead>
<tbody>
<tr>
<td>Property Type</td>
<td>Office</td>
</tr>
<tr>
<td>Property Name</td>
<td>Westgate Plaza</td>
</tr>
<tr>
<td>Address</td>
<td>12397 South 300 East, Ste 300</td>
</tr>
<tr>
<td>City, State Zip</td>
<td>Draper, Utah 84020</td>
</tr>
<tr>
<td>County</td>
<td>Salt Lake</td>
</tr>
<tr>
<td>Tax ID</td>
<td>28-30-454-023</td>
</tr>
</tbody>
</table>

### Transaction Data

<table>
<thead>
<tr>
<th>Lessor</th>
<th>Draper Office Park LLC</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lessee</td>
<td>Learning Technics</td>
</tr>
<tr>
<td>Suite No.</td>
<td>300</td>
</tr>
<tr>
<td>Tenant SF</td>
<td>2,665</td>
</tr>
<tr>
<td>Entire Bldg Lease</td>
<td>No</td>
</tr>
<tr>
<td>Lease Status</td>
<td>Executed</td>
</tr>
<tr>
<td>Commencement</td>
<td>3/1/2014</td>
</tr>
<tr>
<td>Expiration</td>
<td>7/31/2019</td>
</tr>
<tr>
<td>Term (mos.)</td>
<td>65</td>
</tr>
<tr>
<td>Lease Type</td>
<td>NNN</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Rent Escalation</th>
<th>None</th>
</tr>
</thead>
<tbody>
<tr>
<td>Property Exp./SF</td>
<td>$0.00</td>
</tr>
<tr>
<td>Property Occupancy</td>
<td>N/A</td>
</tr>
</tbody>
</table>

### Rental Rates

- **Initial Rent/SF**: $9.50
- **Current Rent/SF**: $9.50
- **Effective Rent/SF**: $9.50

### Property Description

<table>
<thead>
<tr>
<th>Gross Building SF</th>
<th>24,250</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Rentable SF</td>
<td>24,250</td>
</tr>
<tr>
<td>Year Built</td>
<td>1998</td>
</tr>
<tr>
<td>Tenancy</td>
<td>Multi-Tenant</td>
</tr>
<tr>
<td>Occupancy Type</td>
<td>Tenant occupied</td>
</tr>
<tr>
<td>Building Quality</td>
<td>Average</td>
</tr>
<tr>
<td>Building Condition</td>
<td>1</td>
</tr>
<tr>
<td>Stories</td>
<td>1</td>
</tr>
</tbody>
</table>

| Gross Acres       | 2.290 |
| Flr. Area Ratio (FAR) | 0.24 |
| Land to Bldg Ratio| 4.11 |
| Access            | Adequate on 300 East and 12450 South |
| Visibility        | Average |
| Corner/Interior   | Corner |

### Verification

- **Confirmed With**: Jeff Richards, CBRE
- **Confirmed By**: BJ Clark

### Remarks

Lease of 2,665 sf of office space within the Westgate Plaza office park on 300 East in Draper. Lease term is 5 years and 5 months based on $9.50 psf (NNN).
### Property Identification

<table>
<thead>
<tr>
<th>Property/Rent ID</th>
<th>24248/8869</th>
</tr>
</thead>
<tbody>
<tr>
<td>Property Type</td>
<td>Office</td>
</tr>
<tr>
<td>Property Name</td>
<td>N/A</td>
</tr>
<tr>
<td>Address</td>
<td>11657 South Redwood Road</td>
</tr>
<tr>
<td>City, State Zip</td>
<td>South Jordan, Utah 84095</td>
</tr>
<tr>
<td>County</td>
<td>Salt Lake</td>
</tr>
<tr>
<td>Tax ID</td>
<td>27-22-451-016</td>
</tr>
</tbody>
</table>

### Transaction Data

<table>
<thead>
<tr>
<th>Lessor</th>
<th>Cerebral Palsy of Utah</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lessee</td>
<td>Financial Innovations Group</td>
</tr>
<tr>
<td>Suite No.</td>
<td>N/A</td>
</tr>
<tr>
<td>Tenant SF</td>
<td>4,000</td>
</tr>
<tr>
<td>Entire Bldg Lease</td>
<td>No</td>
</tr>
<tr>
<td>Lease Status</td>
<td>Executed</td>
</tr>
<tr>
<td>Commencement</td>
<td>11/1/2013</td>
</tr>
<tr>
<td>Expiration</td>
<td>10/31/2016</td>
</tr>
<tr>
<td>Term (mos.)</td>
<td>36</td>
</tr>
<tr>
<td>Lease Type</td>
<td>NNN</td>
</tr>
</tbody>
</table>

### Rent Escalation

- Property Exp./SF: N/A
- Property Occupancy: N/A

### Rental Rates

- Initial Rent/SF: $4.17
- Current Rent/SF: $10.00
- Effective Rent/SF: $10.00

### Property Description

<table>
<thead>
<tr>
<th>Gross Building SF</th>
<th>5,914</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Rentable SF</td>
<td>5,914</td>
</tr>
<tr>
<td>Year Built</td>
<td>2002</td>
</tr>
<tr>
<td>Tenancy</td>
<td>Multi-Tenant</td>
</tr>
<tr>
<td>Occupancy Type</td>
<td>Tenant occupied</td>
</tr>
<tr>
<td>Building Quality</td>
<td>Average</td>
</tr>
<tr>
<td>Building Condition</td>
<td>Average</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Stories</th>
<th>1</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross Acres</td>
<td>0.790</td>
</tr>
<tr>
<td>Flr. Area Ratio (FAR)</td>
<td>0.17</td>
</tr>
<tr>
<td>Land to Bldg Ratio</td>
<td>5.82</td>
</tr>
<tr>
<td>Access</td>
<td>Average</td>
</tr>
<tr>
<td>Visibility</td>
<td>Fair</td>
</tr>
<tr>
<td>Corner/Interior</td>
<td>Interior</td>
</tr>
</tbody>
</table>

### Verification

- Confirmed With: Costar and county records
- Confirmed By: Tyler Free

### Remarks

This is leased to a financial group. The initial year rate is based on free rent concessions. The current rate is $10.00 with reported renewal options.
## Summary of Lease Comparables

<table>
<thead>
<tr>
<th>#</th>
<th>Tenant/ Location</th>
<th>Lease Date</th>
<th>Term</th>
<th>Size (SF)</th>
<th>Building Class</th>
<th>Effective Age/ Condition</th>
<th>Bldg/Land Ratio</th>
<th>Yearly Rent</th>
<th>Expense Basis</th>
<th>Yearly Rate/ SF</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>6361 W 13400 S Herriman</td>
<td>11/13</td>
<td>5 yrs</td>
<td>5,800</td>
<td>Class D</td>
<td>5 yrs Average</td>
<td>N/A</td>
<td>$81,200</td>
<td>NNN</td>
<td>$14.00</td>
</tr>
<tr>
<td>2</td>
<td>8925 S 2700 W West Jordan</td>
<td>10/15</td>
<td>3 yrs</td>
<td>2,464</td>
<td>Class D</td>
<td>10 yrs Average</td>
<td>6%</td>
<td>$34,496</td>
<td>NNN</td>
<td>$14.00</td>
</tr>
<tr>
<td>3</td>
<td>5320 S 900 E #140 Murray</td>
<td>7/15</td>
<td>7.5 yrs</td>
<td>22,295</td>
<td>Class C</td>
<td>20 yrs Average</td>
<td>18%</td>
<td>$211,803</td>
<td>NNN</td>
<td>$9.50</td>
</tr>
<tr>
<td>4</td>
<td>12397 S 300 E, ste 300 Draper</td>
<td>3/14</td>
<td>5.4 yrs</td>
<td>24,250</td>
<td>Class D</td>
<td>15 yrs Average</td>
<td>24%</td>
<td>$230,375</td>
<td>NNN</td>
<td>$9.50</td>
</tr>
<tr>
<td>5</td>
<td>11657 S Redwood Rd South Jordan</td>
<td>11/13</td>
<td>3 yrs</td>
<td>5,914</td>
<td>Class D</td>
<td>10 yrs Average</td>
<td>17%</td>
<td>$59,140</td>
<td>NNN</td>
<td>$10.00</td>
</tr>
<tr>
<td></td>
<td>13011 S Pioneer Rd Herriman</td>
<td>N/A</td>
<td></td>
<td>16,101</td>
<td>Class D</td>
<td>10 yrs Average</td>
<td>67%</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
</tbody>
</table>

**Summary of Lease Comparables**

- The table above lists various lease comparables with details such as tenant/lease location, lease date, term, size, building class, effective age/condition, building/land ratio, yearly rent, expense basis, and yearly rate per square foot.

- The data is organized in a tabular format, making it easier to compare and analyze the lease conditions.
LEASE COMPARABLES
<table>
<thead>
<tr>
<th>Summary of Comparables</th>
<th>6361 W</th>
<th>8925 S</th>
<th>5320 S</th>
<th>12397 S</th>
<th>11657 S</th>
<th>13011 S</th>
</tr>
</thead>
<tbody>
<tr>
<td>Location</td>
<td>Herriman</td>
<td>W. Jordan</td>
<td>Murray</td>
<td>Draper</td>
<td>S. Jordan</td>
<td>Pioneer Rd</td>
</tr>
<tr>
<td>Date of Lease</td>
<td>11/13</td>
<td>10/15</td>
<td>7/15</td>
<td>3/14</td>
<td>11/13</td>
<td>---</td>
</tr>
<tr>
<td>Expense Terms</td>
<td>NNN</td>
<td>NNN</td>
<td>NNN</td>
<td>NNN</td>
<td>NNN</td>
<td>NNN</td>
</tr>
<tr>
<td>Building Type</td>
<td>Class D</td>
<td>Class D</td>
<td>Class C</td>
<td>Class D</td>
<td>Class D</td>
<td>Class D</td>
</tr>
<tr>
<td>Effective Age</td>
<td>5 yrs</td>
<td>10 yrs</td>
<td>20 yrs</td>
<td>15 yrs</td>
<td>10 yrs</td>
<td>10 yrs</td>
</tr>
<tr>
<td>Condition</td>
<td>Average</td>
<td>Average</td>
<td>Average</td>
<td>Average</td>
<td>Average</td>
<td>Average</td>
</tr>
<tr>
<td>Building/Land Ratio</td>
<td>15%</td>
<td>6%</td>
<td>18%</td>
<td>24%</td>
<td>17%</td>
<td>67%</td>
</tr>
<tr>
<td>Yearly Lease Amt</td>
<td>$81,200</td>
<td>$34,496</td>
<td>$211,803</td>
<td>$230,375</td>
<td>$59,140</td>
<td>---</td>
</tr>
<tr>
<td>Size (SF)</td>
<td>5,800</td>
<td>2,464</td>
<td>22,295</td>
<td>24,250</td>
<td>5,914</td>
<td>16,101</td>
</tr>
<tr>
<td>Rate/SF/Year</td>
<td>$14.00</td>
<td>$14.00</td>
<td>$9.50</td>
<td>$9.50</td>
<td>$10.00</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Adjustments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Expense Structure</td>
</tr>
<tr>
<td>Adjusted Rate/SF</td>
</tr>
<tr>
<td>Conditions of Lease</td>
</tr>
<tr>
<td>Adjusted Rate/SF</td>
</tr>
<tr>
<td>Market (Time) Adj.</td>
</tr>
<tr>
<td>Adjusted Rate/SF</td>
</tr>
<tr>
<td>Location</td>
</tr>
<tr>
<td>Size</td>
</tr>
<tr>
<td>Effective Age</td>
</tr>
<tr>
<td>Building Quality/Type</td>
</tr>
<tr>
<td>Condition</td>
</tr>
<tr>
<td>Building/Land Ratio</td>
</tr>
<tr>
<td>Basement</td>
</tr>
<tr>
<td>Adjusted Rates</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Summary of Comparables</th>
<th>Net Adjustment</th>
<th>Gross Adjustment</th>
<th>Minimum</th>
<th>Maximum</th>
<th>Mean Value</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>-33% -38% -3% -3% -13%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>33% 38% 33% 23% 33%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>$8.68</td>
<td>$9.38</td>
<td>$9.04</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Conclusion of Market Rate and Potential Gross Income

Expense Structure – The subject is valued with triple net expenses, as this is typical of the market for this type of office space. No adjustment is required.

Conditions/Terms – No adjustment required.

Market (Time) – No adjustment required.

Location – Leases 1 and 3 are superior in location with downward 5% adjustments indicated. Lease 5 is inferior in location with an upward 10% adjustment.

Size – The subject is 16,101 square feet. The smaller leases are adjusted downward as smaller spaces lease at a higher price per square foot relative to larger spaces. Adjustments are indicated on the grid.

Effective Age – The subject has a 10 year effective age. The respective adjustments are indicated.

Building Quality – No adjustment required.

Condition – No adjustment required.

Building/Land Ratio – The subject is inferior in building to land ratio. Respective adjustments are indicated.

Basement – The subject has 49% of the gross building area in the basement. Typically basement areas sell at a lower price per square foot ranging from 5% to 20%. As the subject has 9 foot ceilings and windows and only half the building is in the basement, an adjustment of 8% downward is indicated for the comparables relative to the subject.

The annual adjusted leases range from $8.68 to $9.38 per square foot, with an average of $9.04 per square foot.

As no single comparable is considered the best indicator of value for the subject property, the most weight is placed with the central tendency of the range as indicated by the average.

After careful consideration of the presented market data and other information available to the appraisers, we have determined that an appropriate rounded annual market lease rate for the subject property, and resulting potential gross income, can be calculated as follows:

\[
\begin{array}{ccc}
$9.05 & \text{per sf} & \times \ 16,101 \text{ sf} &= \ 145,714 \\
\end{array}
\]
Vacancy and Collection Loss

Vacancy and collection loss is an allowance for anticipated reductions in gross potential revenue attributable to vacancies, tenant turnover, and nonpayment of rent. The allowance is usually estimated as a percentage of the potential gross income, and takes into account individual property characteristics, quality of tenants, and anticipated supply and demand forces.

It is noted that the subject is currently 0 percent vacant. The property has been fully owner occupied.

According to discussion with real estate agents involved in the commercial market, it appears the local vacancy rate for office space is currently quite low. In addition, the Commerce Real Estate Solutions 2nd Quarter 2016 Market Review for office space vacancy in Salt Lake County was 11.4 percent. Furthermore, based on the rent survey we conducted of space comparable to the subject property, it appears that vacancy is low at the present time.

For the purpose of estimating a vacancy and collection loss allowance, consideration is given to the subject’s actual operating history, current market conditions, and typical allocations made by investors. Considering these factors, it is our opinion that 10 percent is an appropriate long term estimate for vacancy and collection loss.

Operating Expenses

Operating expenses are defined in The Appraisal of Real Estate as follows: "Operating expenses are the periodic expenditures necessary to maintain the real property and continue the production of the effective gross income.”

As noted, the rental rate concluded was based on triple net lease terms. Under these terms, the landlord is responsible for management and allowance for replacement. To determine an estimated amount of expenses associated with the subject, research from various sources has been done. The expenses are discussed and summarized as follows.

Management - The management expense category is a fee to take into account servicing the subject property. It includes accounting, advertising, legal fees, administrative, etc. Management fees for office buildings have been quoted at three to six percent of effective gross income by management companies. Because the building would most likely be occupied by one tenant, a management fee near the lower end of the range, or three percent, is concluded.

Allowance for Replacement - Prudent management would set aside reserves to replace building components which have a shorter than typical physical life. This includes cost to replace asphalt, HVAC, plumbing, roof, and other elements of the structure which expire before the building has reached the end of its economic life. The items comprising reserves for replacement are based upon market research and professional judgment. Most property managers report that between two and five percent of effective gross income is adequate to
cover allowance for replacement. A reserve factor of two percent is concluded. Although this reserve allowance may not necessarily be adequate to cover all structural maintenance and repairs, it is consistent with typical investor parameters.

**Net Operating Income**

This is the resulting income after an allowance for vacancy and collection loss has been withheld, and after all operating expenses have been deducted.
Capitalization of Net Operating Income

Capitalization is the process of converting future benefits of ownership into a present value estimate. The future benefits consist of the income received during the holding period and the proceeds of resale of the property at the end of the holding period. In other words, the owner receives a "return on" and a "return of" capital.

There are various ways and methods of capitalizing income. The two main capitalization methods are direct capitalization and yield capitalization (DCF analysis). The direct capitalization method is used by almost all investors and purchasers of income-producing real estate.

Considering the physical and economic characteristics of the subject property, along with the market evidence available, direct capitalization is concluded to be the most appropriate method of valuation.

Direct Capitalization

Direct capitalization is used to convert a stabilized net operating income estimate into an indication of value in one direct step by the formula:

\[
\text{Value} = \frac{\text{Net Operating Income}}{\text{Capitalization Rate}}
\]

Overall capitalization rates can be estimated using various methods. The two most common methods are (1) derivation from comparable sales; and (2) band of investment (mortgage and equity components). For this analysis, both methods will be employed.

Derivation of Capitalization Rate from Comparable Sales - This is the preferred method when sufficient data on sales of similar, competitive properties is available.

Comparable sale 2 in the sales comparison approach provided enough information from which a capitalization rate could be extracted. These supplemental sales of similar properties are also summarized in the following table:
### Capitalization Rate Summary

<table>
<thead>
<tr>
<th>Sale #</th>
<th>Location</th>
<th>Sale Date</th>
<th>Eff. Age/Size (SF)</th>
<th>Cap Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>2</td>
<td>1288 W Silcox</td>
<td>8/15</td>
<td>10 yrs 4,542</td>
<td>8.76%</td>
</tr>
<tr>
<td></td>
<td>Riverton</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>S-1</td>
<td>7084 S 2300 E</td>
<td>3/14</td>
<td>10 yrs 12,763</td>
<td>7.78%</td>
</tr>
<tr>
<td></td>
<td>Cottonwood Heights</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>S-2</td>
<td>9140 S State</td>
<td>5/15</td>
<td>10 yrs 2,548</td>
<td>7.19%</td>
</tr>
<tr>
<td></td>
<td>Sandy</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>S-3</td>
<td>147 W Election Rd</td>
<td>4/15</td>
<td>15 yrs 51,200</td>
<td>7.01%</td>
</tr>
<tr>
<td></td>
<td>Draper</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>S-4</td>
<td>13552 S 110 W</td>
<td>11/15</td>
<td>8 yrs 21,879</td>
<td>6.61%</td>
</tr>
<tr>
<td></td>
<td>Draper</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Average** | 7.47%

The comparables indicate a range of 6.61 percent to 8.76 percent, with an average overall rate of 7.47 percent. All sales are considered average indicators in determining an appropriate rate, and are given equal weight in establishing a capitalization rate. The data is considered adequate in quality and amount. The market extracted sales information supports a rounded 7.50 percent capitalization rate.

**Band of Investment Method** - Since there is good mortgage and equity information available, a rate can be developed using information that takes into account the mortgage and equity requirements in the local market. This method of direct capitalization takes into account the fact that properties are purchased with debt and equity capital. The overall capitalization rate must satisfy both the mortgage position and the equity position. There is sufficient market data to develop a capitalization rate for the subject property.

To develop this method we have: (1) obtained typical mortgage loan terms from interviews with various commercial lenders, and (2) analyzed the typical equity return or equity capitalization rate for properties similar to the subject. This rate is computed by taking the cash flow an investor receives after annual debt service and dividing the cash flow return by the equity capital portion of the real estate investment.

The computation of overall rate is based on the following formula:

$$R_o = M \times R_m + (1-M) \times R_e$$

The following explanation is given to define the components used in the formula:
Income Approach

\[ Ro = \] Overall Rate  \\
\[ M = \] Loan Ratio  \\
\[ Rm = \] Mortgage Constant or annual mortgage payment divided by the mortgage amount.  \\
\[ Re = \] Equity Capitalization Rate

Information provided to us by commercial loan officers from various banks, indicates that local mortgage bankers would make a loan on the subject at about 4.50 percent for 15 to 20 years at a fixed rate with a 5 year balloon, or renegotiation of the rate at that time. The typical loan-to-value ratio is 65 to 70 percent.

The next consideration is the equity return or equity capitalization rate. This rate is computed by taking the cash flow an investor receives after annual debt service and dividing the cash flow return by the equity capital portion of the real estate investment. We were unable to extract an equity capitalization rate from any of the sale comparables. However, other sales of similar type properties indicate a range of 5.0 to 8.0 percent. Based on this, we have concluded a rate of 7.0 percent.

The following is a summary of the market conditions and assumptions for development of the band of investment method:

<table>
<thead>
<tr>
<th>Inputs:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Loan Ratio</td>
<td>70%</td>
</tr>
<tr>
<td>Equity Ratio</td>
<td>30%</td>
</tr>
<tr>
<td>Mortgage Rate</td>
<td>4.50%</td>
</tr>
<tr>
<td>Term (yrs)</td>
<td>20</td>
</tr>
<tr>
<td>(5-yr call)</td>
<td></td>
</tr>
<tr>
<td>Equity Cap Rate</td>
<td>7.00%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Type of Funds</th>
<th>Ratio of Total Funds</th>
<th>Mortgage Constant/Equity Cap Rate</th>
<th>Weighted Average</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mortage</td>
<td>70%</td>
<td>7.59%</td>
<td>5.31%</td>
</tr>
<tr>
<td>Equity</td>
<td>30%</td>
<td>7.00%</td>
<td>2.10%</td>
</tr>
</tbody>
</table>

| Overall Rate by Band of Investment Method | 7.41% |

The concluded capitalization rate by the mortgage-equity method is 7.41 percent or 7.50 percent after rounding to an appropriate indicator. This rate supports those concluded by the comparable sales.

**Conclusion of Capitalization Rate** - The direct extraction from the comparable sales suggests a rate of about 7.50 percent for the subject. The band of investment indicated a rate of 7.50 percent. Both methods are derived from current market information. We have given most
weight to the overall rate derived from the sale comparables since it was extracted from actual sales and is more indicative of a typical overall rate for these types of properties. The concluded capitalization rate for the subject property is 7.50 percent.

**Conclusion of Value**

The previously concluded information is summarized on the following pro forma operating statement:
### Pro-Forma Operating Statement

<table>
<thead>
<tr>
<th>Description</th>
<th>Value</th>
<th>Calculation</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Potential Gross Income</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rentable Area</td>
<td>16,101</td>
<td>$9.05</td>
</tr>
<tr>
<td>Other</td>
<td>0</td>
<td>$0.00</td>
</tr>
<tr>
<td><strong>Total Potential Gross Income</strong></td>
<td></td>
<td>$145,714</td>
</tr>
<tr>
<td>Vacancy/Collection Loss</td>
<td>10%</td>
<td>($14,571)</td>
</tr>
<tr>
<td><strong>Effective Gross Income</strong></td>
<td></td>
<td>$131,143</td>
</tr>
<tr>
<td><strong>Operating Expenses</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Management</td>
<td>3%</td>
<td>($3,934)</td>
</tr>
<tr>
<td>Replacement Allowance</td>
<td>2%</td>
<td>(2,623)</td>
</tr>
<tr>
<td><strong>Total Expenses &amp; Allowance</strong></td>
<td>% of EGI 5%</td>
<td>($6,557)</td>
</tr>
<tr>
<td><strong>Net Operating Income</strong></td>
<td></td>
<td>$124,586</td>
</tr>
<tr>
<td><strong>Capitalization Rate</strong></td>
<td></td>
<td>7.50%</td>
</tr>
<tr>
<td>Base Value for Economic Unit</td>
<td></td>
<td>$1,661,140</td>
</tr>
<tr>
<td>Curable Physical Deterioration</td>
<td></td>
<td>0</td>
</tr>
<tr>
<td>Excess Land Value</td>
<td></td>
<td>0</td>
</tr>
<tr>
<td><strong>Total Value Indicated by Income Approach</strong></td>
<td></td>
<td>$1,661,140</td>
</tr>
<tr>
<td><strong>Rounded</strong></td>
<td></td>
<td>$1,660,000</td>
</tr>
</tbody>
</table>

After careful consideration of the information presented in this section of the report, we are of the opinion that the “as is” fee simple title market value of the subject property, by the income capitalization approach, as of August 29, 2016, is:

$1,660,000 (Rounded)

"ONE MILLION SIX HUNDRED SIXTY THOUSAND DOLLARS"
RECONCILIATION AND FINAL VALUE ESTIMATE

Reconciliation is the final step in the valuation process of the appraisal report and value conclusions are analyzed to reach a final value estimate. A brief description of the site, building improvements, and other factors concerning the subject property were discussed. The subject property was analyzed concerning the highest and best use. The three traditional approaches to value are: 1) the cost, 2) the sales comparison, and 3) the income capitalization approaches to value.

In the valuation process, full and complete sales comparison and income capitalization Approaches have been developed and lead to a reasonable correlation of value.

The cost approach was not developed since it is not considered applicable for arriving at a credible opinion of value. The subject building was originally constructed over 15 years ago; as such, the figures associated with current construction costs potentially reflect quite different technologies, standards, and types of materials. Moreover, depreciation estimates would be quite subjective. Consequently, any estimate of value associated with the cost approach is substantially weakened, largely meaningless, and potentially misleading.

The two approaches have indicated the following value estimates:

- Sales Comparison Approach: $1,690,000
- Income Capitalization Approach: $1,660,000

Each of the approaches is considered in relationship to the quantity and reliability of the data used, and to the applicability of the approach.

Sales Comparison Approach

The sales comparison approach would be given consideration by an owner/user or a potential investor. Comparables both inferior and superior to the subject were helpful in bracketing value for the subject property. It was determined from the data that the appropriate unit of comparison for valuation was the sales price per square foot method. Adjustments were made in an adjustment grid to provide comparison to the subject. The comparables were analyzed and adjusted based on differences with the subject property.

Income Capitalization Approach

The income capitalization approach to value is an important section of the report because it reflects well the motivation of investors in the marketplace. This approach is also very market oriented because the gross income, current rates of return, and market and financial indicators are evaluated in making the conclusions as to the value indication.
In expanding the income approach, the potential gross income was determined by a survey of similar buildings found in the subject’s marketplace. There was good and adequate lease information within the subject neighborhood which is reliable for indicating a market lease rate for the subject property. The information reported is considered to be accurate and supported by local market data.

The projected vacancy and expenses for the subject were developed by and from analysis of vacancy and expense information on similar type buildings. A pro forma statement was developed and the net operating income was projected. Having determined the net operating income, a capitalization rate was derived from market data from which a value by the direct capitalization method was concluded. Two methods were used for determining an overall rate. First, the direct market extraction method compared overall capitalization rates among office buildings which have recently sold, and for which income information was available. Second, the band of investment method was utilized, using current mortgage and equity rates. An overall market extracted capitalization rate of 7.50 percent was concluded.

**Final Value Estimate**

In the final analysis of the approaches to value, it is noted that the range in value is from $1,660,000 to $1,690,000.

Most weight is given to the sales comparison approach method since it is based on very reliable market supported information, and since the subject is considered to be primarily a single-tenant building that is generally owner occupied.

After careful consideration of the information contained within this report, we are of the opinion that the "as is" market value of the subject property with fee simple title property rights, as of August 29, 2016, is:

$1,690,000

"ONE MILLION SIX HUNDRED NINETY THOUSAND DOLLARS"
CERTIFICATION

We certify that, to the best of our knowledge and belief:

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are our personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- We have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
- We have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
- We have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
- Our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.
- Tyler A. Free made a personal inspection of the property that is the subject of this report. Gary R. Free did not inspect the subject property.
- No one provided significant real property appraisal assistance to the person signing this certification.
- The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- As of the date of this report, Gary R. Free has completed the continuing education program for Designated Members of the Appraisal Institute.
- As of the date of this report, Tyler A. Free has completed the Standards and Ethics Education Requirements for Candidates/Practicing Affiliates of the Appraisal Institute.

September 26, 2016

[Signature]

GARY R. FREE, MAI, SRA
Senior Managing Director
Utah State-Certified General Appraiser
License # 5451769-CG00 (Exp. 6/30/17)

September 26, 2016

[Signature]

TYLER A. FREE
Senior Appraiser
Utah State-Certified General Appraiser
License #6050225-CG00 (Exp. 12/31/16)
GENERAL ASSUMPTIONS

This appraisal report has been made with the following general assumptions:

1. The legal description used in this report is assumed to be correct.

2. No survey of the property has been made by the appraiser and no responsibility is assumed in connection with such matters. Sketches in this report are included only to assist the reader in visualizing the property.

3. No responsibility is assumed for matters of a legal nature affecting title to the property nor is an opinion of title rendered. The title is assumed to be good and marketable, unless otherwise stated.

4. Information furnished by others is assumed to be true, correct and reliable. A reasonable effort has been made to verify such information; however, no responsibility for its accuracy is assumed by the appraiser.

5. All mortgages, liens, encumbrances, leases and servitudes have been disregarded unless so specified within the report. The property is appraised as though under responsible ownership and competent management.

6. It is assumed that there are no hidden or unapparent conditions of the property, subsoil or structures which would render it more or less valuable. No responsibility is assumed for such conditions or for engineering which may be required to discover such factors.

7. Full compliance with all applicable federal, state and local environmental regulations and laws is assumed unless noncompliance is stated, defined and considered in the appraisal report.

8. It is assumed that all applicable zoning and use regulations and restrictions have been complied with, unless some nonconformance has been stated, defined and considered in the appraisal report.

9. It is assumed that all required licenses, certificates of occupancy, contents, or other legislative or administrative authority from any local, state, or national government or private entity or organization have been or can be obtained or renewed for any use on which the value estimate contained in this report is based.

10. It is assumed that the utilization of the land and improvements is within the boundaries or property lines of the property described and that there is no encroachment or trespass unless noted in the report.
The appraisal report has been made with the following general limiting conditions:

1. The appraiser will not be required to give testimony or appear in court because of having made this appraisal, with reference to the property in question, unless arrangements have been previously made.

2. Possession of this report, or a copy thereof, does not carry with it the right of publication. It may not be used for any purpose by any person other than the party to whom it is addressed without the written consent of the appraiser, and in any event only with proper written qualification and only in its entirety.

3. The distribution of the total valuation in this report between land and improvements applies only under the reported highest and best use of the property. The allocations of value for land and improvements must not be used in conjunction with any other appraisal and are invalid if so used.

4. Disclosure of the contents of this appraisal report is governed by the By-Laws and Regulations of the Appraisal Institute. Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraiser or any reference to the Appraisal Institute or to the MAI designation) shall be disseminated to the public through advertising media, public relations media, sales media or any other public means of communication without the prior written consent and approval of the appraiser.

5. Acceptance of and/or use of this appraisal report constitutes acceptance of the stated general assumptions and limiting conditions.
SPECIAL LIMITING CONDITIONS

1. The liability of Free and Associates, Inc. is limited to the client only. Furthermore, there is no accountability, obligation, or liability to any third party. If this report is placed in the hands of anyone other than client, the client shall make such party aware of all limiting conditions and assumptions of the assignment and related discussions. The appraiser is in no way to be responsible for any costs incurred to discover or correct any deficiencies of any type present in the property; physically, financially, and/or legally. In the case of limited partnerships or syndication offerings or stock offerings in real estate, client agrees that in case of lawsuit (brought by lender, partner or part owner in any form of ownership, tenant, or any other party), any and all awards, settlements of any type in such suit, regardless of outcome, client will hold appraiser completely harmless in any such action.

2. In this appraisal assignment, the existence of potentially hazardous material on or near the subject site and/or used in the construction or maintenance of any of the buildings, such as the presence of urea-formaldehyde foam insulation, and/or the existence of toxic waste, which may or may not be present on the property, was not observed by us, nor do we have any knowledge of the existence of such materials on or in the property. The appraiser, however, is not qualified to detect such substances. The existence of urea-formaldehyde foam insulation or other potentially hazardous waste material may have an effect on the value of the property. We urge the client to retain an expert in this field if desired.
Qualifications of Gary R. Free, MAI, SRA
Senior Managing Director
Valbridge Property Advisors | Free and Associates, Inc.

Independent Valuations for a Variable World

Membership/Affiliations:

State Certifications
- State of Utah
- State of Idaho
- State of Wyoming
- State of Nevada

Leadership:
- Appraisal Institute – Past President, Utah Chapter
- Appraisal Institute – Past Regional Representative
- Appraisal Institute – Past Executive Board Member, Utah Chapter
- Appraisal Institute – Nonresidential Demonstration Report Grading Panel
- Appraisal Institute – Southwest Region Review and Counseling Committee
- Utah Self-Storage Association – Past President
- Society of Real Estate Appraisers – Past President, Salt Lake City Chapter
- Society of Real Estate Appraisers – Past Director, Salt Lake City Chapter
- Society of Real Estate Appraisers – Past Board Member, Salt Lake City Chapter
- University of Utah – Past Chairman of re-appraisal project for the Bureau of Economic Research

Education
- Bachelor of Arts
- Business Administration
- University of Utah

Contact Details
- 801.262.3988 (phone)
- 801.747.0352 (cell-free)
- 801.262.7893 (fax)

gfree@valbridge.com

Valbridge Property Advisors | Free and Associates, Inc.
1100 East 6600 South
Suite 201
Salt Lake City, Utah 84121

Courses Completed (partial list):
- All required core classes for MAI & SRPA designation, and following continuing education:
  - Anatomy of an Acquisition
  - Appraisal and Real Estate Issues
  - Appraisal of Retail Properties
  - Appraiser as Expert Witness
  - Appraising the Appraisal: Appraisal Review - General
  - Business Practices and Ethics
  - Eminent Domain: New Tools & Strategies for Public Projects in Utah
  - Eminent Domain Update
  - Feasibility Analysis, Market Value & Investment Timing
  - Feasibility Analysis - Nonresidential
  - Forecasting Revenue
  - General Appraiser Market Analysis and Highest & Best Use
Courses Completed (partial list) – Cont’d:
- Geological Concerns in Real Estate
- Health Care Industry Trends & Real Estate
- HVAC Systems in Commercial Buildings
- Litigation Appraising: Specialized Topics and Applications
- Litigation Skills for the Appraiser
- Non-Residential Demo Report Writing
- Partial Interests: Theory and Case Law
- Property Title Concerns
- Rates and Ratios: Making sense of GIMs, OARs and DCFs
- Scope of Work: Expanding Your Range of Services
- Self Storage: Looking at the Past – Are These Indicators
- Small Hotel/Motel Valuation
- Special Purpose Properties
- Specialized Appraisal Issues
- Subdivision Valuation
- Successful Real Estate Investing
- The Office Sub-Market
- The Road Less Traveled: Special Purpose Properties
- Using your HP 12C Financial Calculator
- USFAP (at regular intervals)
- Utah Department of Transportation Projects
- Wasatch Front Real Estate Market

Experience:
- **Senior Managing Director**
  - Valbridge Property Advisors | Free and Associates, Inc. (2013 – Present)

  **President**
  - Free and Associates, Inc. (1976 – Present)

  **President**
  - Capital Land Management (1978 – 1980)

  **Appraiser (commercial & residential)**

Founder, in 1976 of Free and Associates, a full-service, real estate appraisal and consulting firm. Qualified, through obtaining appropriate education and experience, to complete appraisals and provide consulting service on all types of commercial and residential properties. Mr. Free has served in elected offices and on boards of professional organizations such as the Appraisal Institute and the Society of Real Estate Appraisers. He is licensed in Utah, Wyoming, Idaho and Nevada, and has provided expert testimony in U.S. and District Courts.
STATE OF UTAH
DEPARTMENT OF COMMERCE
DIVISION OF REAL ESTATE

ACTIVE LICENSE

DATE ISSUED: 04/13/2015
EXPIRATION DATE: 06/30/2017
LICENSE NUMBER: 5451769-CG00
LICENSE TYPE: Certified General Appraiser
ISSUED TO: GARY R FREE
1100 E 6600 S 201
SALT LAKE CITY UT 84121

[Signature of Holder] [REAL ESTATE DIVISION DIRECTOR]
Qualifications of Tyler R. Free  
Senior Appraiser  
Valbridge Property Advisors | Free and Associates, Inc.

**Independent Valuations for a Variable World**

<table>
<thead>
<tr>
<th>Certification Type</th>
<th>State/Region</th>
</tr>
</thead>
<tbody>
<tr>
<td>State Certifications</td>
<td>State of Utah, State of Idaho</td>
</tr>
</tbody>
</table>

**Education**
- Bachelor of Science in Economics  
- University of Utah

**Contact Details**
- 801.262.3882 (phone)  
- 800.747.0552 (toll-free)  
- 801.262.7693 (fax)  
- tfree@valbridge.com
- Valbridge Property Advisors | Free and Associates, Inc.  
- 1100 East 6600 South  
- Suite 201  
- Salt Lake City, Utah 84121  
- www.valbridge.com  
- www.freeandassociates.com

**Membership/Affiliations:**
- Member, Appraisal Institute

**Courses Completed (partial list):**
- 15 Hour National USPAP  
- Appraisal  
- Residential Market Analysis and Highest and Best Use  
- Portfolio Income Capitalization  
- General Applications  
- General Market Analysis and Highest and Best Use  
- Business Practices and Ethics  
- Report Writing and Appraisal Analysis  
- Advanced Income Capitalization  
- Advanced Sales Comparison and Cost Approaches  
- Advanced Applications

**Experience:**
- **Commercial Real Estate Appraiser**  
  Valbridge Property Advisors | Free and Associates, Inc. (2013–Present)

  **Commercial Real Estate Appraiser**  
  Free and Associates, Inc. (March 2004 – Present)

Appraisal/valuation and consulting assignments include: apartment buildings; retail buildings and shopping centers; existing/proposed office buildings; industrial buildings; churches; subdivisions; single family residential subdivisions; warehouse buildings; self storage units; and commercial and residential land. Assignments also include eminent domain.
STATE OF UTAH
DEPARTMENT OF COMMERCE
DIVISION OF REAL ESTATE

ACTIVE LICENSE

DATE ISSUED: 11/18/2014
EXPIRATION DATE: 12/31/2016
LICENSE NUMBER: 6050225-CG00
LICENSE TYPE: Certified General Appraiser
ISSUED TO: TYLER A FREE
1100 EAST 6600 SOUTH
201
SALT LAKE CITY UT 84121
Topo map
Earthquake Map

LIQUEFACTION-POTENTIAL MAP FOR A PART OF SALT LAKE COUNTY, UTAH
UTAH GEOLOGICAL SURVEY
Public Information Series 25
August 1994

LIQUEFACTION POTENTIAL
- High
- Moderate
- Low
- Very Low

This map is for general reference only and was modified from Anderson, L.R., Kuldon, J.R., Spitzley, J.E., and Allen, A.C., 1994, Liquefaction potential map for Salt Lake County, Utah. Utah Geological Survey Contract Report 94-4, 48 p., scale 1:48,000. Copies of this report are available at the Utah Geological Survey.
DATE: January 4, 2018

TO: The Honorable Mayor and City Council

FROM: Planning Commission

MEETING: City Council - January 10, 2018

REQUEST: Discussion and Consideration of an ordinance regarding a text change to the Land Development Code for Mobile Food Trucks
Applicant: Herriman City
File Number: 13Z17

RECOMMENDATION: The Planning Commission recommended approval of the chapter regarding Mobile Food Trucks.

NOTICE: The Planning Commission public hearing notice was posted in the newspaper and on the City website on June 5, 2017. The proposed text was posted on the City website on June 5, 2017. As of the date of this report, we have received no comments regarding the text change.

PROCESS: A text change is a legislative action. The Planning Commission holds a public hearing and makes a recommendation to the City Council. The City Council holds a public meeting to discuss the item and then makes the final decision. The Planning Commission held a public hearing on June 15, 2017. There was no public comment received regarding the proposed text change. The PC reviewed the ordinance again on November 16, 2017, and received no public comment.

DISCUSSION: This is a proposed text change to create a new chapter to govern the operation of mobile food trucks within the City. This ordinance establishes requirements for operating and licensing mobile food trucks, defines criteria to be met in selecting suitable operating locations, and prohibits specific uses and activities in food truck operations.

The proposed ordinance limits food trucks to commercially zoned property. It prohibits food trucks on City property, except during City events at Butterfield Park and the new J. Lynn Crane Park in the Towne Center.
After the Planning Commission made a recommendation on the text change, the City Attorney reviewed the ordinance and made several changes to the text to be more consistent with new State code and the updated City Land Development Code. The City Council remanded the ordinance back to the Planning Commission to review the changes. The PC discussed the changes in their meeting on November 16, 2017, and made no changes. They recommended approval of the new chapter.
WHEREAS, the City of Herriman, pursuant to state law, may enact a land use ordinance establishing regulations for land use and development; and

WHEREAS, pursuant to statute, the Planning Commission shall prepare and recommend to the City Council the proposed land use ordinance amendment; and

WHEREAS, pursuant to City of Herriman Land Use Ordinance, the Planning Commission shall hold a public hearing and provide reasonable notice at least 10 days prior to said public hearing to prepare and recommend to the City Council the proposed land use ordinance text changes; and

WHEREAS, notice of the Planning Commission public hearing on the land use ordinance text change was published on June 5, 2017, noticing of the June 15, 2017, public hearing at 7:00 p.m.; and

WHEREAS, the Planning Commission recommended approval of the land use ordinance text change in the meeting held on November 16, 2017, at 7:00 p.m. in the Community Center; and

WHEREAS, pursuant to City of Herriman Ordinance, the City Council must hold a public meeting; and

WHEREAS, the City Council public meeting on January 10, 2018, was held at 7:00 p.m.; and

WHEREAS, the City Council finds that it is in the best interest of the citizens of Herriman City to adopt the land use ordinance text change as recommended by the Planning Commission;

NOW THEREFORE, be it ordained by the Herriman City Council that the following chapter be adopted as a change to the land development code of the City: (the entire chapter is new)

DEFINITIONS:
For the purposes of this chapter, the following words shall have the meanings set forth in this section:

“City owned property” means all property owned by the city and includes but is not limited to parks, open space, parcels containing city operations, buildings, rights of way, and parking lots on city owned property.
"Food truck event" means an event where an individual has ordered or commissioned the operation of a food truck at a private or public gathering.

Food truck" means a fully encased food service establishment on a motor vehicle or on a trailer that a motor vehicle pulls to transport; and from which a food truck vendor, standing within the frame of the vehicle, prepares, cooks, sells, or serves food or beverages for immediate human consumption. Food truck does not include a food cart or an ice cream truck.

"Food cart" means a cart that is not motorized; and that a vendor, standing outside the frame of the cart, uses to prepare, sell, or serve food or beverages for immediate human consumption.

"Ice cream truck" means a fully encased food service establishment on a motor vehicle or on a trailer that a motor vehicle pulls to transport from which a vendor, from within the frame of the vehicle, serves ice cream that attracts patrons by traveling through a residential area and signaling the truck's presence in the area, including by playing music; and that may stop to serve ice cream at the signal of a patron.

"Food truck vendor" means a person who sells, cooks, or serves food or beverages from a food truck.

LICENSE REQUIRED, HEALTH DEPARTMENT PERMIT, FEES, AND REGULATIONS:
A. License Required: It is unlawful for any person to operate, conduct, carry on, or maintain a food truck without meeting the requirements of this chapter.
B. The city shall grant a business license without fee or imposing additional license qualification to operate a food truck within the city to a food truck vendor who has obtained a business license to operate a food truck in another political subdivision within the state if the food truck vendor presents to the city a current business license from another political subdivision within the state; a current health department food truck permit from the Salt Lake Valley Health Department; and a current approval of a political subdivision within the state that shows that the food truck passed a fire safety inspection that the other political subdivision conducted in accordance with Utah Code Ann. § 11-56-104(4)(a).
C. Business Activity To Be Temporary: It is unlawful for food truck operator to operate a food truck between the hours of 10:00 p.m. and 7:00 a.m. of the next day unless prior written permission is received from the city.
D. No overnight parking is allowed, except during a multiday event.

PERMITTED LOCATIONS:
A. Food Truck Event on Private Property: A food truck event may only operate on private property with the express prior written permission of a person with authority to act on behalf of the property owner. The written permission shall include any restrictions such as specific location on the property, hours of operation, limitations
on employee and/or public sales, etc. The Food Truck Vendor, while operating, shall produce the written permission upon request of an authorized city official.

a. The Food Truck Vendor shall comply with the city sign ordinance and shall not be located within the clear view of intersecting streets.

b. Zoning Restrictions: Food Trucks are a permitted use in the C-2 and MU-2 zones.

B. Food Truck Event on City Owned Property: Food vending is prohibited on city owned property and city rights of way including, but not limited to, streets, on-street parking areas, and sidewalks, except as authorized in writing by the city for City Events that are organized by City Staff. Mobile food vending on City property shall be limited to City events held at W &M Butterfield Park and J. Lynn Crane Park.

PROHIBITED ACTS:

A. Preparation Outside The Food Truck: Food truck vendors may prepare food and beverages outside of the food truck (e.g., meat smoking, corn roasting) but such preparation shall not obstruct vehicle or pedestrian traffic nor create safety hazards to the public. Food truck vendors, however, shall not serve food directly to customers from such outside food preparation area.

B. Items For Sale: Only food and beverage items, and merchandise branded with the food truck vendor’s logos such as apparel or beverage containers, may be sold from the food truck. The sale or distribution of other merchandise, professional or personal services, or alcoholic beverages is prohibited.

C. Obstruction Of Traffic: Placement of food trucks, or related accessories shall not obstruct or impede pedestrian traffic or vehicular traffic, access to and from driveways, or clean vision lines for vehicle drives.

D. Drive-Through or Drive-In Service Prohibited: Food trucks shall serve pedestrians only. Drive-through or drive-in service is prohibited.

PASSED AND APPROVED this 10th day of January, 2018.

HERRIMAN

_________________________________________
Mayor David Watts

ATTEST:  
Jackie Nostrom, MMC
City Recorder
MOBILE FOOD VENDORS

DEFINITIONS:

For the purposes of this chapter, the following words shall have the meanings set forth in this section:

“City owned property” means all property owned by the city and includes but is not limited to parks, open space, parcels containing city operations, buildings, rights of way, and parking lots on city owned property.

"Food truck event" means an event where an individual has ordered or commissioned the operation of a food truck at a private or public gathering.

"Food truck" means a fully encased food service establishment on a motor vehicle or on a trailer that a motor vehicle pulls to transport; and from which a food truck vendor, standing within the frame of the vehicle, prepares, cooks, sells, or serves food or beverages for immediate human consumption. Food truck does not include a food cart or an ice cream truck.

"Food cart" means a cart that is not motorized; and that a vendor, standing outside the frame of the cart, uses to prepare, sell, or serve food or beverages for immediate human consumption.

"Ice cream truck" means a fully encased food service establishment on a motor vehicle or on a trailer that a motor vehicle pulls to transport from which a vendor, from within the frame of the vehicle, serves ice cream that attracts patrons by traveling through a residential area and signaling the truck’s presence in the area, including by playing music; and that may stop to serve ice cream at the signal of a patron.

"Food truck vendor" means a person who sells, cooks, or serves food or beverages from a food truck.

LICENSE REQUIRED, HEALTH DEPARTMENT PERMIT, FEES, AND REGULATIONS:

A. License Required: It is unlawful for any person to operate, conduct, carry on, or maintain a food truck without meeting the requirements of this chapter.

B. The city shall grant a business license without fee or imposing additional license qualification to operate a food truck within the city to a food truck vendor who has obtained a business license to operate a food truck in another political subdivision within the state if the food truck vendor presents to the city a current business license from another political subdivision within the state; a current health department food truck permit from the Salt Lake Valley Health Department; and a current approval of a political subdivision within the state that shows that the food truck passed a fire safety inspection that the other political subdivision conducted in accordance with Utah Code Ann. § 11-56-104(4)(a).
C. Business Activity To Be Temporary: It is unlawful for food truck operator to operate a food truck between the hours of 10:00 p.m. and 7:00 a.m. of the next day unless prior written permission is received from the city

D. No overnight parking is allowed, except during a multiday event.

PERMITTED LOCATIONS:

A. Food Truck Event on Private Property: A food truck event may only operate on private property with the express prior written permission of a person with authority to act on behalf of the property owner. The written permission shall include any restrictions such as specific location on the property, hours of operation, limitations on employee and/or public sales, etc. The Food Truck Vendor, while operating, shall produce the written permission upon request of an authorized city official.
   a. The Food Truck Vendor shall comply with the city sign ordinance and shall not be located within the clear view of intersecting streets.
   b. Zoning Restrictions: Food Trucks are a permitted use in the C-2 and MU-2 zones.

B. Food Truck Event on City Owned Property: Food vending is prohibited on city owned property and city rights of way including, but not limited to, streets, on-street parking areas, and sidewalks, except as authorized in writing by the city for City Events that are organized by City Staff. Mobile food vending on City property shall be limited to City events held at W &M Butterfield Park and J. Lynn Crane Park.

PROHIBITED ACTS:

A. Preparation Outside The Food Truck: Food truck vendors may prepare food and beverages outside of the food truck (e.g., meat smoking, corn roasting) but such preparation shall not obstruct vehicle or pedestrian traffic nor create safety hazards to the public. Food truck vendors, however, shall not serve food directly to customers from such outside food preparation area.

B. Items For Sale: Only food and beverage items, and merchandise branded with the food truck vendor’s logos such as apparel or beverage containers, may be sold from the food truck. The sale or distribution of other merchandise, professional or personal services, or alcoholic beverages is prohibited.

C. Obstruction Of Traffic: Placement of food trucks, or related accessories shall not obstruct or impede pedestrian traffic or vehicular traffic, access to and from driveways, or clean vision lines for vehicle drives.

D. Drive-Through or Drive-In Service Prohibited: Food trucks shall serve pedestrians only. Drive-through or drive-in service is prohibited.
RECOMMENDATION:
Approval of a resolution appointing the members of the Board of Trustees of the Herriman City Safety Enforcement Area

DISCUSSION:
Herriman City Resolution R47-2017, which approved the creation of the Herriman City Safety Enforcement Area (“HCSEA”), provides that the HCSEA will be governed by a Board of Trustees (“Board”) composed of five members appointed by the City Council in accordance with Utah Code Ann. §§ 17B-1-301, et seq. Utah Code Ann. § 17B-1-304 identifies the process to appoint members of the Board. If the City Council desires to appoint members of the Council to the Board, the appointment may be made by the Council adopting a resolution as an agenda item of a City Council meeting. If the City Council wants to consider non-Council members for appointment to the Board, the statute requires that a notice of vacancy be issued and, no sooner than two months after publication of the notice, the Council is to select individuals to fill the Board vacancies from the applicants who meet the qualifications established by law (be a registered voter residing within the boundaries of the service area).

- Issue: Who should serve on the Board (recommended that each member of the Council also serve as a member of the Board to avoid problems created by Utah Code Ann. § 17B-1-1001, which limits the ability of a local district to assess or increase property taxes unless, among other exceptions identified in such Section, the members of the Board are all elected officials, or a majority of the Trustees are elected officials).

- Required Action: Appoint the initial Board (we will have a draft resolution appointing each member of the Council as the Board for consideration during the January 10, 2018, Council meeting).

Utah Code Ann. § 17B-1-303 provides that the initial term of members of the Board of a newly created local district shall begin upon appointment, and shall be four years, except that approximately half the
members of the initial Board, chosen by lot, shall serve a two-year term so that the term of approximately half the Board members expires every two years. Utah Code Ann. § 17B-1-303(6) contains a provision dealing with City Council members who also serve as members of the Board. It provides that the Board shall declare a midterm vacancy for the Board position held by a member of the City Council if, during his or her term on the Board, the member of the City Council ceases to be a member of the Council and the Council submits a written request to the Board to declare a midterm vacancy. Upon the Board declaring a midterm vacancy, the City Council will appoint another person (presumably a new member of the Council) to fill the remaining unexpired term on the Board. The foregoing applies if fewer than all of the members of the Board are also members of the City Council. However, if the composition of the City Council and of the Board is identical, “notwithstanding Subsections 17B-1-303(1) and (2), the term of office of each Board member coincides with the member’s term as a county or municipal legislative body member”. Utah Code Ann. § 17B-1-308(1)(c).

- Required Action: No action will be required if all of the City Council members are appointed to the Board, since their terms of office as Trustees will coincide with their City Council terms. However, if the membership of the City Council and that of the Board is not identical, the initial term for each member of the Board must be established by lot (this may create some mismatch of Council terms of office and Board terms, depending on the result of the lot procedure).

Utah Code Ann. § 17B-1-303(3) requires that, before entering upon the duties of office, each member of Board shall take the oath of office specified in Article IV, Section 10 of the Utah Constitution, and Section 17B-1-303(7) mandates that each board member give a bond for the faithful performance of the member’s duties, in the amount and with the sureties prescribed by the Board.

- Required Action: Each newly appointed Trustee must take the oath of office and, as one of the first official acts of the Board must establish the amount of the faithful performance bond. The required bond may be a “blanket bond”, if so approved by the Board. The cost of obtaining a bond covering each Trustee is to be paid by HCSEA, however, since HCSEA will have no funds of its own, it may be appropriate for the City and HCSEA to enter into an interlocal agreement pursuant to which the City will loan funds to the service area sufficient to enable it to operate until property taxes can be established, assessed, and collected in December 2108 and January 2019 (we will be prepared to administer the oath of office and have a draft resolution for a blanket bond with the Utah Local government Trust in the amount of $10,000 each for consideration during the January 10, 2018, Board meeting).

Utah Code Ann. § 17B-1-303 also requires that the District post on the Utah Public Notice Website the name, phone number, and e-mail address of each member of the Board, update the information when the membership of the Board changes or a member of the Board’s phone number or email address changes, and post any update within 30 days after the day on which the change requiring the update occurs. This requirement applies regardless of whether the Board members also serve on the City Council.

- Required Action: Post the name, phone number, and e-mail address of each Trustee as
described above (staff will make sure this requirement is satisfied).

Utah Code Ann § 17B-1-307 provides, subject to certain limitations, that members of a Board may receive compensation for service on the Board, as determined by the Board. However, if the Board is entirely compromised of City Council members, “board members may not receive compensation for their service as board members in addition to compensation they receive as members of a … municipal legislative body.” Utah Code Ann. § 17B-1-308(1)(e).

• Issue: Determine whether members of the Board will receive compensation for service on the Board and, if so, how much. If, as anticipated, all of the members of the City Council are appointed to serve on the Board, no separate or additional compensation may be paid to the Board.

Utah Code Ann. § 17B-1-309 provides that the Board shall elect from their number a chair and may elect other officers as the Board considers appropriate.

• Issue: Determine need for other officers (other recommend officers include a vice chair).
• Required Action: Elect a chair and other officers (election of a chair and vice chair is on the January 10, 2018 Board agenda).

Utah Code Ann. § 17B-1-310 provides that the Board shall adopt rules of order and procedure to govern a public meeting of the Board, conduct a public meeting in accordance with such rules of order and procedure, and make the rules of order and procedure available to the public at each meeting of the Board and on the local district's public website, if there is one.

• Required Action: Adopt rules of order and procedure to govern public Board meetings and make them available as described (we will have a resolution adopting a set of rules available for consideration during the January 10, 2018 meeting).

Utah Code Ann. § 17B-1-312 requires that each member of a Board shall, within one year after taking office, complete special training offered by the state auditor in conjunction with the Utah Association of Special Districts and, upon competition, the state auditor will issue a certificate of completion.

• Required Action: Within one year, each member of the Board is to complete special training and obtain a certificate of completion, which can be accomplished online by going to http://training.auditor.utah.gov/courses/board-member-training.

Utah Code Ann. § 17B-1-313 allows, but does not require, publication of resolutions and other actions taken by the Board. However, Utah Code Ann. §17B1-313(4) provides that no one may contest the regularity, formality, or legality of the resolution or Board action for any cause “after the expiration of 30 days from the date of publication of the notice of the resolution or other action.”

• Issue: Determine if protection afforded by Utah Code Ann. § 17B-1-313(4) is desired.
- Required Action: None, unless the protection afforded by Utah Code Ann. § 17B-1-313(4) is desired. Note this protection is desired notice must be published in the newspaper and as required by Utah Code Ann. § 45-1-101 (suggestion that arrangements be made by interlocal agreement with the City to provide publication/notice services).
HERRIMAN, UTAH
RESOLUTION NO. 18-___

A RESOLUTION OF HERRIMAN CITY COUNCIL APPOINTING
THE MEMBERS OF THE BOARD OF TRUSTEES OF THE
HERRIMAN CITY SAFETY ENFORCEMENT AREA

WHEREAS, the Herriman City Council (“Council”) met in a regular session on January 10, 2018, to consider, among other things, appointing members of the Board of Trustees of the Herriman City Safety Enforcement Area; and

WHEREAS, after careful consideration, the Council has determined that it is in the best interest of the health, safety, and welfare of the residents of Herriman to appoint all of the members of the Council to serve as the Board of Trustees of the Herriman City Safety Enforcement Service Area (“Board of Trustees”) pursuant to Utah Code Ann. §§ 17B-1-304(1) and (6) and -308.

NOW, THEREFORE, BE IT RESOLVED by the Council that the following individuals, each of whom is a member of the Council, be appointed to serve as members of the Board of Trustees of the Herriman City Safety Enforcement Area:
__________________________, __________________________, __________________________, __________________________ and __________________________, with the term of office of each Board of Trustees member to coincide with that member’s term on the Council as provided in Utah Code Ann. § 17B-1-308(1)(c).

This Resolution, assigned No. 18-____, shall take effect immediately.

PASSED AND APPROVED by the Herriman City Council this 10th day of January, 2018.

HERRIMAN

David Watts, Mayor

Jackie Nostrom, MMC
City Recorder
STAFF REPORT

DATE: 1/3/2018

TO: The Honorable Mayor and City Council

FROM: Brett Wood, City Manager

SUBJECT: Resolution approving an Interlocal Agreement with the Unified Police Department regarding Cell Phones

RECOMMENDATION:
Staff recommendation to discuss and consider of a resolution approving an Interlocal Agreement with the Unified Police Department regarding cell phones.

DISCUSSION:
Herriman City provides cell phones to officers working in the Herriman Precinct. This Interlocal Agreement with Unified Police Department would grant data cell phone coverage for official purposes, which includes investigative, audit, court process, GRAMA or other similar purposes. The City will provide the Unified Police Department with any GRAMA requires, subpoena or court order regarding any of the City issued phones.
HERRIMAN, UTAH
RESOLUTION NO. 18-___

A RESOLUTION APPROVING AN INTERLOCAL COOPERATIVE AGREEMENT WITH THE UNIFIED POLICE DEPARTMENT WITH RESPECT TO CELL PHONES

WHEREAS, the Herriman City Council ("Council") met in regular session on January 10, 2018, to consider, among other things, approving the an Interlocal Cooperative Agreement with the Unified Police Department with respect to cell phones; and

WHEREAS, the Utah Interlocal Cooperative Act (Utah Code Ann. § 11-13-101, et seq.) (the “Act”) provides that any two or more government entities are authorized to enter into agreements with each other to do what each agency is authorized by law to perform; and

WHEREAS, the Herriman City (“Herriman”) and the Unified Police Department (“UPD”) are government entities as contemplated by the Act; and

WHEREAS, Herriman and the UPD are authorized to enter into agreements with each other for cooperative action; and

WHEREAS, the Council finds that it is in the best interests of the inhabitants of Herriman to enter into an Interlocal Cooperative Agreement with the UPD with respect to cell phones (“Agreement”); and

WHEREAS, the Agreement has been prepared for approval, which sets forth the purpose thereof, the extent of participation of the parties, and the rights and duties and responsibilities of the parties. A copy of the Agreement is attached hereto.

NOW, THEREFORE, BE IT RESOLVED that the Agreement is approved, and the City Manager and Recorder are hereby authorized and directed to execute and deliver the same.

This Resolution, assigned No. 18-___, shall take effect immediately upon passage and acceptance as provided herein.

PASSED AND APPROVED by the Council of Herriman, Utah, this 10th day of January, 2018.

HERRIMAN

____________________________________
David Watts, Mayor

Jackie Nostrom, MMC
City Recorder
AGREEMENT
BETWEEN
UNIFIED POLICE DEPARTMENT OF GREATER SALT LAKE AND
HERRIMAN CITY TO PROVIDE CELL PHONES FOR UPD ASSIGNED
HERRIMAN PRECINCT LAW ENFORCEMENT OFFICERS

THIS AGREEMENT (this “Agreement”) is made and entered into this 10th day of January, 2018, by and between UNIFIED POLICE DEPARTMENT (“UPD”), a body corporate and politic of the State of Utah and the city of HERRIMAN CITY, a Utah municipal corporation (“City”). UPD and City are sometimes collectively referred to in this Agreement as the “Parties” and individually as a “Party.”

RECATALS

A. City desires to provide cell phones for each UPD law enforcement officer assigned to the Herriman Precinct.

B. Most UPD officers have UPD provided cell phones that specifically allows UPD to access call, text, photos, history, video and audio recordings and data (hereinafter data) from the phones for official purposes, which includes investigative, audit, court process, GRAMA or other similar purposes.

C. The parties agree that UPD will need to have access to the City provided phones for the same reasons.

D. City and UPD agree that UPD should be the department responsible for accessing all data on the phones for official purposes and will defend and indemnify City for any claims or actions arising out of UPD’s accessing of data on the above phones.
AGREEMENT

NOW, THEREFORE, in consideration of the premises, the mutual covenants and undertakings of the Parties hereto, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties hereto agree as follows:

1. **Phones.** City shall provide one (1) phone to each law enforcement officer assigned to the Herriman Precinct.

2. **Access to phone data.** Upon written request from UPD, City agrees to allow UPD to access all UPD cell phone data from the phones for official purposes, which includes investigative, audit, court process, GRAMA or other similar purposes. City will provide UPD with any GRAMA request, subpoena or court order regarding any of the City issued phones.

3. **UPD’s Obligation to Defend and Indemnify:** UPD agrees to respond to any such requests or orders and will defend and indemnify City from any claims or suits arising out of the UPD’s access or management of data on the City issued phones.

4. **Consideration.** The consideration for this Agreement consists of the mutual benefits and exchange of promises provided herein.

5. **Effective Date.** This Agreement shall become effective when the Parties each execute an original or copy of this Agreement as required by law.

6. **Term.** This Agreement shall be effective upon execution by both Parties and shall continue for a period of three (3) years from the date of execution (“Term”), with UPD and City reserving the right to terminate without penalty at any time prior to the end of the term by providing written notice to the other Party no later than thirty (30) calendar days before the designated date. This Agreement can be renewed for an additional three (3) year period upon mutual agreement and declaration by the Parties.
7. **Termination.** Either Party may terminate this Agreement at any time, with or without cause, by giving thirty (30) calendar days prior written notice to the other Party.

8. **Equipment and Facilities.** The Parties will continue to own and maintain their individual facilities, apparatus and equipment.

9. **Immunity Act.** The UPD and City are both governmental entities as set forth in the Utah Governmental Immunity Act, Utah Code Ann. §§ 63-30-101 to -904 (1953, as amended) (the “Immunity Act”). Consistent with the terms of the Immunity Act, and as provided therein, it is mutually agreed that each Party is responsible and liable for its own wrongful or negligent acts which are committed by it or its agents, officials, or employees. Neither Party: (a) waives any defenses or limits of liability otherwise available under the Immunity Act and all other applicable laws; or (b) waives any limits of liability currently provided by the Immunity Act. The Parties agree to indemnify each other and hold each other harmless from any damages or claims for damages occurring to persons or property as a result of the negligence or fault of their own officers, employees, or agents involved in the matters described in this Agreement. The Parties further agree to notify each other of any claims or actions under which one Party may have to indemnify the other within thirty (30) days of receiving such claim or actions.

10. **Notices.** Any notice required or permitted to be given hereunder shall be deemed sufficient is given by communication in writing and shall be deemed to have been received (a) upon personal delivery or actual receipt thereof, or (b) within three days after such notice is deposited in the United States mail, postage prepaid, and certified and addressed to the Parties as set forth below.

UPD: Salt Lake County Sheriff
Unified Police Department
3365 S. 900 W.
Salt Lake City, UT 84119
11. **Claims and Disputes.** Claims, disputes and other issues between the Parties arising out of or related to this Agreement shall be decided by litigation in the Third Judicial District Court of Salt Lake County, Utah.

12. **Applicable Law.** The provisions of this Agreement shall be governed by and construed in accordance with the laws of the State of Utah.

13. **Waiver.** No failure by any Party to insist upon the strict performance of any covenant, duty, agreement or condition of this Agreement or to exercise any right or remedy consequent upon a breach thereof shall constitute a waiver of any such breach or any other covenant, agreement, term or condition. Any Party by notice delivered in the manner provided in this Agreement, but shall be under no obligation to, waived any of its rights or any conditions to its obligations hereunder, or any duty, obligation or covenant of any other Party. No waiver shall affect or alter the remainder of this Agreement but each and every other covenant, agreement, term and condition hereof shall continue in full force and effect with respect to any other then existing or subsequently occurring breach.
14. **Counterparts.** This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, and all of which together shall constitute one and the same instrument.

15. **Approval by Attorney.** This Agreement shall be submitted to the authorized attorneys for UPD and City for approval in accordance with Utah Code Ann. § 11-13-202.5(3).

16. **No Interlocal Entity.** Pursuant to Utah Code Ann § 11-13-206, the Parties agree that they do not by this Agreement create an interlocal entity.

IN WITNESS WHEREOF, the parties have executed this Agreement on the day and date first recited above.

**CITY:**

HERRIMAN CITY, a Utah municipality

By: ______________________________
   Brett Wood City Manager

Approved as to form:

By: ______________________________
   City Attorney

Dated: _________________________

**UNIFIED POLICE DEPARTMENT**

By: ______________________________
   Title: Salt Lake County Sheriff

Approved as to form: