HEBER CITY CORPORATION
75 North Main Street
Heber City, UT 84032
Heber City Council Meeting

July 1, 2025

4:00 p.m. Work Meeting
6:00 p.m. Regular Meeting

TIME AND ORDER OF ITEMS ARE APPROXIMATE AND MAY BE CHANGED AS TIME PERMITS

I. WORK MEETING - 4:00 P.M.

1. Scheid Setback Request and Potential Development Agreement (Jamie Baron, Planning Manager) - *15 min*
2. Red Ledges Park, Trails, and Open Space (Tony Kohler, Community Development Director) - *25 min*
3. Ordinance 2025-08 adopting the Central Heber Overlay Zone (CHOZ) (Tony Kohler, Community Development Director) - *10 min*

II. BREAK - 10 MIN

III. REGULAR MEETING - 6:00 P.M.

1. Call to Order
2. Pledge of Allegiance (Aaron Cheatwood, Council Member)
3. Prayer/Thought by Invitation (Mike Johnston, Council Member)

IV. AWARDS, RECOGNITION, and PROCLAMATIONS:

1. Mayor's Youth Contest Winners to Celebrate the 250th Anniversary of the Battle of Lexington and Concord

V. CONFLICT OF INTEREST DISCLOSURE:

VI. CONSENT AGENDA:

1. Approval of June 3, 2025, City Council Meeting Minutes (Trina Cooke, City Recorder)
2. Richard and Boni Losee Family Estate Right to Burial Amended Agreement (J. Mark Smedley, Asst. City Manager)
3. Resolution 2025-11 Nine-step pay scale and policy adjustment for Heber City Public Employees (Cherie Ashe, Human Resources Manager) -
4. Mayor's Nomination of Carl Nielson to the POSTT Committee (Heidi Franco, Mayor)

VII. PUBLIC COMMENTS: (3 min per person/20 min max)

VIII. GENERAL BUSINESS ITEMS:

1. Statewide Stage 1 Firework Restrictions (Clint Neerings) - *10 min*
2. Central Heber Water and Sewer line Replacement Project Update and Update on Other Miscellaneous Engineering Projects (Russ Funk, City Engineer) - *10 min*

IX. ACTION ITEMS: (Council can discuss; table; continue; or approve items)

1. Ordinance 2025-16 Updating Heber City's Purchasing Policy (Wendy Anderson) - *10 min*
2. Quiet Zone Study Results & Council Direction (Russ Funk, City Engineer, Clint Allen) - *30 min*

X. RECESS AS THE HEBER CITY COUNCIL AND CONVENE AS THE CRA BOARD:

1. Buys Purchase Agreement and Lease Agreement (Matt Brower, City Manager) - *20 min*

XI. ADJOURN AS THE CRA BOARD AND RECONVENE AS THE HEBER CITY COUNCIL:

XII. COMMUNICATION:

XIII. CLOSED MEETING: (As Needed)

XIV. ADJOURNMENT:

Ordinance 2006-05 allows Heber City Council Members to participate in meetings via telecommunications media.
In accordance with the Americans with Disabilities Act, those needing special accommodations during this meeting or who are non-English speaking should contact Trina Cooke at the Heber City Offices 435.657.7886 at least eight hours prior to the meeting.

Posted on June 26, 2025, in the Heber City Municipal Building located at 75 North Main, the Heber City Website at www.heberut.gov, and on the Utah Public Notice Website at http://pmn.utah.gov. Notice provided to the Wasatch Wave.

Heber City Council Staff Report

MEETING DATE: 7/1/2025
SUBJECT: Scheid Setback Request and Potential Development Agreement
RESPONSIBLE: Jamie Baron
DEPARTMENT: Planning
STRATEGIC RELEVANCE: Community and Economic Development

SUMMARY

John and Charlotte Scheid are asking the Council about a potential Development Agreement to allow them to build an accessory building 3' from the Right of Way on 500 North. This is to mitigate the impact of the new school site from their home and store farm equipment. Additionally, the Scheid's are requesting the City Council waive the fees associated with the Development Agreement and a 4-way stop at 500 N and 600 W.

The Policy Questions are as follows:

1. Does the Council support the idea of a Development Agreement to permit an accessory building to be 3' from the ROW on 500 North?
2. Does the Council support the request to waive the application fees for a Development Agreement?
3. Does the Council support changing the intersection of 500 N and 600 W to a 4-way stop.

RECOMMENDATION

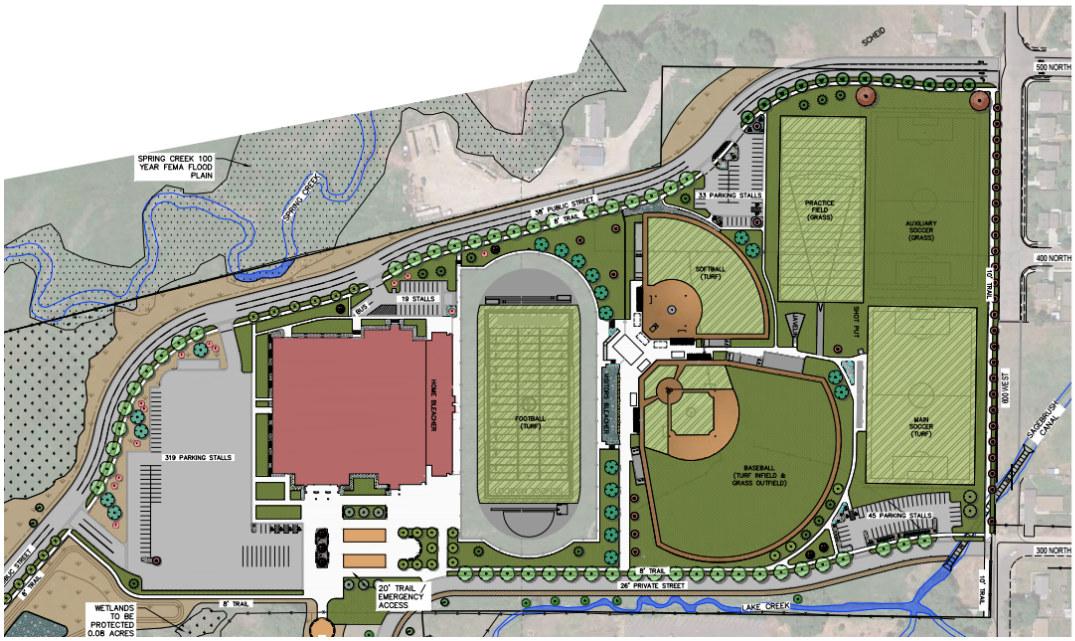
Staff is seeking whether or not the Council is willing to entertain a development agreement for the Scheid's setback request. Staff is recommending waiving the $2,300 escrow fee and not changing the intersection at 500 N and 600 W at this time.

BACKGROUND

John and Charlotte Scheid live on the NW corner of 600 West and 500 North. The property is approximately 5 acres in size and Zoned RA-2. The new Deer Creek High school site is located directly south of the Scheid's. As part of the development requirements for the new school, 500 North had to be widened. In the process of widening the road, the Scheids gave up some property. The

new sports fields are directly across the street. The Scheid's are requesting a development agreement to permit the building of a barn between their house and the street, with a setback of 3 feet from the public right of way (ROW). The current code would require 10 feet. The barn is needed to house their farm equipment and the placement is to mitigate the noise and other impacts of the new school site. Additionally, the Scheid's are requesting a waiver of the development agreement.





Staff met with John and Charlotte a couple of weeks ago and discussed their options as follows:

1. Follow the code – Move the building to a place that meets the code, however it is clear that this does not meet their concerns and objective in placing the building between their house and the school site.
2. Variance – Based on state code and the ALJ, staff told them that we were happy to process this for them, however we did not think the variance would be granted as the criteria for a variance is quite stringent. As they have a large lot and could build the building in another location on the lot that does meet the code, the ALJ is not likely grant this.
3. Code Amendment – Visit with Council about whether or not to change the code. This would change the code for everyone. Based on the last revision to this code, we put the 10' setback to preserve some space between the street and structures. Also, the building code for fire walls had changed from 3' to 5', which is the other minimum setback.
4. Development Agreement – Council can make a change for them, but it would not change for all properties in the City. Same public process as text amendment, different noticing requirements. Would meet with Council first.

The Scheid's are requesting to move forward with the Development Agreement so that it only applies to their property.

DISCUSSION

Set Backs

The City's code used to allow accessory buildings to be 3 feet from the property line so long as the water off the roof didn't drain toward the property line. This was later changed to 5 feet to be

consistent with the change in building code for fire rated walls. A 5' setback is required to not have to add a fire rated wall. Additionally, on the street side yard, the setback was increased to 10' so maintain some additional setback from the street.

Fee Waiver
The Development agreement fee is $5,300. $3,000 for admin and $2,300 in escrow. The escrow will pay for any attorney time. The request is a simple agreement, so it would make sense that the escrow would not be fully used and much of that would be coming back to the Scheid's. However, the admin costs are fixed costs associated with processing the application, including the PC and CC meetings, public hearings, and notices.

Stop Sign
In addition to the request for their property, the Scheid's would like to see a 4-way stop at the intersection of 500 North and 600 West. The intersection is currently a 2-way stop, with the traffic on 500 North stopping at 600 West. Staff would recommend no changes. The traffic patterns could be studied after the opening of the school.

FISCAL IMPACT

N/A at this time.

CONCLUSION

John and Charlotte Scheid are asking the Council about a potential Development Agreement to allow them to build an accessory building 3' from the Right of Way on 500 North. This is to mitigate the impact of the new school site from their home and store farm equipment. Additionally, the Scheid's are requesting the City Council waive the fees associated with the Development Agreement and a 4-way stop at 500 N and 600 W. Staff is seeking whether or not the Council is willing to entertain a development agreement for the Scheid's setback request. Staff is recommending waiving the $2,300 escrow fee and not changing the intersection at 500 N and 600 W at this time.

ALTERNATIVES

Not an action item

POTENTIAL MOTIONS

Not an action item.

ACCOUNTABILITY

Department: Planning
Staff member: Jamie Baron, Planning Manager

EXHIBITS

None

Heber City Council Staff Report

MEETING DATE: 7/1/2025
SUBJECT: Red Ledges Park, Trails, and Open Space
RESPONSIBLE: Tony Kohler
DEPARTMENT: Planning
STRATEGIC RELEVANCE: Community Development

SUMMARY

Red Ledges would like to update Council on the status of the western trail connection from Red Ledges to the Heritage Farms Parkway, discuss opportunities with expanding the park and discuss the potential for modifying the Red Ledges Master Plan by shuffling some of the remaining density. Policy questions include:

- Is Council receptive to a discussion about the park being completed with a pump track and being dedicated to the public?
- Is Council willing to take ownership of a sliver of remaining land between Heritage Farms Parkway and Stone Creek?
- Is Council receptive to having a discussion about a density transfer on the east part of Red Ledges?
- Are there other issues in previous development agreements that need addressed?

RECOMMENDATION

Staff recommends Council provide feedback on the proposed policy discussions. The issues would need to return to Council to finalize.

BACKGROUND

Red Ledges talked with Council on August 6, 2024 about the status of the Red Ledges Community. Council expressed interest in continuing dialogue about the future of land north of the park. such as trails, pump track, etc. This meeting is a follow up to that discussion.

DISCUSSION

Red Ledges and the City have entered into several agreements and agreement amendments, attached for reference. The final remaining issues from those agreements include the final disposition of the park area and the western trail connection. Representatves from Red Ledges will be present to walk through their power point, discuss their ideas, and address any questions the Council may have.

FISCAL IMPACT

None at this time

CONCLUSION

N/A

ALTERNATIVES

N/A

POTENTIAL MOTIONS

N/A

ACCOUNTABILITY

Department: Planning
Staff member: Tony Kohler, Community Development Director

EXHIBITS

1. Red Ledges Presentation
2. Red Ledges Bypass Dedication Plat
3. Red Ledges Master Plan.1
4. RL Master Plan Park
5. Consolidated Red Ledges Agreements


RED LEDGES™
U T A H

Community Map

1,122 Residences currently planned out of 1,370 Approved Density

2,000 Total Acres

395-Acre Conservation Easement



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Amenities & Lifestyle Overview

Red Ledges Golf

- Jack Nicklaus Signature Golf Course (18 holes)
- Jack Nicklaus Signature Golf Park (12 holes)
- Jim McLean Golf School with year-round golf simulation and indoor practice facility
- Practice area - range with a putting green
- Red Ledges Signature Shops at both courses
- Year-Round Golf Lounge with Foresight GC Quad Eagle Plus golf simulators

Red Ledges Tennis

- Cliff Drysdale Tennis programming
- Ten tennis courts
- 12 pickleball courts (6 dedicated)
- Tennis bubble October-May for year-round tennis and pickleball

Clubhouse Area Facilities

- Private spa treatment room
- Pool and hot-tub with poolside services
- Basketball court
- Kids' Club Yurt

Village Center

- Resort-style pool and spa with lap lanes
- 144-foot waterslide and water playground
- Wellness Center featuring a strength & conditioning room and a studio for classes
- Men's and women's locker rooms
- Playground

Dining

- Juniper Grill at the Clubhouse featuring casual, bar, and fine dining.
- Poolside Bar and Grill at the Village Center
- Village Center Rooftop Lounge
- Sage Bistro poolside food truck
- To-go options plus special themed dinner events

Equestrian Center

- Guided trail rides
- Private horseback riding lessons
- Horse boarding
- Horse leasing

Ski Access and Winter Activities

- Privileged access to Deer Crest Club and Stag Lodge, two ski-in, ski-out lounges at Deer Valley Resort
- Ski-shuttle service to and from Deer Valley Resort every 15 minutes
- Winter Adventure Trail with 7+ miles of groomed trails
- Guided snowshoe and cross-county tours
- Member Ski Club and dedicated ski days

Community Association Amenities

- Miles of trails for hiking and biking including trails connecting to the new Jordan Park - a Heber City community park built by Red Ledges.
- Staffed Greeter's Cottages (15-hours a day), community patrol, and overnight security.

Member Calendar

Year-round programming for members is provided by the club and a full-time Activities Director. Events and activities include hiking, biking, arts and crafts, activities for kids, fly-fishing, boating, and more.







Amenity Highlight: GOLF

2009 WINNER
#1 New Private Course
Golf Inc.

Jack Nicklaus 18-Hole Signature Course

With stunning views of the Rocky Mountains from all 18 holes, our Jack Nicklaus Signature Golf Course was named the #1 new private course by Golf Magazine when it debuted in 2009. It continues to provide the finest golf experience for members and guests.

Jim McLean Golf School

Rated the #1 golf school in the world, the Jim McLean Golf School operates year-round at Red Ledges with winter training facilities and a state-of-the-art golf simulator located at the practice facility of the Jack Nicklaus Signature Golf Course. Utilizing proven methods developed by World Golf Teacher Hall of Fame member Jim McLean, our pros evaluate each individual's golf game and provide guidance that leads to improvement.









15 TIME WINNER
Utah's Best Golf Course
Utah's Best of State



A breathtaking backdrop for an exhilarating round of golf.

The First-Ever Jack Nicklaus Signature 12-Hole Golf Park









The very first 12-hole Jack Nicklaus Signature Golf Park was built at Red Ledges to provide outstanding play for golfers of every age and ability. The Golf Park is a par-3 course with 12 holes, and equal parts challenge and splendor. Each hole has a standard regulation hole for the avid player and an eight-inch hole for beginners.

All Red Ledges members may use the 30 acres of grass for activities ranging from walking, jogging, spending time with a favorite four-legged furry friend, tossing a Frisbee or playing Frisbee Golf, having a picnic, to sitting on a blanket watching the sunset.


Play barefoot, bring your dog, use a soccer ball.
It's all about having fun in a laid back atmosphere.

Amenity Highlight: TENNIS

2023 WINNER
Outstanding Facility
United States Tennis Association

Cliff Drysdale Tennis & Pickleball School

The Cliff Drysdale Tennis School at Red Ledges is the first high-altitude tennis school offered by U.S. Open doubles champion and ESPN commentator Cliff Drysdale.

The program is known for its dedication to encouraging a love for the game in adults and juniors alike. With vibrant year-round programming, Red Ledges provides a fun and enthusiastic environment for players of all abilities to learn and grow.

Members and guests enjoy year-round play with a host of offerings, including competitive ranked team play for men and women, private tennis lessons and group clinics, junior programs for ages three and up, community tournaments, and international exhibitions.



2019 & 2022 WINNER
Club of the Year
Cliff Drysdale Tennis

Club Tennis & Pickleball Facilities

10 Tennis Courts
6 Pickleball Courts
2 Courts covered in winter for indoor play

Amenity Highlight: WELLNESS

Golf Inc.

2024 WINNER
Amenity of the Year
Golf Inc.

The Wellness Center

Built in 2023, the Wellness Center features a beautiful studio, a strength and cardio area, state-of-the-art equipment, day-use lockers, and dedicated restrooms. Engaging in an active and healthful lifestyle is a pillar of the community. Members have complimentary access to the following fitness facilities and programs.



Fitness Facility

Strength & Cardio area with state-of-the-art equipment.



Wellness Series

A monthly lecture series covering every aspect of wellness.



Fitness Classes

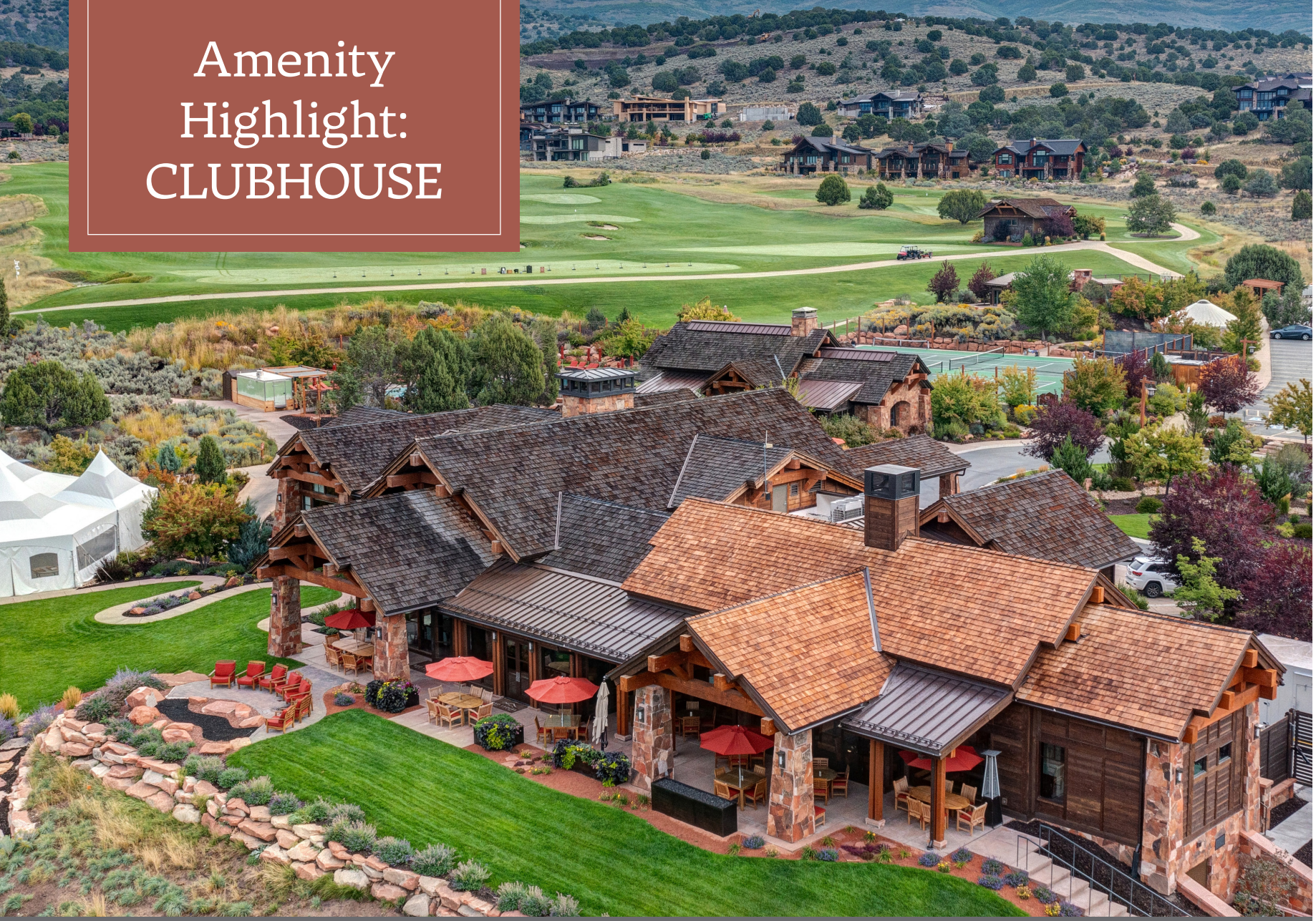
The club offers members over 20 different fitness classes a week.



Personal Training

With diverse experience to help members reach any fitness goal.

Amenity Highlight: CLUBHOUSE





Family-Friendly Dining



Casual Bar & Lounge



Fine-Dining Room

Expanded in 2023, the Red Ledges Clubhouse is a central gathering space where family, friends, and neighbors come together to enjoy great company, exceptional cuisine, and stunning views.

Real Estate Update



Over $365 Million sold since inception in 2007.

876 total homesites sold, **up to** 494 remaining - including land, HOA-maintained neighborhoods, & Custom Homes. Approximately 467 homes are completed and over 105 are in the construction process.

Range in segmentation from 3-unit condo buildings, 2-unit Villas, Single Family Homes, Custom Homes, and Estate Homesites.

Signature Neighborhoods

Red Ledges' Signature Neighborhoods are easy-living neighborhoods where proven floor plans are in place. They also feature the additional convenience of maintenance-free living with snow removal and landscaping managed by the Red Ledges' Community Association.

Landscaping & Snow Removal

maintained by the HOA



Park View Villas
at a glance

3-4 Bedrooms | 3.5-4.5 Bathrooms | 2,339-3,090 Sq. Ft.

Located on the Jack Nicklaus Signature Golf Course and walking distance to the award-winning Village Center

Two-Car Garage | Basement

Built by Hillwood Homes



Village Center Cabins
at a glance

3 Bedrooms | 4 Bathrooms | 2,419-2,463 sq ft

Two different floor plan options

Located next to the Village Center and Jack Nicklaus Signature Golf Park

Built by Red Ledges Construction



Mountain View Village
at a glance

3-5 Bedrooms | 4-6 Bathrooms | 2,630-3,917 Sq Ft

Five unique floor plans | Single and two-story living options

Walking distance to the Village Center and Jack Nicklaus Signature Golf Park

Built by Red Ledges Construction

Red Ledges Construction



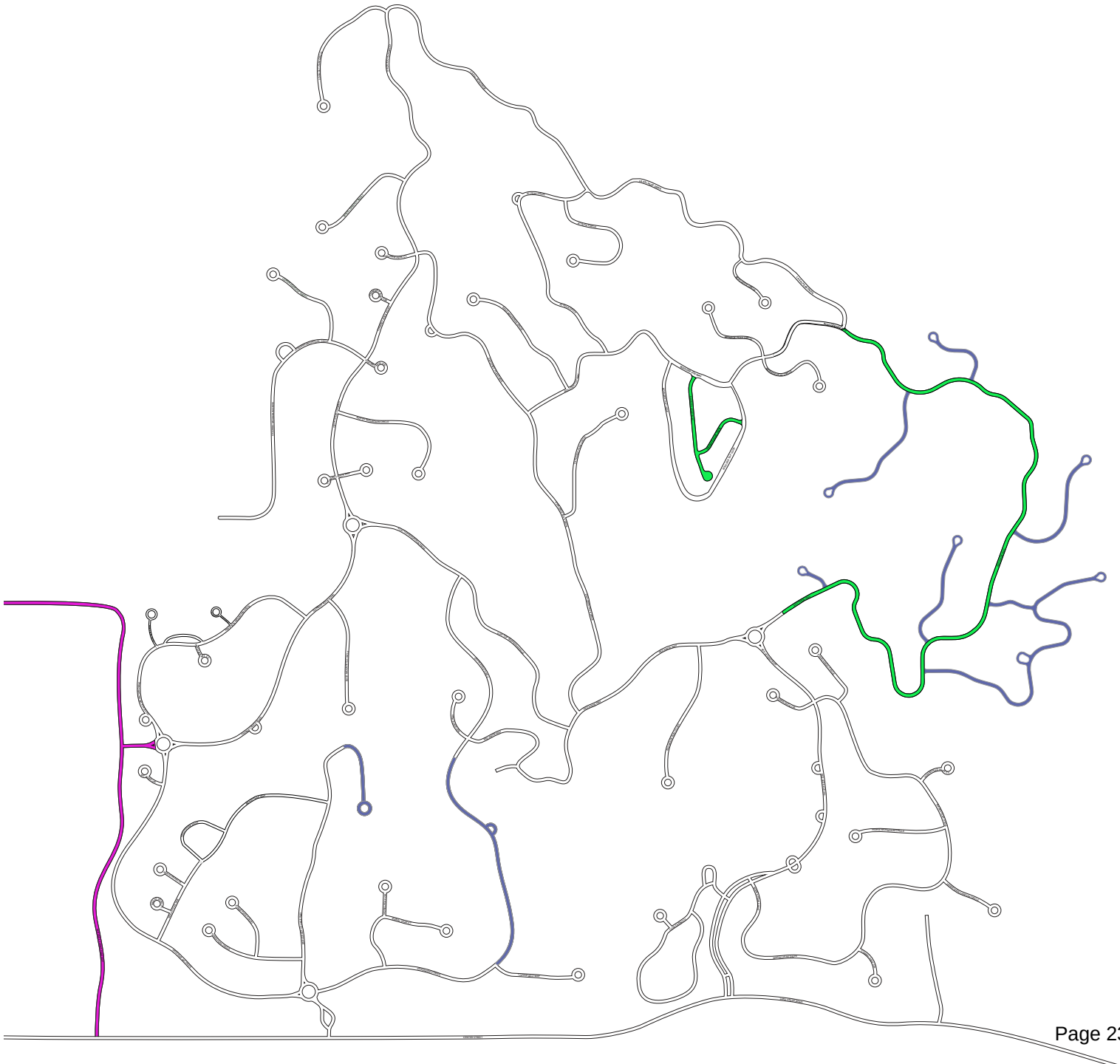
Red Ledges Construction was established to deliver an exceptional homebuilding experience for our property owners and raise the level of value in the community. Providing the highest quality construction with a team of experienced professionals, constant communication, and a highly personalized level of service throughout.

We've assembled a select team of architects, designers, project managers, and trade partner alliances to capitalize on decades of experience. Our mission is to deliver the most cost-effective solutions, defining luxury homebuilding excellence at Red Ledges.

Infrastructure Update

- Completed 2023
  - Heritage Farms Parkway
  - West Entrance
- In Progress
- Future Roads





Membership Demographics

777 total Members:
448 Golf
52 Golf Park
277 Lifestyle

81% Ski/Snowboard
66% Golf
53% Racket Sports

59% Full Time Residents
35% Part Time Residents
6% Investor

Data updated November 2023

An active & engaged community


















Member's Origin Map

TOP STATES:

Utah - 31.5%

California - 25%

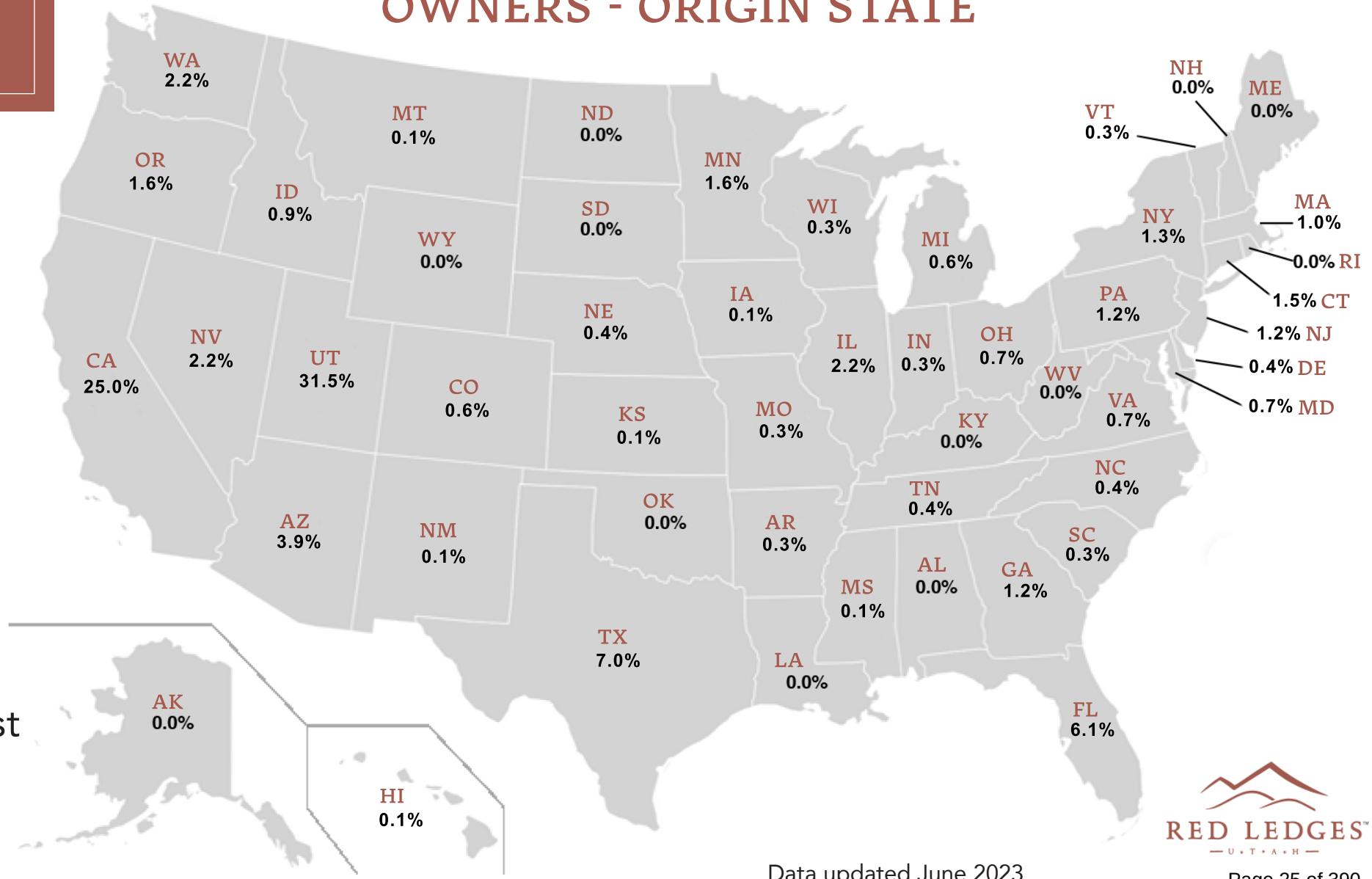
Texas - 7%

Florida - 6.1%

Arizona - 3.9%

Growth from the Tri-State area, Chicago, and the Pacific Northwest over the past few years.

RED LEDGES OWNERS - ORIGIN STATE

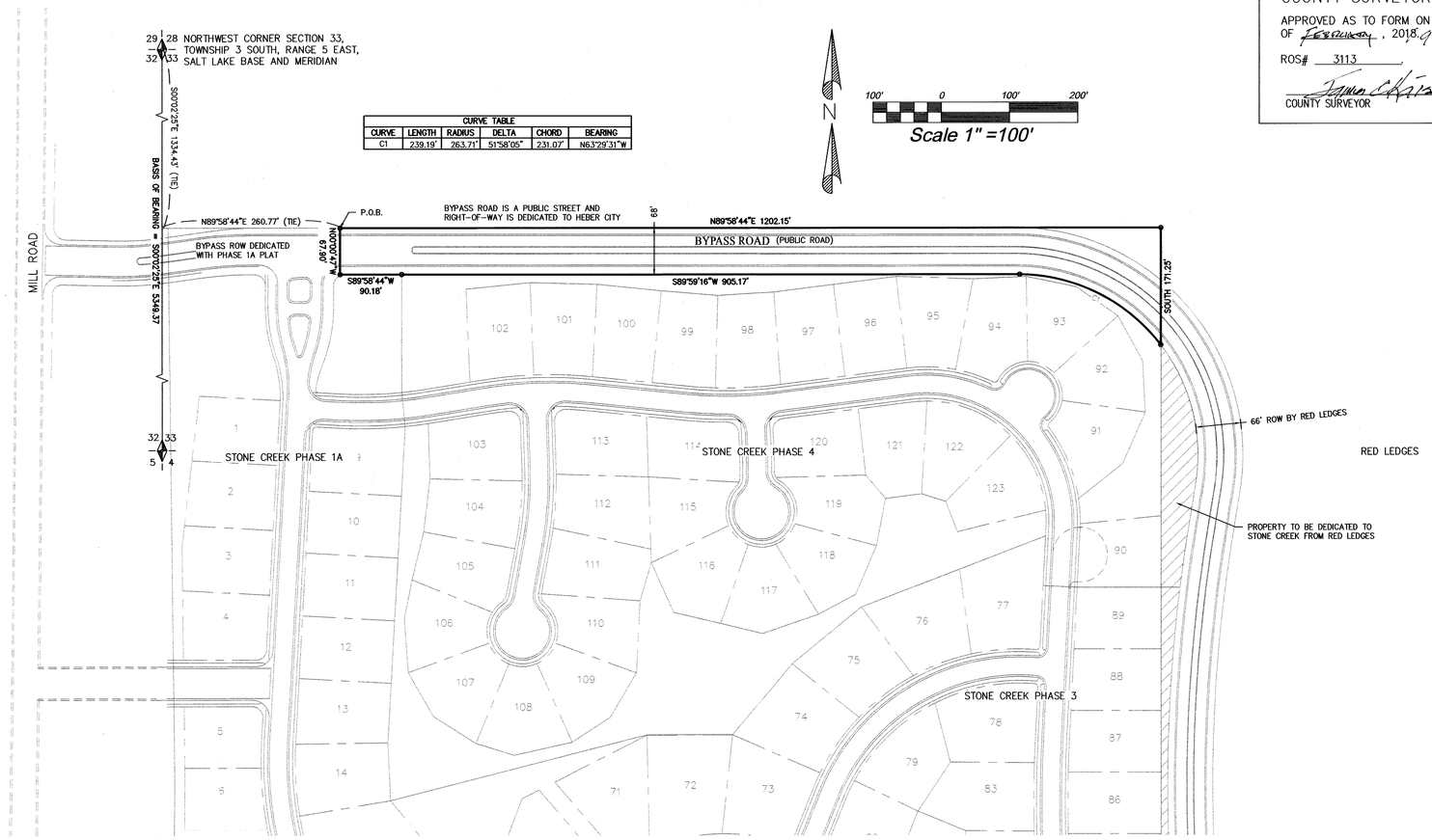


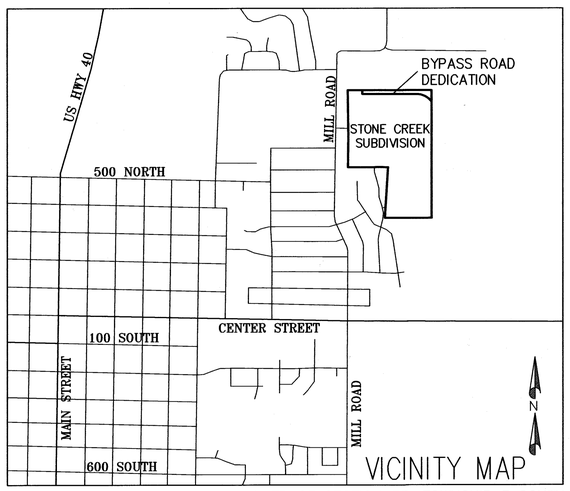
Data updated June 2023

RED LEDGES™ UTAH

Thank You!







LOCATED IN THE NORTHWEST CORNER OF SECTION 33, TOWNSHIP 3 SOUTH, RANGE 5 EAST, SALT LAKE BASE AND MERIDIAN.

COUNTY SURVEYOR'S CERTIFICATE

APPROVED AS TO FORM ON THIS 28th DAY OF February, 2018 2019

ROS# 3113

COUNTY SURVEYOR

SURVEYOR'S CERTIFICATE

IN ACCORDANCE WITH SECTION 10-9a-603 OF THE UTAH CODE, I, BING CHRISTENSEN, DO HEREBY CERTIFY THAT I AM A PROFESSIONAL LAND SURVEYOR HOLDING LICENSE NUMBER 145796 IN ACCORDANCE WITH TITLE 58, CHAPTER 22, OF THE PROFESSIONAL ENGINEERS AND PROFESSIONAL LAND SURVEYORS LICENSING ACT.

I FURTHER CERTIFY THAT I HAVE COMPLETED A SURVEY OF THE PROPERTY DESCRIBED ON THE PLAT IN ACCORDANCE WITH SECTION 17-23-17 OF THE UTAH CODE, AND HAVE VERIFIED ALL MEASUREMENTS, AND HAVE PLACED MONUMENTS AS REPRESENTED ON THE PLAT.

12.19.18
DATE

SURVEYOR (SEE SEAL BELOW)

BASIS OF BEARINGS

THE BASIS OF BEARINGS FOR THIS SURVEY WAS ESTABLISHED AS SOUTH 0°02'25" EAST 5349.37 FEET BETWEEN THE NORTHWEST AND SOUTHWEST CORNERS OF SECTION 33, TOWNSHIP 3 SOUTH, RANGE 5 EAST, SALT LAKE BASE AND MERIDIAN.

BOUNDARY DESCRIPTION

BEGINNING AT A POINT WHICH IS SOUTH 0°02'25"EAST 1334.43 FEET ALONG A SECTION LINE AND NORTH 89°58'44" EAST 260.77 FEET FROM THE NORTHWEST CORNER OF SECTION 33, TOWNSHIP 3 SOUTH, RANGE 5 EAST, SALT LAKE BASE AND MERIDIAN.

THENCE NORTH 89°58'44" EAST 1202.15 FEET; THENCE SOUTH 171.25 FEET TO THE BEGINNING OF A NON-TANGENT CURVE CONCAVE TO THE SOUTHWEST HAVING A RADIUS OF 263.71 FEET AND TO WHICH POINT A RADIAL LINE BEARS NORTH 52°29'31" EAST; THENCE NORTHWESTERLY 239.19 FEET ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 51°58'05" (CHORD BEARING AND DISTANCE OF NORTH 63°29'31" WEST 231.07 FEET); THENCE SOUTH 89°59'16" WEST 905.17 FEET; THENCE SOUTH 89°58'44" WEST 90.18 FEET; THENCE NORTH 00°00'47" WEST 67.90 FEET TO THE POINT OF BEGINNING.

CONTAINING: 2.03 ACRES

OWNER'S DEDICATION

THE UNDERSIGNED OWNER OF THE PROPERTY DESCRIBED HEREON HEREBY DEDICATES THE LAND TO HEBER CITY FOR A PUBLIC ROAD.

DATED THIS 27th DAY OF FEBRUARY, 2018 2019

BY: Rick Hansen

BLACKSTONE CREEK LLC - MANAGER

ACKNOWLEDGMENT

STATE OF UTAH } S.S.
COUNTY OF WASATCH }

JENNIFER BALLS
Notary Public - State of Utah
Comm. No. 704493
My Commission Expires on
Feb 7, 2023

ON THE 27 DAY OF February 2019 2018 PERSONALLY APPEARED BEFORE ME, THE SIGNER(S) OF THE FORGOING DEDICATION, WHO DULY ACKNOWLEDGED TO ME THAT HE/SHE DID EXECUTE THE SAME IN THE CAPACITY INDICATED.

MY COMMISSION EXPIRES 2/7/23

NOTARY PUBLIC

ACCEPTANCE BY HEBER CITY

THE CITY COUNCIL OF HEBER CITY, WASATCH COUNTY, STATE OF UTAH, HEREBY ACCEPTS THIS DEDICATION OF PUBLIC RIGHT-OF-WAY HEREON SHOWN.

THIS 4th DAY OF March, 2019 2018

APPROVED Kolleen Potter MAYOR ATTEST Trina W Cooke CITY RECORDER (SEE SEAL BELOW)

APPROVED Bert Mumford CITY ENGINEER

(SEE SEAL BELOW)

PLANNING COMMISSION APPROVAL

APPROVED THIS 28 DAY OF February, 20189 BY THE HEBER CITY PLANNING COMMISSION

Kirk Rawlings
CHAIRMAN, PLANNING COMMISSION

EAST BYPASS ROAD DEDICATION

HEBER CITY, WASATCH COUNTY, STATE OF UTAH IN THE NORTHWEST 1/4 OF SECTION 33, T3S, R5E, SLB&M.
SCALE: 1" = 100 FEET

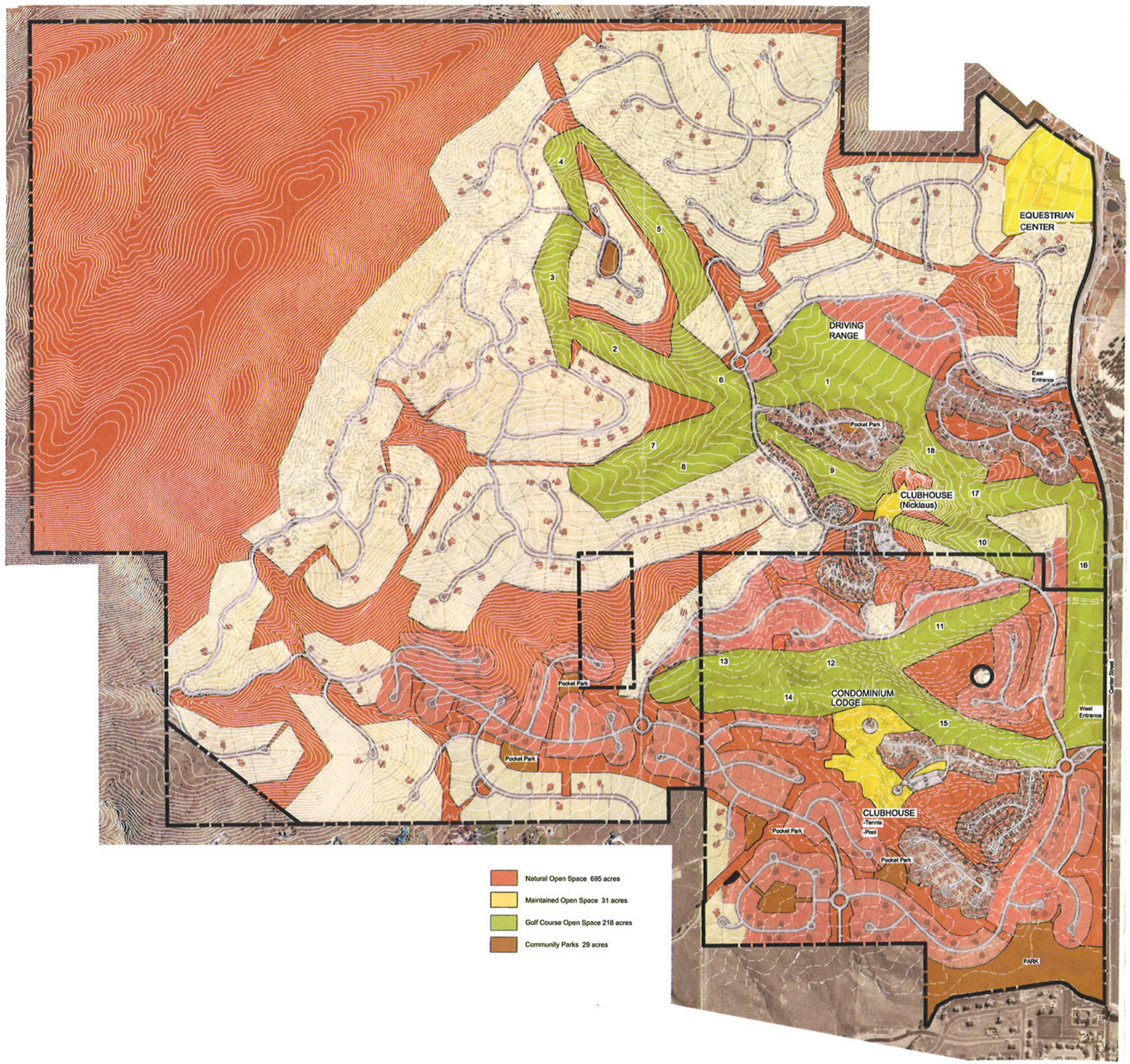
SURVEYOR'S SEAL: PROFESSIONAL LAND SURVEYOR No. 145796 BING CHRISTENSEN 12.19.18 State of Utah

NOTARY PUBLIC SEAL

CITY ENGINEER SEAL: REGISTERED PROFESSIONAL ENGINEER No. 169268 Bart L Mumford CIVIL STATE OF UTAH

CITY RECORDER SEAL: HEBER CITY CORPORATE Seal WASATCH COUNTY UTAH

ENTRY # 461807 BOOK 1247 PAGE 927-936
DATE 03-26-19 TIME 9:10AM FEE 0
FOR HEBER CITY
BY TC WASATCH COUNTY RECORDER PEGGY FOY SULSER



N

0 150 300 600 900

NOT TO SCALE

JACK JOHNSON COMPANY
Designing World Destinations
In-Person - 1777 Sun Peak Drive - Park City - Utah 84098
Telephone - 435.649.9000 -- Facsimile - 435.649.1620
www.jackjohnson.com

DATE:	November 22, 2006
DESIGNED BY:	dej
DRAWN BY:	dej
REVIEWED BY:	
PROJECT:	0649.0205.00
ISSUE:	Annex. App. & Master Plan

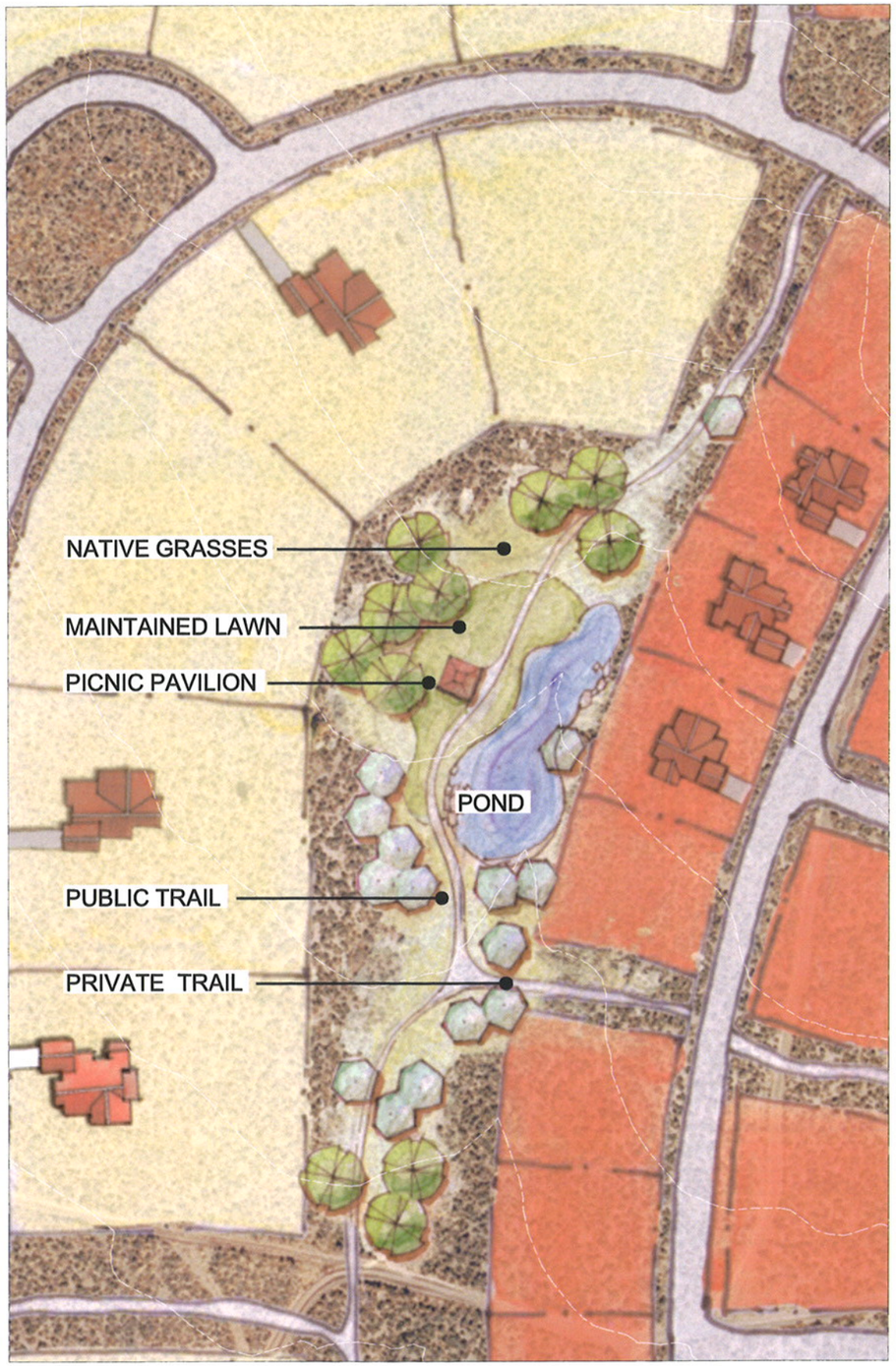
REVISIONS

Burns
Red Ledges
Recreational Community

Master Open Space Plan

P2

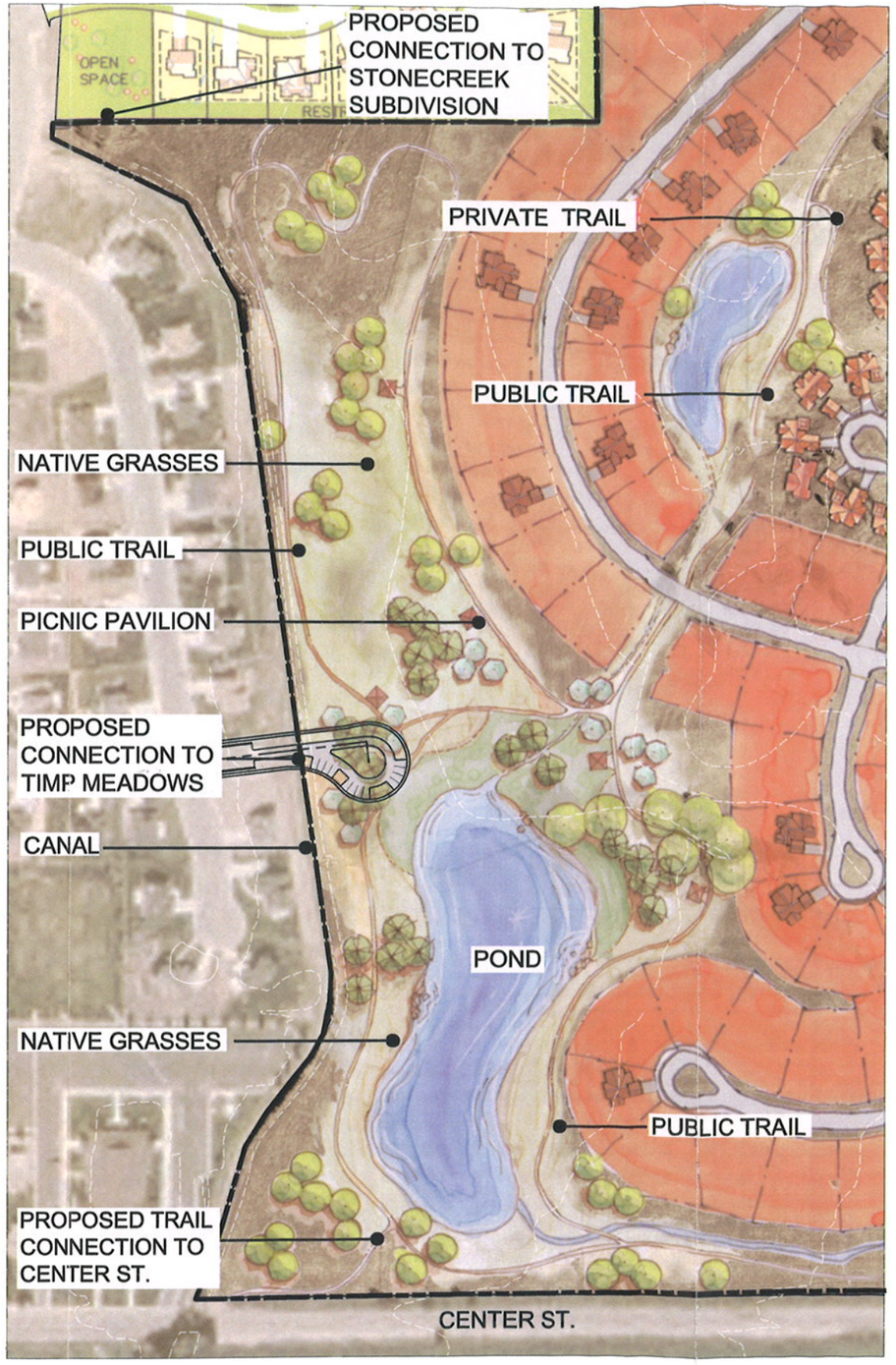
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file name: 053-Open Space.dwg | plot date: November 21, 2006 | plotted by: KTalbot



PRIVATE PARK TYP.
2 ACRES

N

0 25 50 100 150
SCALE: 1"=50'



PUBLIC PARK
19 ACRES

N

0 50 100 200 300
SCALE: 1"=100'

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ISSUE:	Annex. App. & Master Plan

REVISIONS

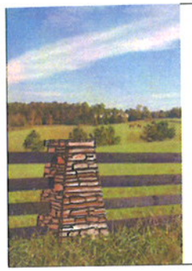
Burns
Red Ledges
Recreational Community

Parks Plan | P4

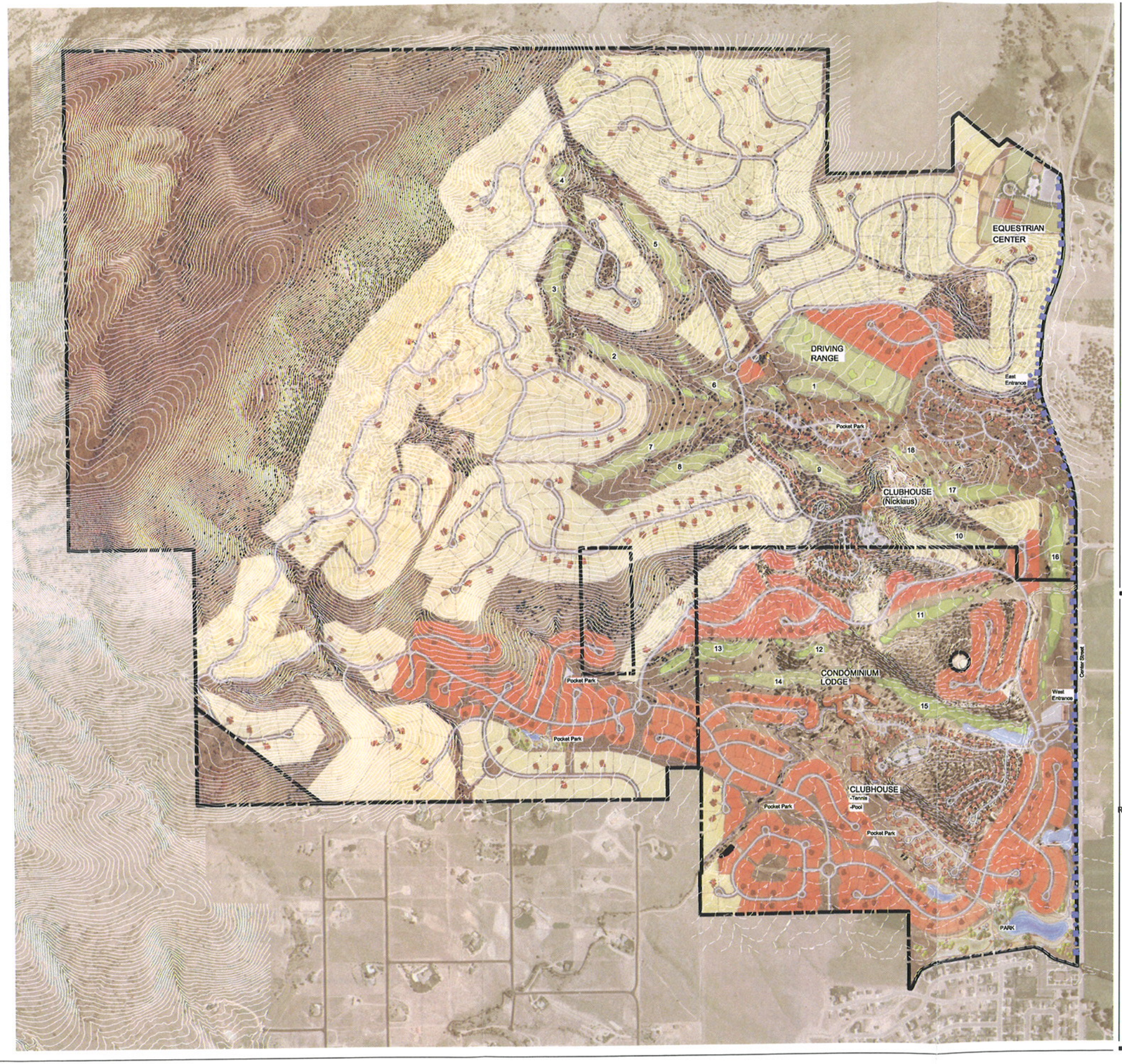
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file name: P4-Parks Plan.dwg | plot date: November 20, 2006 | plotted by: dejmes

LEGEND

FENCING ALONG LAKE CREEK DRIVE



FENCING ALONG LAKE CREEK DRIVE SHALL FEATURE A TAPERED STONE PIER EVERY 50'



N

0 250 500 1000 1500

NOT TO SCALE

JACK JOHNSON COMPANY

Designing World Destinations

In-Person - 1777 Sun Peak Drive - Park City - Utah 84098
Telephone - 435.645.9000 -- Facsimile - 435.649.1820
www.jackjohnson.com

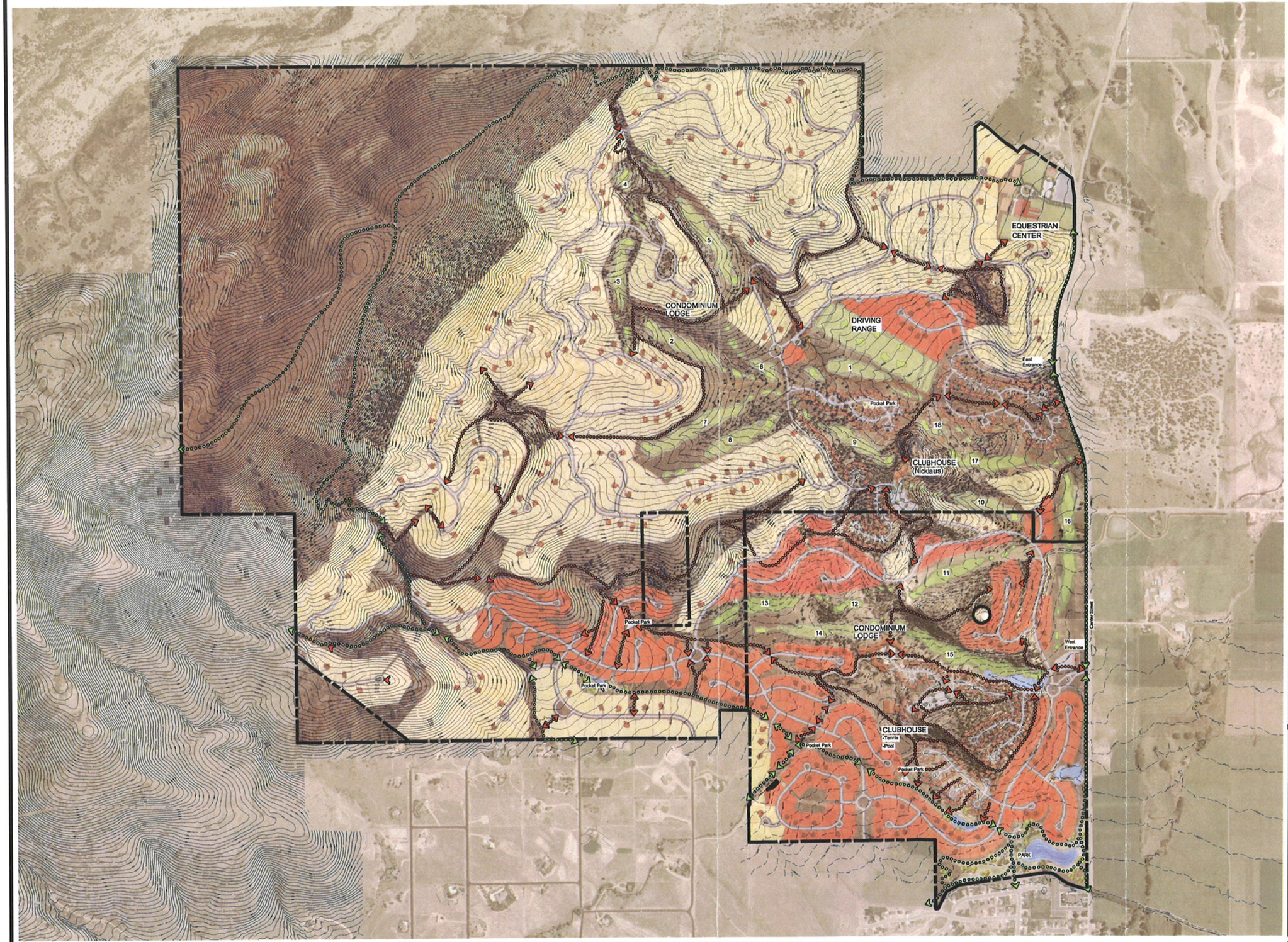
DATE:	November 22, 2006
DESIGNED BY:	dsj
DRAWN BY:	dsj
REVIEWED BY:	
PROJECT:	0649.0205.00
ISSUE:	Annex. App. & Master Plan

REVISIONS

Burns
Red Ledges
Recreational Community

Fence Plan | P6

path: X:\649 Red Ledges\Planning-Engineering\03_Design\
file name: P6-Fence Plan.dwg | plot date: November 21, 2006 | plotted by: djames



LEGEND

- Public Trail System
- Private Trail System

N

0 250 500 1000 1500

NOT TO SCALE

JACK JOHNSON COMPANY

Designing World Destinations

In-Person - 1777 Sun Peak Drive - Park City - Utah 84098
Telephone - 435.645.9000 -- Facsimile - 435.649.1620
www.jackjohnson.com

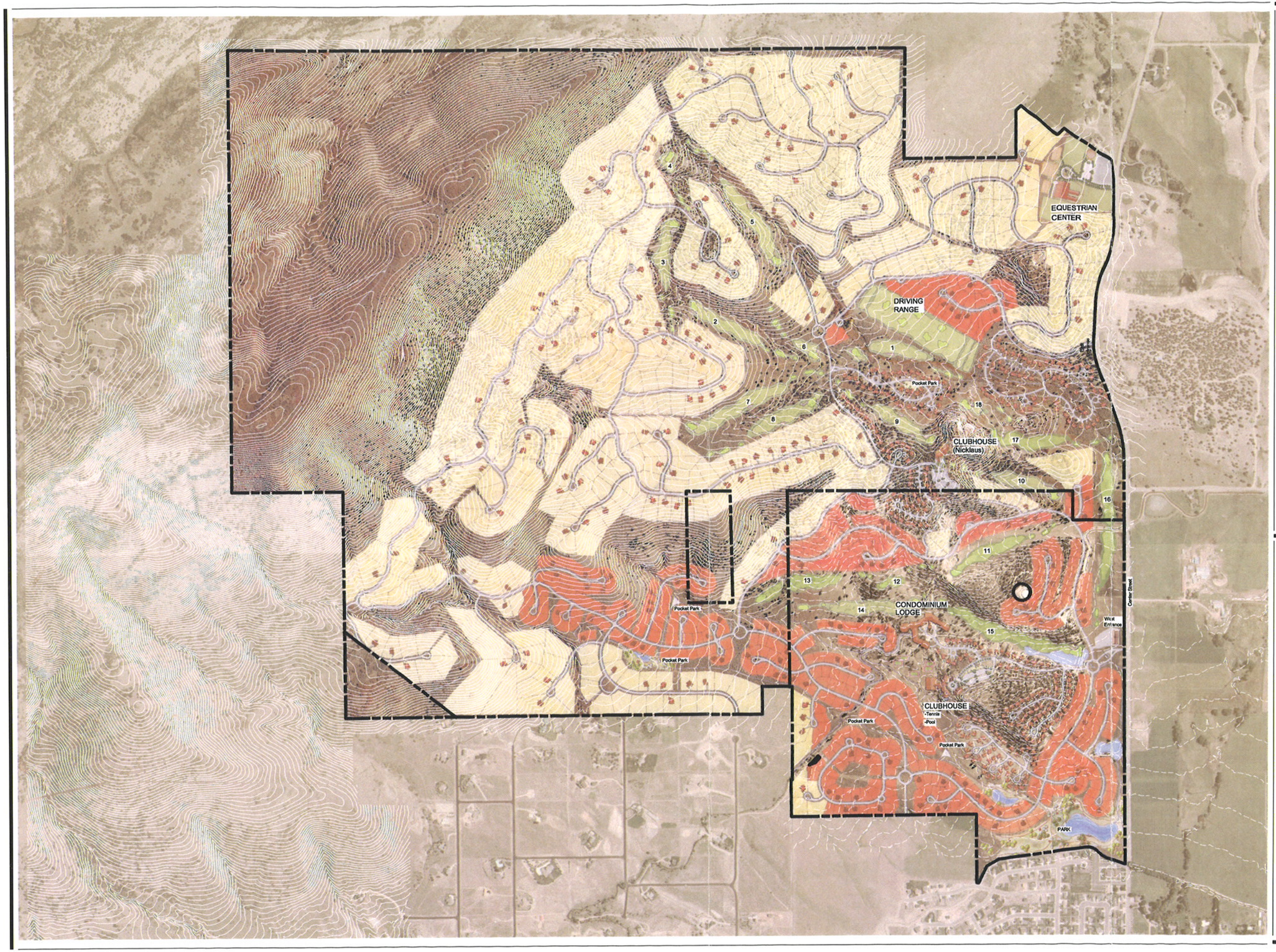
DATE:	November 22, 2006
DESIGNED BY:	dej
DRAWN BY:	dej
REVIEWED BY:	
PROJECT:	0649.0205.00
ISSUE:	Annex. App. & Master Plan

REVISIONS

Burns
Red Ledges
Recreational Community

Trail Plan | P5

path: X:\649 Red Ledges\Planning-Engineering\03_Design\
file name: P5-Trails.dwg | plot date: November 21, 2006 | plotted by: djames



N

0

NOT TO SCALE

JACK JOHNSON COMPANY
Designing World Destinations
In-Person - 1777 Sun Peak Drive - Park City - Utah 84098
Telephone - 435.645.9000 -- Facsimile - 435.649.1620
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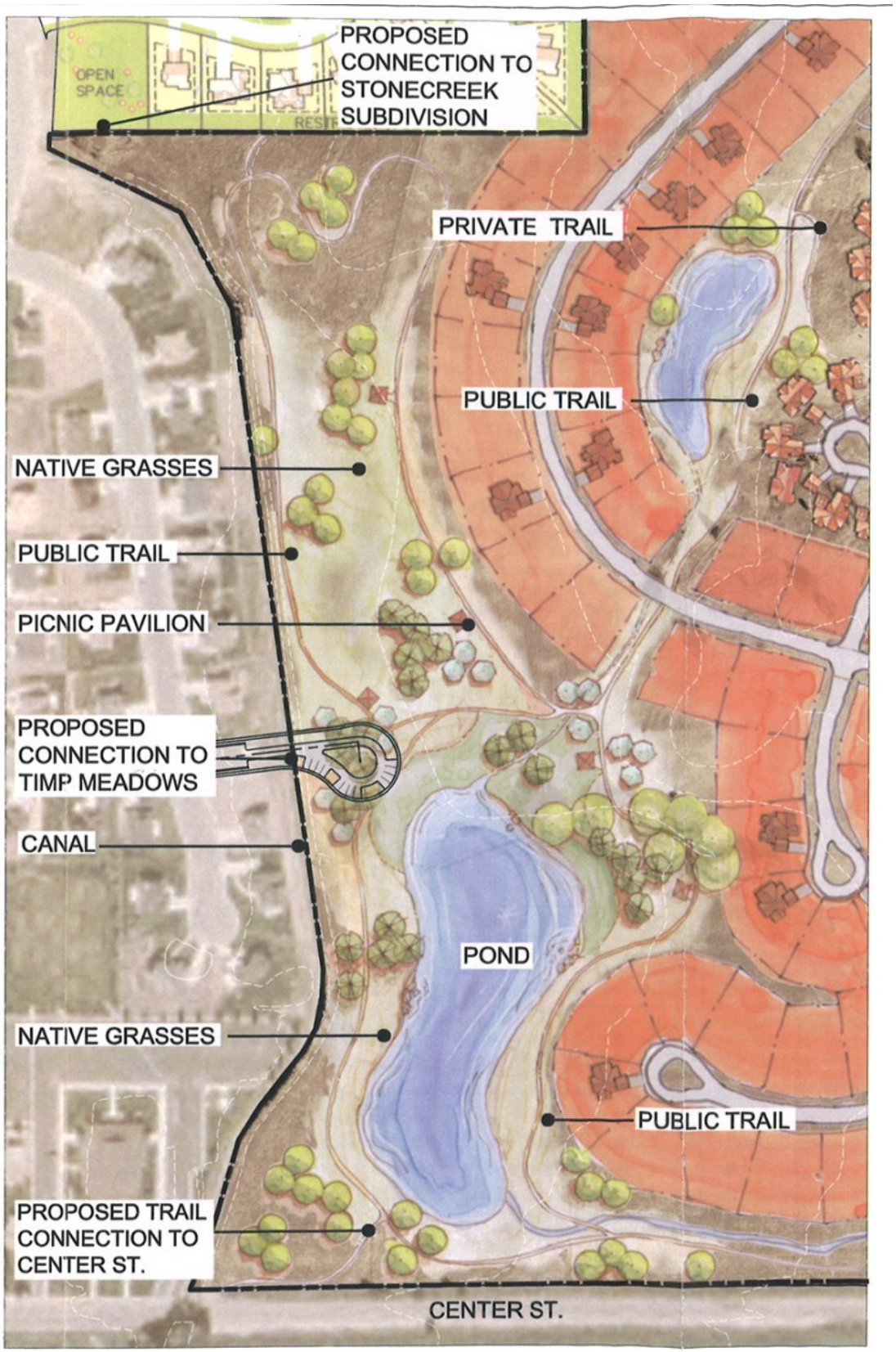
DATE:	November 22, 2006
DESIGNED BY:	dej
DRAWN BY:	dej
REVIEWED BY:	
PROJECT:	0649.0205.00
ISSUE:	Annex. App. & Master Plan

REVISIONS

Burns
Red Ledges
Recreational Community

Master Plan | P1

path: X:\649 Red Ledges\Planning-Engineering\03_Design\
file name: MP1-Master Plan.dwg | plot date: November 20, 2006 | plotted by: tjames



PUBLIC PARK

19 ACRES

N

0 50 100 200 300

SCALE: 1"=100'

Ent 321726 Bk 942 Pg 1876-1883
Date: 15-JUN-2007 4:20PM
Fee: $25.00 Check Filed By: JP
ELIZABETH PALMIER, Recorder
WASATCH COUNTY CORPORATION
For: RED LEDGES

ANNEXATION AGREEMENT AND COVENANT RUNNING WITH THE LAND

(Red Ledges Annexation)

THIS AGREEMENT entered into this 2nd day of May, 2007, by and between Heber City, hereinafter referred to as "City" and the undersigned Red Ledges, LLC, as "Developer and Owner".

WHEREAS, the Developer and Owner has proposed the annexation of 1,525.94 acres ("hereinafter the "Property" or "Project"), as described in Exhibit A, into Heber City; and

WHEREAS, some unique conditions exist resulting from the features on and around the Property and the layout and design proposed by the Developer; and

WHEREAS, while the City, Developer, Wasatch County, and Twin Creeks Special Service District have entered into a separate Interlocal Agreement, a signed copy of which is attached hereto as Exhibit B, this Annexation Agreement and Covenant Running with the Land ("Agreement") is intended to supplement, not to amend or supercede the Interlocal Agreement, and to address issues and requirements that are specific to the relationship between Heber City and the Developer.

NOW, THEREFORE, the parties hereby agree as follows:

1. The Property shall be zoned PC Planned Community, consistent with the Heber City General Plan. Notwithstanding the PC Zoning designation which permits 2 units per acre, the density determination of the Red Ledges Recreational Community will be set at 1,370 residential units for the land currently owned by Red Ledges, as provided in the Interlocal Agreement, ¶10.

2. Planning for the Project shall be performed by the City pursuant to City standards. Red Ledges, however, acknowledges that the City's "PC" zone, which will apply to the Project, may be modified to be more similar to the County's PUD zone. See Interlocal Agreement, ¶18.

3. The Developer and Owner shall comply with Chapter 18.102 of the Heber City Code (the Affordable Housing Ordinance), as proposed by the Developer in the Red Ledges Master Plan Submission.

4. Developer and Owner shall record a declaration of covenants, conditions and restrictions ("CC &R's") against the Property for each phase of the Project, providing *inter alia* for membership and voting rights, property rights in common areas, assessments, operation and maintenance, general use instructions, architectural control, and building guidelines, and creation of a governing board or association to ensure consistent development standards, including, but not limited to, construction materials, fencing materials, and colors and heights within the development, and shall establish a Home Owner's Association and plan, criteria and/or process for the collection of dues for the maintenance of any and all improvements, including, but not limited to private open space, parks, utilities, and private streets.

5. Developer and Owner shall be responsible for paying for, providing or acquiring any necessary offsite easements or rights-of-way , offsite utility construction, and all other such utilities necessary to service the Project to City standards, including, but not limited to sewer, water, secondary irrigation, streets, electricity, gas, and cable television. If, in the City's sole discretion it is determined that it is in the best interest of the City and a benefit to the public, the City agrees to consider the issuance of bonds to fund the acquisition and/or installation of the above mentioned improvements.

6. Developer and Owner, at the request or requirement of the providers of electrical, gas, water, sewer and cable television utilities, shall relocate said utilities at its sole cost and expense as needed to avoid conflict with the Developer's proposed building pads. If, in the City's sole discretion, it is determined that it is in the best interest of the City and a benefit to the public, the City agrees to consider the issuance of bonds to fund the acquisition and/or installation of the above mentioned improvements and/or other improvements.

7. Developer and Owner shall bury any existing overhead power and telephone lines within its Property.

8. Developer and Owner shall be responsible for complying with all federal, state, and local regulations governing the quality and quantity of storm water and surface runoff from the Project site, including any required mitigation measures. Developer and owner shall not permit drainage from the Project to enter any natural or existing streams, canals or waterways without prior written approval of the appropriate authority

9. Where the Project fronts Lake Creek Road, Developer and Owner shall improve the north half of the right-of-way to the same arterial street standard. The existing Lake Creek Road right-of-way is approximately 66 feet wide, bounded by existing fences that are recognized by Heber City and Wasatch County as defining the existing right-of-way. The existing asphalt width is approximately 30' wide, roughly centered in the existing right-of-way. Accordingly, Developer and Owner shall dedicate an additional minimum of 3' of right-of-way and maximum of 9' of right-of-way along the north side of Lake Creek Road and shall widen the existing asphalt road a maximum of 16' for a maximum of 46'. This will require additional improvement by other owners on the south half of Lake Creek Road in order to improve the road to the current arterial standard. Final determination of exact amount of right-of-way and ultimate widening of Lake Creek Road will be made based on proposed Wasatch County Master Transportation Plan and conversations with Wasatch County including possible future participation by Wasatch County. In order to facilitate a future road widening to Lake Creek Road, Developer and Owner agree to provide adequate setbacks from the Lake Creek Right of Way such that Heber City may obtain future rights-of-way and construct a widened road without impacting existing structures (i.e., buildings, entry features, gatehouse, etc.) constructed as part of the Project. In addition, Developer and Owner shall dedicate sufficient right-of-way and construct 11' wide turn pockets on the north side of Lake Creek Road at each of the Project's intersections. Existing asphalt road will be overlaid with 2'' of asphalt.

10. Development of the property shall comply with the Well Protection Plan adopted by the City.

During the preliminary and final subdivision approval process, Developer and Owner shall create a plan for fertilization, maintenance and irrigation of the golf course, open space, roads and individual lots, intended to protect Heber City's water sources from contamination. The Water Source Protection Plan will be provided to home owners in a format that informs them of their personal responsibilities to protect water source areas.

11. Existing vegetation and natural grading will be protected to the extent reasonably possible to minimize the Project's environmental, wildlife, visibility and aesthetic impacts.

12. Development of the Property shall be substantially consistent with the Master Plan proposed by the Developer and adopted by Heber City, subject to the following:

a. Development design shall give due consideration to accommodate potential school buses, bus stops, fire engines, and emergency vehicles into and throughout the Project.

b. The park on the west side of the Project shall be open and available for use by the general public.

c. The trail system identified as public shall be open and available to the public, and shall include a public trail head and public parking accessible from a public street, provided such requirements do not conflict with the provisions of the Interlocal Agreement, ¶21 and ¶23.

d. The equestrian center ("Center") located on the southeast side of the Project shall be open and available for use by the general public. In the event the Center cannot financially sustain operations, the City, the Developer and/or Homeowners' Association will jointly determine how to effectuate a redevelopment of the Center property for the continued benefit of the Project and the public.

13. This Agreement shall constitute and be construed as a covenant running with the land, binding on the undersigned parties, their heirs, assigns and successors in interest, provided that the City adopts an annexation ordinance and that said ordinance is not timely challenged in any administrative or judicial forum. This Agreement shall be recorded in the office of with the Wasatch County Recorder.

14. In the event there is a Failure to Perform under this Agreement and it becomes reasonably necessary for any party to employ the services of an attorney in connection therewith (whether such attorney be in-house or outside counsel), either with or without litigation, on appeal or otherwise, the losing party to the controversy shall pay to the successful party reasonable attorney's fees incurred by such party and, in addition, such costs and expenses as are incurred in enforcing this Agreement.

15. Time is of the essence of this Agreement. In case any party shall fail to perform the obligations on its part at the time fixed for the performance of such obligations by the terms of this Agreement, the other party or parties may pursue any and all remedies available in equity, at law,

and/or pursuant to the terms of this Agreement.

16. Forum: This Agreement and all matters pertaining to the validity, construction, interpretation, and effect of this Agreement shall be governed by the laws of the State of Utah. Any litigation regarding this Agreement shall take place in the Fourth District Court, Heber Department, in the State of Utah.

17. Severability: If any provision of this Agreement, or the application thereof to any person or circumstances, shall for any reason and to any extent be invalid or unenforceable, the remainder of this Agreement and the application of such provision to the other persons or circumstances shall not be affected thereby, but rather shall be enforced to the greatest extent permitted by law.

18. Entire Agreement: This Agreement contains the entire understanding and agreement between the Parties, and all preceding agreements, if any, are merged herewith. It is expressly understood and agreed that this Agreement may not be altered, amended, or otherwise modified in any respect except by a written instrument, duly executed by all Parties hereto.

19. Additional Documents: The Parties agree to cooperate fully and execute any and all supplementary documents and to take all necessary actions that may be necessary or appropriate to give full force and effect to the basic terms and intent of this Agreement.

20. Successors in Interest: This Agreement shall be binding upon and inure to the benefit of the Parties hereto and their successors and assigns.

21. Jointly Drafted: The Parties agree that this Agreement is the product of a negotiation between the Parties. The Agreement, therefore, shall be deemed to have been drafted jointly by all of the Parties.

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands the day and year this agreement was first above written.

DATED this 3 day of May, 2007.

HEBER CITY:

By: _____
David Phillips, Mayor

ATTEST:

_____
Heber City Recorder

RED LEDGES, _____
Todd R Cates, ~~Vice President~~

By: _____

_____
NOTARY PUBLIC

EXHIBIT A

A PARCEL OF LAND LOCATED IN SECTIONS 27, 28, 33 AND 34, TOWNSHIP 3 SOUTH, RANGE 5 EAST, SALT LAKE BASE AND MERIDIAN, WASATCH COUNTY, UTAH, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE EAST QUARTER CORNER OF SAID SECTION 34, THENCE NORTH 89°27'47" WEST, 1321.61 FEET; THENCE SOUTH 00°12'04" EAST, 1331.49 FEET; THENCE SOUTH 89°47'21" EAST, 565.58 FEET TO A CORNER OF A FENCE; THENCE ALONG SAID FENCE THE FOLLOWING FIVE COURSES AND DISTANCES: COURSE 1: SOUTH 42°42'11" EAST, 85.28 FEET; COURSE 2: SOUTH 39°09'02" WEST, 551.03 FEET; COURSE 3: SOUTH 42°22'49" EAST, 108.58 FEET; COURSE 4: SOUTH 34°57'40" WEST, 629.21 FEET; COURSE 5: SOUTH 27°28'30" WEST, 52.51 FEET TO THE NORTHERLY RIGHT OF WAY LINE OF CENTER STREET; THENCE ALONG LAST SAID LINE RUN THE FOLLOWING FIFTEEN (15) COURSES AND DISTANCES: COURSE 1: SOUTH 82°29'18" WEST, 236.90 FEET; COURSE 2: NORTH 89°43'51" WEST, 273.61; COURSE 3: SOUTH 89°40'28" WEST, 159.18 FEET TO THE ARC OF A CURVE LEADING SOUTHWESTERLY; COURSE 4: SOUTHWESTERLY, ALONG AND AROUND THE ARC OF SAID CURVE, CONCAVE NORTHEASTERLY, HAVING A RADIUS OF 798.74 FEET, AN ARC DISTANCE OF 65.47 FEET, SAID ARC BEING SUBTENDED BY A CHORD BEARING AND DISTANCE OF SOUTH 85°56'53" WEST, 65.45 FEET TO THE POINT OF TANGENCY OF SAID CURVE; COURSE 5: NORTH 89°59'30" WEST, 47.73 FEET TO THE ARC OF A CURVE LEADING NORTHWESTERLY; COURSE 6: NORTHWESTERLY, ALONG AND AROUND THE ARC OF SAID CURVE, CONCAVE NORTHEASTERLY, HAVING A RADIUS OF 1392.51 FEET, AN ARC DISTANCE OF 528.39 FEET, SAID ARC BEING SUBTENDED BY A CHORD BEARING AND DISTANCE OF NORTH 75°37'30" WEST, 525.22 FEET TO THE POINT OF TANGENCY OF SAID CURVE; COURSE 7: NORTH 66°57'16" WEST, 8.05 FEET TO THE ARC OF A CURVE LEADING NORTHWESTERLY; COURSE 8: NORTHWESTERLY, ALONG AND AROUND THE ARC OF SAID CURVE, CONCAVE SOUTHWESTERLY, HAVING A RADIUS OF 1125.00 FEET, AN ARC DISTANCE OF 392.89 FEET, SAID ARC BEING SUBTENDED BY A CHORD BEARING AND DISTANCE OF NORTH 76°57'33" WEST, 390.90 FEET TO THE POINT OF TANGENCY OF SAID CURVE; COURSE 9: NORTH 86°57'51" WEST, 479.23 FEET TO THE ARC OF A CURVE LEADING SOUTHWESTERLY; COURSE 10: SOUTHWESTERLY, ALONG AND AROUND THE ARC OF SAID CURVE, CONCAVE SOUTHEASTERLY, HAVING A RADIUS OF 700.00 FEET, AN ARC DISTANCE OF 282.84 FEET, SAID ARC BEING SUBTENDED BY A CHORD BEARING AND DISTANCE OF SOUTH 81°27'38" WEST, 280.92 FEET TO THE POINT OF TANGENCY OF SAID CURVE; COURSE 11: SOUTH 69°53'06" WEST, 724.11 FEET TO THE ARC OF A CURVE LEADING SOUTHWESTERLY; COURSE 12: SOUTHWESTERLY, ALONG AND AROUND THE ARC OF SAID CURVE, CONCAVE NORTHWESTERLY, HAVING A RADIUS OF 1396.93 FEET, AN ARC DISTANCE OF 493.36 FEET, SAID ARC BEING SUBTENDED BY A CHORD BEARING AND DISTANCE OF SOUTH 79°58'49" WEST, 490.80 FEET TO THE POINT OF TANGENCY OF SAID CURVE; COURSE 13: NORTH 89°55'27" WEST, 699.41 FEET TO THE EASTERLY AND NORTHERLY BOUNDARY OF THE RED LEDGES BOUNDARY PLAT, BY: WILDING

ENGINEERING, INC.; COURSE 14: SOUTH 00°37'53" WEST 3.09 FEET; COURSE 15: SOUTH 89°50'25" WEST, 1242.62 FEET TO THE WATER TANK PARCEL, THENCE ALONG SAID PARCEL THE FOLLOWING FIVE (5) COURSES AND DISTANCES: COURSE 1: NORTH 00°38'18" WEST, 610.28 FEET; COURSE 2: NORTH 33°22'32" EAST, 628.59 FEET TO A 100.0 FOOT RADIUS NON TANGENT CURVE; COURSE 3: ALONG THE ARC OF A 100.0 FOOT RADIUS NON-TANGENT CURVE TO THE LEFT, CENTER BEARS NORTH 27°37'50" EAST, THROUGH A CENTRAL ANGLE OF 348°31'28" AND ARC DISTANCE OF 608.27 FEET; COURSE 4: SOUTH 33°22'32" WEST 634.71 FEET; COURSE 5: SOUTH 00°38'18" EAST 616.31 FEET, RETURNING TO THE NORTH LINE OF CENTER STREET; THENCE ALONG SAID NORTH LINE THE FOLLOWING FOUR (4) COURSE AND DISTANCES: COURSE 1: SOUTH 89°44'42" WEST, 747.65 FEET; COURSE 2: SOUTH 89°58'28" WEST, 588.89 FEET; COURSE 3: SOUTH 89°41'17" WEST, 230.66 FEET; COURSE 4: SOUTH 89°21'43" WEST, 1272.98 FEET TO EASTERLY; THENCE ALONG THE EASTERLY LINE, AND LINE EXTENDED OF THE LDS CENTER STREET CHURCH PROPERTY AS SHOWN ON THAT CERTAIN SURVEY FILED FOR RECORD AS OWC-035-0333-0419, ON OCTOBER 25, 1995, IN THE OFFICES OF WASATCH COUNTY, STATE OF UTAH, THENCE ALONG SAID LDS CHURCH PARCEL THE FOLLOWING SIX (6) COURSES AND DISTANCES: COURSE 1: NORTH 19°12'05" EAST 112.98 FEET; COURSE 2: NORTH 15°57'05" EAST, 127.91 FEET; COURSE 3: NORTH 32°26'33" EAST, 61.51 FEET; COURSE 4: NORTH 38°29'54" EAST, 105.48 FEET; COURSE 5: NORTH 28°37'50" EAST, 45.34 FEET; COURSE 6: NORTH 12°33'26" EAST, ALONG SAID EASTERLY LINE, AND LINE EXTENDED 27.82 FEET, TO THE SOUTH LINE OF TIMP MEADOWS EAST SUBDIVISION PHASE 2, RECORDED IN BOOK 501, PAGES 686-695, ENTRY NO. 232941; THENCE ALONG SAID TIMP MEADOWS EAST LINE THE FOLLOWING FIVE (5) COURSES AND DISTANCES: COURSE 1: SOUTH 89°16'30" EAST, 0.24 FEET; COURSE 2: NORTH 03°00'11" EAST, 60.22 FEET; COURSE 3: NORTH 07°59'36" WEST, 1026.65 FEET; COURSE 4: NORTH 27°45'20" WEST, 167.54 FEET; COURSE 5: NORTH 64°07'24" WEST, 225.76 FEET, TO THE EASTERLY LINE OF THE TIMP MEADOWS EAST SUBDIVISION PHASE 3, RECORDED IN BOOK 528, PAGES 125-134, ENTRY NO. 238508; THENCE ALONG SAID TIMP MEADOWS EAST SUBDIVISION PHASE 3 EAST LINE NORTH 03°32'37" EAST, 22.23 FEET; THENCE NORTH 89°24'21" EAST 818.35 FEET; THENCE NORTH 00°34'07" WEST 2205.00 FEET TO THE EAST-WEST 40 ACRE LINE OF THE NORTHWEST QUARTER OF SAID SECTION 33; THENCE NORTH 89°24'37" EAST, ALONG SAID 40 ACRE LINE 441.24 FEET; THENCE SOUTH 00°35'23" EAST 17.60 FEET TO THE CORNER OF AN EXISTING FENCE; THENCE ALONG SAID FENCE NORTH 89°52'01" EAST 1110.58 FEET; THENCE LEAVING SAID FENCE NORTH 00°07'41" EAST 27.45 FEET TO THE TO THE EAST-WEST QUARTER SECTION LINE OF SAID SECTION 33; THENCE NORTH 89°14'45" EAST, ALONG THE EAST-WEST 40 ACRE LINE OF THE NORTHEAST QUARTER OF SAID SECTION 33, 2.68 FEET, THENCE NORTH 00°08'18" EAST, 336.84 FEET; THENCE SOUTH 89°14'18" WEST, 332.86 FEET TO THE QUARTER SECTION LINE OF SAID SECTION 33; THENCE NORTH 00°07'51" EAST, ALONG LAST SAID LINE, 1000.40 FEET TO THE SOUTH QUARTER CORNER OF SAID SECTION 28; THENCE NORTH 00°23'42" WEST, 3982.55 FEET; THENCE NORTH 89°33'40" EAST, 2703.62 FEET TO THE WEST SECTION LINE OF SAID SECTION 27; THENCE NORTH 00°05'54" WEST, 1316.61 FEET TO THE NORTHWEST CORNER OF SAID SECTION 27; THENCE NORTH 89°49'35" EAST, ALONG THE NORTH SECTION LINE OF SAID SECTION 27, 5289.47 FEET; THENCE

SOUTH 00°09'19" WEST, ALONG THE EAST LINE OF SAID SECTION 27, A DISTANCE OF 5256.54 FEET TO THE SOUTHEAST CORNER OF SAID SECTION 27; THENCE SOUTH 00°02'56" EAST, ALONG THE EAST LINE OF SAID SECTION 34, A DISTANCE OF 2776.76 FEET BACK TO THE POINT OF BEGINNING.

LESS AND EXCEPTING:

A PARCEL OF LAND LOCATED IN THE NORTHEAST QUARTER OF SECTION 33, TOWNSHIP 3 SOUTH, RANGE 5 EAST, SALT LAKE BASE AND MERIDIAN, WASATCH COUNTY, UTAH, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT SOUTH 00°00'46" EAST, 131.99 FEET FROM THE NORTHEAST CORNER OF SAID SECTION 33; THENCE SOUTH 00°0'46" EAST, 528.02 FEET; THENCE SOUTH 88°41'25" WEST, 1333.03 FEET; THENCE NORTH 00°05'29" EAST, 536.55 FEET; THENCE NORTH 89°03'22" EAST, 1332.32 FEET BACK TO THE POINT OF BEGINNING.

Ent 321086 Bk 943 Pg 118-127
Date: 19-JUN-2007 2:52PM
Fee: NoneFiled By: JP
ELIZABETH PALMIER, Recorder
WASATCH COUNTY CORPORATION
For: HEBER CITY

RED LEDGES PLANNED COMMUNITY
MASTER PLAN AGREEMENT

THIS AGREEMENT is entered into this 24th day of April, 2007, by and between Heber City and Red Ledges, LLC, the undersigned as "Owners."

WHEREAS, the Owners desire to develop their property within the incorporated areas of Heber City, and that Heber City annex the hereinafter described property into the City under its PC zoning; and

WHEREAS, the Heber City Code requires that the Parties enter into a Planned Community Development Agreement for such developments within the PC Zone; and

WHEREAS, the City is willing to enter into such an agreement upon certain conditions and subject to certain covenants;

NOW, THEREFORE, the parties hereby agree as follows:

The "Red Ledges Master Plan" shall be approved by Heber City and be construed with, made a part of this Agreement and be binding upon the Parties and their assigns and successors in interest.

In addition to said Master Plan and the provisions therewith, the following shall constitute the terms and conditions between Red Ledges, LLC. ("Developer") and Heber City ("City") for the Red Ledges Planned Community Development Agreement ("Development Agreement") as required per Section 18.61.060.001.E. of the PC Zone.

1. Area Description. The Red Ledges Development ("Red Ledges") is located as shown on Exhibit A. The legal description for Red Ledges is also attached as Exhibit A.

2. Compliance With Master Plan. Red Ledges shall comply with the Master Plan Application Package (the "Master Plan") attached and incorporated as part of this Agreement hereto as Exhibit B in regard to, but not limited to, the total number of units, density, general configuration, open space uses, and improvements and is hereby approved to develop the property generally consistent with the Master Plan.

3. Compliance With Annexation Agreement. Developer shall comply with all requirements of the Red Ledges Annexation Agreement approved on March 15, 2007 and recorded with the Wasatch County Recorder on June 15, 2007.

4. Developer Obligations. In addition to the requirements of the Red Ledges Annexation Agreement and the Red Ledges Master Plan, Developer agrees to comply with the following requirements for Red Ledges; however, Developer reserves the right to change the order in which major amenities, i.e. golf clubhouse, tennis center, equestrian center, will be built. The Developer does commit to build one of each of these amenities in phases two, three & four.

a. Phased Infrastructure Requirements.

i. The following improvements will commence with Phase 1 of Red Ledges:
   1. Lake Creek Drive from the western property boundary to the main entrance into Red Ledges.
   2. The Red Ledges Golf Course.

ii. The following improvements will commence with Phase 2 of Red Ledges:
   1. Construction of the Golf Course Clubhouse.

iii. The following improvements will commence with Phase 3 of Red Ledges:
   1. Construction of the Tennis Center amenities.
   2. Relocation of the water transmission lines from the McNaughtan Tank to Lake Creek Road and dedication of easements acceptable to the City which are necessary for access to and maintenance of the tank and related utility lines.
   3. Master public trail located adjacent to the western boundary of the Red Ledges Community Park running along the western boundary of the Bypass Road.

iv. The following improvements will commence with Phase 4 of Red Ledges:
   1. Lake Creek Drive from the main entrance into Red Ledges to the eastern property boundary.
   2. Construct a public trail along the Lake Creek Road corridor.
   3. Development of the Public Equestrian Facility and related trailheads and trails located along the eastern boundary of the project, in areas associated with Phase 4.
   4. Master public trails located within areas associated with Phase 4.

v. The following improvements will commence with Phase 5 of Red Ledges:
   1. Master public trails located within areas associated with Phase 5.
   2. Red Ledges Community Park irrigation and landscape improvements per the Conceptual Community Park Exhibit in the Master Plan.

vi. The following improvements will commence with Phase 6 of Red Ledges:
   1. Master public trails located within areas associated with Phase 6.

vii. The following improvements will commence with Phase 7 of Red Ledges:
   1. Master public trails located within areas associated with Phase 7.

b. Public Dedications. Developer agrees to provide the following public dedications with the appropriate final plats for Red Ledges.

   i. Access and maintenance easements will be provided along the canal facilities located in Red Ledges as required by Heber City and the Wasatch Irrigation Company.

   ii. Access and maintenance easements will be provided to the existing water tank in favor of Heber City. Developer will be responsible for the relocation of the all necessary water lines from the McNaughtan tank to Lake Creek Road.

c. Affordable Housing Plan. Developer shall comply with the affordable housing program approved by the Planning Commission and City Council for Red Ledges ("Affordable Housing Plan"). The Affordable Housing Plan shall be carried out as submitted in the Master Plan Package submitted by Red Ledges.

5. Modifications to the Master Plan. In order to ensure flexibility with the market fluctuations and demands of product and amenities, the City will allow for changes to the approved master plan with respect to product types and amenities at the Preliminary or Final Plan stages, provided that the modifications are consistent with the overall nature of the project and any additional impacts to City services are mitigated.

6. Red Ledges Street Standards. In compliance with Section 18.61 for Planned Community (PC) Zone, the street standards specific to Red Ledges will conform to the design standards outlined in the "Red Ledges Roadway Standards and Road Cross Sections" attached as Exhibit ___ hereto, and as set forth in the Interlocal Agreement, and be consistent with applicable provisions of the Red Ledges Master Plan. Also to be defined in the street standards are maximum lengths for cul-de-sacs and any emergency access routes appropriate to ensure safety associated with the roadways.

7. Homeowners Association. Developer shall create a homeowners association (the "Association") which will have the following responsibilities:

   a. Enforcement of the Red Ledges Covenants, Conditions, and Restrictions (the "CC&Rs"), including the Red Ledges Design Guidelines.

   b. Establishment of an Architectural Review Committee which shall review all home designs for compliance with the Red Ledges Design Guidelines.

   c. Perpetual maintenance of all open space and other facilities deeded to the Association as identified on the final plats for Red Ledges ("Common Area").

   d. Collection of assessments from Owners within Red Ledges for maintenance of the Common Area.

   e. The CC&Rs, Bylaws, and Articles of Incorporation for the Association shall be recorded with the Red Ledges Phase 1 final plat.

8. This Agreement shall in no way limit the City from imposing further conditions and provisions in a future Subdivision Agreement, appropriate for such an agreement and consistent with the requirements of the Master Plan and this Development Agreement.

9. This Agreement shall be a covenant running with the land, and shall inure to the benefit of and be binding upon the Parties and their assigns and successors in interest. In the event Developer assigns this Agreement to any third party or successor in ownership, Developer shall be obligated to disclose and notify in writing the requirements of this Agreement to the assignee and to notify the City in writing of said assignment.

10. In the event there is a Failure to Perform under this Agreement and it becomes reasonably necessary for any party to employ the services of an attorney in connection therewith (whether such attorney be in-house or outside Counsel), either with or without litigation, on appeal or otherwise, the losing party to the controversy shall pay to the successful party reasonable attorney's fees incurred by such party and, in addition, such costs and expenses as are incurred in enforcing this Agreement.

11. Time is of the essence of this Agreement. In case any party shall fail to perform the obligations on its part at the time fixed for the performance of such obligations by the terms of this Agreement, the other party or parties may pursue any and all remedies available in equity, at law, and/or pursuant to the terms of this Agreement.

DATED this 3 day of May, 2007.

HEBER CITY:

By: _____
David Phillips, Mayor

ATTEST:

By: _____
Paulette Thurber, Heber City Recorder

RED LEDGES, LLC

By: _____
Todd R Cates, Vice President

STATE OF UTAH)
: ss.
COUNTY OF WASATCH)

On this 1st day of May, 2007, personally appeared before me Todd R. Cates, _____, and _____, representing the above-named Owner, Red Ledges, who duly acknowledges to me that they are the Owner in fee, or the duly appointed representative, and executed the same as such.

_____
NOTARY PUBLIC

PAULETTE THURBER
NOTARY PUBLIC - STATE of UTAH
75 NORTH MAIN STREET
HEBER CITY, UT 84032
COMM. EXPIRES 5-20-2007

EXHIBIT A

A PARCEL OF LAND LOCATED IN SECTIONS 27, 28, 33 AND 34, TOWNSHIP 3 SOUTH, RANGE 5 EAST, SALT LAKE BASE AND MERIDIAN, WASATCH COUNTY, UTAH, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE EAST QUARTER CORNER OF SAID SECTION 34, THENCE NORTH 89°27'47" WEST, 1321.61 FEET; THENCE SOUTH 00°12'04" EAST, 1331.49 FEET; THENCE SOUTH 89°47'21" EAST, 565.58 FEET TO A CORNER OF A FENCE; THENCE ALONG SAID FENCE THE FOLLOWING FIVE COURSES AND DISTANCES: COURSE 1: SOUTH 42°42'11" EAST, 85.28 FEET; COURSE 2: SOUTH 39°09'02" WEST, 551.03 FEET; COURSE 3: SOUTH 42°22'49" EAST, 108.58 FEET; COURSE 4: SOUTH 34°57'40" WEST, 629.21 FEET; COURSE 5: SOUTH 27°28'30" WEST, 52.51 FEET TO THE NORTHERLY RIGHT OF WAY LINE OF CENTER STREET; THENCE ALONG LAST SAID LINE RUN THE FOLLOWING FIFTEEN (15) COURSES AND DISTANCES: COURSE 1: SOUTH 82°29'18" WEST, 236.90 FEET; COURSE 2: NORTH 89°43'51" WEST, 273.61; COURSE 3: SOUTH 89°40'28" WEST, 159.18 FEET TO THE ARC OF A CURVE LEADING SOUTHWESTERLY; COURSE 4: SOUTHWESTERLY, ALONG AND AROUND THE ARC OF SAID CURVE, CONCAVE NORTHEASTERLY, HAVING A RADIUS OF 798.74 FEET, AN ARC DISTANCE OF 65.47 FEET, SAID ARC BEING SUBTENDED BY A CHORD BEARING AND DISTANCE OF SOUTH 85°56'53" WEST, 65.45 FEET TO THE POINT OF TANGENCY OF SAID CURVE; COURSE 5: NORTH 89°59'30" WEST, 47.73 FEET TO THE ARC OF A CURVE LEADING NORTHWESTERLY; COURSE 6: NORTHWESTERLY, ALONG AND AROUND THE ARC OF SAID CURVE, CONCAVE NORTHEASTERLY, HAVING A RADIUS OF 1392.51 FEET, AN ARC DISTANCE OF 528.39 FEET, SAID ARC BEING SUBTENDED BY A CHORD BEARING AND DISTANCE OF NORTH 75°37'30" WEST, 525.22 FEET TO THE POINT OF TANGENCY OF SAID CURVE; COURSE 7: NORTH 66°57'16" WEST, 8.05 FEET TO THE ARC OF A CURVE LEADING NORTHWESTERLY; COURSE 8: NORTHWESTERLY, ALONG AND AROUND THE ARC OF SAID CURVE, CONCAVE SOUTHWESTERLY, HAVING A RADIUS OF 1125.00 FEET, AN ARC DISTANCE OF 392.89 FEET, SAID ARC BEING SUBTENDED BY A CHORD BEARING AND DISTANCE OF NORTH 76°57'33" WEST, 390.90 FEET TO THE POINT OF TANGENCY OF SAID CURVE; COURSE 9: NORTH 86°57'51" WEST, 479.23 FEET TO THE ARC OF A CURVE LEADING SOUTHWESTERLY; COURSE 10: SOUTHWESTERLY, ALONG AND AROUND THE ARC OF SAID CURVE, CONCAVE SOUTHEASTERLY, HAVING A RADIUS OF 700.00 FEET, AN ARC DISTANCE OF 282.84 FEET, SAID ARC BEING SUBTENDED BY A CHORD BEARING AND DISTANCE OF SOUTH 81°27'38" WEST, 280.92 FEET TO THE POINT OF TANGENCY OF SAID CURVE; COURSE 11: SOUTH 69°53'06" WEST, 724.11 FEET TO THE ARC OF A CURVE LEADING SOUTHWESTERLY; COURSE 12: SOUTHWESTERLY, ALONG AND AROUND THE ARC OF SAID CURVE, CONCAVE NORTHWESTERLY, HAVING A RADIUS OF 1396.93 FEET, AN ARC DISTANCE OF 493.36 FEET, SAID ARC BEING SUBTENDED BY A CHORD BEARING AND DISTANCE OF SOUTH 79°58'49" WEST, 490.80 FEET TO THE POINT OF TANGENCY OF SAID CURVE; COURSE 13: NORTH 89°55'27" WEST, 699.41 FEET TO THE EASTERLY AND NORTHERLY BOUNDARY OF THE RED LEDGES BOUNDARY PLAT, BY: WILDING

ENGINEERING, INC.; COURSE 14: SOUTH 00°37'53" WEST 3.09 FEET; COURSE 15: SOUTH 89°50'25" WEST, 1242.62 FEET TO THE WATER TANK PARCEL, THENCE ALONG SAID PARCEL THE FOLLOWING FIVE (5) COURSES AND DISTANCES: COURSE 1: NORTH 00°38'18" WEST, 610.28 FEET; COURSE 2: NORTH 33°22'32" EAST, 628.59 FEET TO A 100.0 FOOT RADIUS NON TANGENT CURVE; COURSE 3: ALONG THE ARC OF A 100.0 FOOT RADIUS NON-TANGENT CURVE TO THE LEFT, CENTER BEARS NORTH 27°37'50" EAST, THROUGH A CENTRAL ANGLE OF 348°31'28" AND ARC DISTANCE OF 608.27 FEET; COURSE 4: SOUTH 33°22'32" WEST 634.71 FEET; COURSE 5: SOUTH 00°38'18" EAST 616.31 FEET, RETURNING TO THE NORTH LINE OF CENTER STREET; THENCE ALONG SAID NORTH LINE THE FOLLOWING FOUR (4) COURSE AND DISTANCES: COURSE 1: SOUTH 89°44'42" WEST, 747.65 FEET; COURSE 2: SOUTH 89°58'28" WEST, 588.89 FEET; COURSE 3: SOUTH 89°41'17" WEST, 230.66 FEET; COURSE 4: SOUTH 89°21'43" WEST, 1272.98 FEET TO EASTERLY; THENCE ALONG THE EASTERLY LINE, AND LINE EXTENDED OF THE LDS CENTER STREET CHURCH PROPERTY AS SHOWN ON THAT CERTAIN SURVEY FILED FOR RECORD AS OWC-035-0333-0419, ON OCTOBER 25, 1995, IN THE OFFICES OF WASATCH COUNTY, STATE OF UTAH, THENCE ALONG SAID LDS CHURCH PARCEL THE FOLLOWING SIX (6) COURSES AND DISTANCES: COURSE 1: NORTH 19°12'05" EAST 112.98 FEET; COURSE 2: NORTH 15°57'05" EAST, 127.91 FEET; COURSE 3: NORTH 32°26'33" EAST, 61.51 FEET; COURSE 4: NORTH 38°29'54" EAST, 105.48 FEET; COURSE 5: NORTH 28°37'50" EAST, 45.34 FEET; COURSE 6: NORTH 12°33'26" EAST, ALONG SAID EASTERLY LINE, AND LINE EXTENDED 27.82 FEET, TO THE SOUTH LINE OF TIMP MEADOWS EAST SUBDIVISION PHASE 2, RECORDED IN BOOK 501, PAGES 686-695, ENTRY NO. 232941; THENCE ALONG SAID TIMP MEADOWS EAST LINE THE FOLLOWING FIVE (5) COURSES AND DISTANCES: COURSE 1: SOUTH 89°16'30" EAST, 0.24 FEET; COURSE 2: NORTH 03°00'11" EAST, 60.22 FEET; COURSE 3: NORTH 07°59'36" WEST, 1026.65 FEET; COURSE 4: NORTH 27°45'20" WEST, 167.54 FEET; COURSE 5: NORTH 64°07'24" WEST, 225.76 FEET, TO THE EASTERLY LINE OF THE TIMP MEADOWS EAST SUBDIVISION PHASE 3, RECORDED IN BOOK 528, PAGES 125-134, ENTRY NO. 238508; THENCE ALONG SAID TIMP MEADOWS EAST SUBDIVISION PHASE 3 EAST LINE NORTH 03°32'37" EAST, 22.23 FEET; THENCE NORTH 89°24'21" EAST 818.35 FEET; THENCE NORTH 00°34'07" WEST 2205.00 FEET TO THE EAST-WEST 40 ACRE LINE OF THE NORTHWEST QUARTER OF SAID SECTION 33; THENCE NORTH 89°24'37" EAST, ALONG SAID 40 ACRE LINE 441.24 FEET; THENCE SOUTH 00°35'23" EAST 17.60 FEET TO THE CORNER OF AN EXISTING FENCE; THENCE ALONG SAID FENCE NORTH 89°52'01" EAST 1110.58 FEET; THENCE LEAVING SAID FENCE NORTH 00°07'41" EAST 27.45 FEET TO THE TO THE EAST-WEST QUARTER SECTION LINE OF SAID SECTION 33; THENCE NORTH 89°14'45" EAST, ALONG THE EAST-WEST 40 ACRE LINE OF THE NORTHEAST QUARTER OF SAID SECTION 33, 2.68 FEET, THENCE NORTH 00°08'18" EAST, 336.84 FEET; THENCE SOUTH 89°14'18" WEST, 332.86 FEET TO THE QUARTER SECTION LINE OF SAID SECTION 33; THENCE NORTH 00°07'51" EAST, ALONG LAST SAID LINE, 1000.40 FEET TO THE SOUTH QUARTER CORNER OF SAID SECTION 28; THENCE NORTH 00°23'42" WEST, 3982.55 FEET; THENCE NORTH 89°33'40" EAST, 2703.62 FEET TO THE WEST SECTION LINE OF SAID SECTION 27; THENCE NORTH 00°05'54" WEST, 1316.61 FEET TO THE NORTHWEST CORNER OF SAID SECTION 27; THENCE NORTH 89°49'35" EAST, ALONG THE NORTH SECTION LINE OF SAID SECTION 27, 5289.47 FEET; THENCE

SOUTH 00°09'19" WEST, ALONG THE EAST LINE OF SAID SECTION 27, A DISTANCE OF 5256.54 FEET TO THE SOUTHEAST CORNER OF SAID SECTION 27; THENCE SOUTH 00°02'56" EAST, ALONG THE EAST LINE OF SAID SECTION 34, A DISTANCE OF 2776.76 FEET BACK TO THE POINT OF BEGINNING.

LESS AND EXCEPTING:

A PARCEL OF LAND LOCATED IN THE NORTHEAST QUARTER OF SECTION 33, TOWNSHIP 3 SOUTH, RANGE 5 EAST, SALT LAKE BASE AND MERIDIAN, WASATCH COUNTY, UTAH, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT SOUTH 00°00'46" EAST, 131.99 FEET FROM THE NORTHEAST CORNER OF SAID SECTION 33; THENCE SOUTH 00°0'46" EAST, 528.02 FEET; THENCE SOUTH 88°41'25" WEST, 1333.03 FEET; THENCE NORTH 00°05'29" EAST, 536.55 FEET; THENCE NORTH 89°03'22" EAST, 1332.32 FEET BACK TO THE POINT OF BEGINNING.

Commencing at a point that is 662.10 feet North 00°18'46" East from the Southeast corner of Section 33, Township 3 South, Range 5 East, Salt Lake Base and Meridian; and running thence South 89°33'45" West 345.15 feet; thence South 00°29'18" West 680.17 feet to the fence line on the South side of Lake Creek Road; thence South 89°50'03" West 1963.17 feet along the fence line on the South of Lake Creek Road; thence North 89°52'32" West 424.34 feet along the fence line on the South side of Lake Creek Road; thence South 89°47'32" West 1714.51 feet along fence line on South side of Lake Creek Road; thence North 00°11'40" West 52.15 feet; thence North 19°11'41" East 112.98 feet; thence North 15°56'41" East 127.91 feet; thence North 32°26'09" East 61.51 feet; thence North 38°29'30" East 105.48 feet; thence North 28°37'26" East 45.34 feet; thence North 12°33'02" East 27.82 feet; thence South 89°16'54" East 0.24 feet; thence North 02°59'47" East 60.22 feet; thence North 08°00'00" West 1026.65 feet; thence North 27°45'44" West 167.54 feet; thence North 64°07'48" West 225.76 feet; thence North 03°33'41" East 894.05 feet to the quarter section line of said Section 33; thence South 89°26'04" West 709.94 feet along the quarter section line of Section 33 to the West line of Section 33; thence North 00°01'24" East 531.66 feet along the West line of Section 33 to the South line of lot 7 of the Sage Acres Subdivision; thence North 89°19'55" East 20.18 feet along the South line of lot 7; thence North 00°40'05" West 802.12 feet along the East line of the Sage Acres Subdivision; thence North 89°58'44" West 10.50 feet along the North line of lot 1 of Sage Acres Subdivision; thence North 00°01'24" East 1.28 feet along the West section line of Section 33 to the North one sixteenth line of said section 33; thence North 89°24'13" East 2673.54 feet along the North one sixteenth line of Section 33; thence North 89°13'55" East 2666.51 feet along the North one sixteenth line to the East line of Section 33; thence South 00°01'09" East 1346.08 feet along the East line of said section 33; thence South 00°18'46" West 2051.14 feet along the East line of Section 33 to the point of beginning. Containing: 436.36 acres more or less.

ORIGINAL

INTERLOCAL AGREEMENT REGARDING THE "RED LEDGES" PROPERTY

This Interlocal Agreement (hereafter "Agreement") is made by and among Wasatch County, Utah (hereafter "County"), Heber City (hereafter "City"), and Twin Creeks Special Service District (hereafter "Twin Creeks"), political subdivisions of the State of Utah, regarding the development of the "Red Ledges" property, located in Wasatch County and Heber City. The owners of this property, Red Ledges, LLC, a Florida Limited Liability Company having offices at 18001 Old Cutler Road, Suite 460, Miami, Florida 33157 (hereafter "Red Ledges"), is also a party to this Agreement.

WITNESSETH:

WHEREAS, Red Ledges is the owner of approximately 1,900 acres of land in Wasatch County and Heber City described as follows (hereafter the "Property"):

A PARCEL OF LAND LOCATED IN SECTIONS 27, 28, 33 AND 34, TOWNSHIP 3 SOUTH, RANGE 5 EAST, SALT LAKE BASE AND MERIDIAN, WASATCH COUNTY, UTAH, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE EAST QUARTER CORNER OF SAID SECTION 34, THENCE NORTH 89°27'47" WEST, 1321.61 FEET; THENCE SOUTH 00°12'04" EAST, 1331.49 FEET; THENCE SOUTH 89°47'21" EAST, 565.58 FEET TO A CORNER OF A FENCE; THENCE ALONG SAID FENCE THE FOLLOWING FIVE COURSES AND DISTANCES: COURSE 1: SOUTH 42°42'11" EAST, 85.28 FEET; COURSE 2: SOUTH 39°09'02" WEST, 551.03 FEET; COURSE 3: SOUTH 42°22'49" EAST, 108.58 FEET; COURSE 4: SOUTH 34°57'40" WEST, 629.21 FEET; COURSE 5: SOUTH 27°28'30" WEST, 52.51 FEET TO THE NORTHERLY RIGHT OF WAY LINE OF CENTER STREET; THENCE ALONG LAST SAID LINE RUN THE FOLLOWING FIFTEEN (15) COURSES AND DISTANCES: COURSE 1: SOUTH 82°29'18" WEST, 236.90 FEET; COURSE 2: NORTH 89°43'51" WEST, 273.61; COURSE 3: SOUTH 89°40'28" WEST, 159.18 FEET TO THE ARC OF A CURVE LEADING SOUTHWESTERLY; COURSE 4: SOUTHWESTERLY, ALONG AND AROUND THE ARC OF SAID CURVE, CONCAVE NORTHEASTERLY, HAVING A RADIUS OF 798.74 FEET, AN ARC DISTANCE OF 65.47 FEET, SAID ARC BEING SUBTENDED BY A CHORD BEARING AND DISTANCE OF SOUTH 85°56'53" WEST, 65.45 FEET TO THE POINT OF TANGENCY OF SAID CURVE; COURSE 5: NORTH 89°59'30" WEST, 47.73 FEET TO THE ARC OF A CURVE LEADING NORTHWESTERLY; COURSE 6: NORTHWESTERLY, ALONG AND AROUND THE ARC OF SAID CURVE, CONCAVE NORTHEASTERLY, HAVING A RADIUS OF 1392.51 FEET, AN ARC DISTANCE OF 528.39 FEET, SAID ARC BEING SUBTENDED BY A CHORD BEARING AND DISTANCE OF NORTH 75°37'30" WEST, 525.22 FEET TO THE POINT OF TANGENCY OF SAID CURVE; COURSE 7: NORTH 66°57'16" WEST, 8.05 FEET TO THE ARC OF A CURVE LEADING NORTHWESTERLY; COURSE 8: NORTHWESTERLY, ALONG AND AROUND THE ARC OF SAID CURVE, CONCAVE SOUTHWESTERLY, HAVING A RADIUS OF 1125.00 FEET, AN ARC DISTANCE OF 392.89 FEET, SAID ARC BEING SUBTENDED BY A CHORD BEARING AND DISTANCE OF NORTH 76°57'33" WEST, 390.90 FEET TO THE POINT OF TANGENCY OF SAID CURVE; COURSE 9: NORTH 86°57'51" WEST, 479.23 FEET TO THE ARC OF A CURVE LEADING SOUTHWESTERLY; COURSE 10: SOUTHWESTERLY, ALONG AND AROUND THE ARC OF SAID CURVE, CONCAVE SOUTHEASTERLY, HAVING A RADIUS OF 700.00 FEET, AN ARC DISTANCE OF 282.84 FEET, SAID ARC BEING SUBTENDED BY A CHORD BEARING AND DISTANCE OF SOUTH 81°27'38"

WEST, 280.92 FEET TO THE POINT OF TANGENCY OF SAID CURVE; COURSE 11: SOUTH 69°53'06" WEST, 724.11 FEET TO THE ARC OF A CURVE LEADING SOUTHWESTERLY; COURSE 12: SOUTHWESTERLY, ALONG AND AROUND THE ARC OF SAID CURVE, CONCAVE NORTHWESTERLY, HAVING A RADIUS OF 1396.93 FEET, AN ARC DISTANCE OF 493.36 FEET, SAID ARC BEING SUBTENDED BY A CHORD BEARING AND DISTANCE OF SOUTH 79°58'49" WEST, 490.80 FEET TO THE POINT OF TANGENCY OF SAID CURVE; COURSE 13: NORTH 89°55'27" WEST, 699.41 FEET TO THE EASTERLY AND NORTHERLY BOUNDARY OF THE RED LEDGES BOUNDARY PLAT, BY: WILDING ENGINEERING, INC.; COURSE 14: SOUTH 00°37'53" WEST 3.09 FEET; COURSE 15: SOUTH 89°50'25" WEST, 1242.62 FEET TO THE WATER TANK PARCEL, THENCE ALONG SAID PARCEL THE FOLLOWING FIVE (5) COURSES AND DISTANCES: COURSE 1: NORTH 00°38'18" WEST, 610.28 FEET; COURSE 2: NORTH 33°22'32" EAST, 628.59 FEET TO A 100.0 FOOT RADIUS NON TANGENT CURVE; COURSE 3: ALONG THE ARC OF A 100.0 FOOT RADIUS NON-TANGENT CURVE TO THE LEFT, CENTER BEARS NORTH 27°37'50" EAST, THROUGH A CENTRAL ANGLE OF 348°31'28" AND ARC DISTANCE OF 608.27 FEET; COURSE 4: SOUTH 33°22'32" WEST 634.71 FEET; COURSE 5: SOUTH 00°38'18" EAST 616.31 FEET, RETURNING TO THE NORTH LINE OF CENTER STREET; THENCE ALONG SAID NORTH LINE THE FOLLOWING FOUR (4) COURSE AND DISTANCES: COURSE 1: SOUTH 89°44'42" WEST, 747.65 FEET; COURSE 2: SOUTH 89°58'28" WEST, 588.89 FEET; COURSE 3: SOUTH 89°41'17" WEST, 230.66 FEET; COURSE 4: SOUTH 89°21'43" WEST, 1272.98 FEET TO EASTERLY; THENCE ALONG THE EASTERLY LINE, AND LINE EXTENDED OF THE LDS CENTER STREET CHURCH PROPERTY AS SHOWN ON THAT CERTAIN SURVEY FILED FOR RECORD AS OWC-035-0333-0419, ON OCTOBER 25, 1995, IN THE OFFICES OF WASATCH COUNTY, STATE OF UTAH, THENCE ALONG SAID LDS CHURCH PARCEL THE FOLLOWING SIX (6) COURSES AND DISTANCES: COURSE 1: NORTH 19°12'05" EAST 112.98 FEET; COURSE 2: NORTH 15°57'05" EAST, 127.91 FEET; COURSE 3: NORTH 32°26'33" EAST, 61.51 FEET; COURSE 4: NORTH 38°29'54" EAST, 105.48 FEET; COURSE 5: NORTH 28°37'50" EAST, 45.34 FEET; COURSE 6: NORTH 12°33'26" EAST, ALONG SAID EASTERLY LINE, AND LINE EXTENDED 27.82 FEET, TO THE SOUTH LINE OF TIMP MEADOWS EAST SUBDIVISION PHASE 2, RECORDED IN BOOK 501, PAGES 686-695, ENTRY NO. 232941; THENCE ALONG SAID TIMP MEADOWS EAST LINE THE FOLLOWING FIVE (5) COURSES AND DISTANCES: COURSE 1: SOUTH 89°16'30" EAST, 0.24 FEET; COURSE 2: NORTH 03°00'11" EAST, 60.22 FEET; COURSE 3: NORTH 07°59'36" WEST, 1026.65 FEET; COURSE 4: NORTH 27°45'20" WEST, 167.54 FEET; COURSE 5: NORTH 64°07'24" WEST, 225.76 FEET, TO THE EASTERLY LINE OF THE TIMP MEADOWS EAST SUBDIVISION PHASE 3, RECORDED IN BOOK 528, PAGES 125-134, ENTRY NO. 238508; THENCE ALONG SAID TIMP MEADOWS EAST SUBDIVISION PHASE 3 EAST LINE NORTH 03°32'37" EAST, 22.23 FEET; THENCE NORTH 89°24'21" EAST 818.35 FEET; THENCE NORTH 00°34'07" WEST 2205.00 FEET TO THE EAST-WEST 40 ACRE LINE OF THE NORTHWEST QUARTER OF SAID SECTION 33; THENCE NORTH 89°24'37" EAST, ALONG SAID 40 ACRE LINE 441.24 FEET; THENCE SOUTH 00°35'23" EAST 17.60 FEET TO THE CORNER OF AN EXISTING FENCE; THENCE ALONG SAID FENCE NORTH 89°52'01" EAST 1110.58 FEET; THENCE LEAVING SAID FENCE NORTH 00°07'41" EAST 27.45 FEET TO THE TO THE EAST-WEST QUARTER SECTION LINE OF SAID SECTION 33; THENCE NORTH 89°14'45" EAST, ALONG THE EAST-WEST 40 ACRE LINE OF THE NORTHEAST QUARTER OF SAID SECTION 33, 2.68 FEET, THENCE NORTH 00°08'18" EAST, 336.84 FEET; THENCE SOUTH 89°14'18" WEST, 332.86 FEET TO THE QUARTER SECTION LINE OF SAID SECTION 33; THENCE NORTH 00°07'51" EAST, ALONG LAST SAID LINE, 1000.40 FEET TO THE SOUTH QUARTER CORNER OF SAID SECTION 28; THENCE NORTH 00°23'42" WEST, 3982.55 FEET; THENCE NORTH 89°33'40" EAST, 2703.62 FEET TO THE WEST SECTION LINE OF SAID SECTION 27; THENCE NORTH 00°05'54" WEST, 1316.61 FEET TO THE NORTHWEST

CORNER OF SAID SECTION 27; THENCE NORTH 89°49'35" EAST, ALONG THE NORTH SECTION LINE OF SAID SECTION 27, 5289.47 FEET; THENCE SOUTH 00°09'19" WEST, ALONG THE EAST LINE OF SAID SECTION 27, A DISTANCE OF 5256.54 FEET TO THE SOUTHEAST CORNER OF SAID SECTION 27; THENCE SOUTH 00°02'56" EAST, ALONG THE EAST LINE OF SAID SECTION 34, A DISTANCE OF 2776.76 FEET BACK TO THE POINT OF BEGINNING.

LESS AND EXCEPTING:

A PARCEL OF LAND LOCATED IN THE NORTHEAST QUARTER OF SECTION 33, TOWNSHIP 3 SOUTH, RANGE 5 EAST, SALT LAKE BASE AND MERIDIAN, WASATCH COUNTY, UTAH, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT SOUTH 00°00'46" EAST, 131.99 FEET FROM THE NORTHEAST CORNER OF SAID SECTION 33; THENCE SOUTH 00°0'46" EAST, 528.02 FEET; THENCE SOUTH 88°41'25" WEST, 1333.03 FEET; THENCE NORTH 00°05'29" EAST, 536.55 FEET; THENCE NORTH 89°03'22" EAST, 1332.32 FEET BACK TO THE POINT OF BEGINNING.

WHEREAS Red Ledges desires to develop the Property as a signature recreational community with various amenities, intended to include a Jack Nicklaus Signature golf course, Cliff Drysdale Tennis Center, spa, fitness center, equestrian center, (hereinafter the "Project") and such other amenities as deemed appropriate by Red Ledges, its staff and advisors; and

WHEREAS Red Ledges has filed a petition to annex the Property into the City; and

WHEREAS the County and Twin Creeks have filed protests to the annexation with the Wasatch County Boundary Commission; and

WHEREAS the City and Red Ledges desire that the County and Twin Creeks withdraw their protests to Red Ledges' petition for annexation; and

WHEREAS Red Ledges, the County, Twin Creeks and City desire to agree and sign an agreement of understanding with respect to certain issues and aspects involving the Parties and the Project; and

WHEREAS the Utah Interlocal Cooperation Act, found in Utah Code Title 11, Chapter 13, provides a statutory mechanism and framework for the parties' agreements and understandings regarding the Property and the Project; and

WHEREAS, Red Ledges currently expects to commence construction of the Project no later than the Summer of 2007, subject to the County's, Twin Creeks and City's timely performance of their covenants and agreements herein; and

WHEREAS the parties hereto wish to set forth in this Interlocal Agreement their mutual understandings with respect to some terms to be followed to mitigate and administer the impact of the Project and come to an agreement with regard to the shared cost of said mitigation; and

WHEREAS the City is considering annexation of the Property, and in the event of such an annexation, City and Red Ledges will enter into additional agreements, not in conflict with this

Agreement, including but not limited to an Annexation Agreement and Master Plan Approvals which will contain additional requirements, considerations and stipulations pertaining to this Project and Development of the same, and

WHEREAS, because the primary purpose of this Agreement is to regulate the development of the Project and the Property, the City, the County, and Twin Creeks each desire to allow the owners of the Property, Red Ledges, to agree to and be bound by the terms of this Agreement; and

WHEREAS this Agreement does not create an interlocal entity, but only represents an interlocal agreement; and

NOW, THEREFORE, the City, the County, Twin Creeks, and Red Ledges hereby agree as follows:

1. Duration of Agreement: This Agreement shall endure for 50 years. However, the payments made and the property deeded hereunder shall be permanent transactions.

2. Purposes: The purposes of this Agreement are to establish a mutually cooperative arrangement among the City, the County and Twin Creeks in regulating the development of the Red Ledges Property, and to establish mutually enforceable general regulations regarding this Property and the associated Project.

3. Financing: Each party to this Agreement will perform their obligations under this Agreement with each's own funds.

4. Termination: This Agreement may be terminated at the conclusion of 50 years or after the Property has been fully developed to the extent permissible under law. However, in the event all parties agree that this Agreement is no longer necessary, it may be terminated by the unanimous stipulation of the parties.

5. Withdrawal of Protests: The County and Twin Creeks agree to withdraw the protests they have each filed, pursuant to Utah Code Ann. §10-2-407 (2003), relating to Red Ledges' petition for annexation into Heber City. The County and Twin Creeks further consent to allow the annexation process to continue under the jurisdiction of Heber City.

6. Water, Secondary Water, and Sewer Services: Twin Creeks agrees to provide all water, secondary water, and sewer service for the Project according to the Rules, Policies, and Procedures of Twin Creeks. Red Ledges shall transfer the necessary water shares to Twin Creeks and shall be responsible for all costs associated with the delivery of water, secondary water, and sewer services. Residential properties will service their irrigation needs through the primary potable water system. County and City agree that the entire Project will be annexed into Twin Creeks and be served by the same. Secondary water will be provided by Twin Creeks for golf courses and other common areas. Twin Creeks further agrees to consider the issuance of bonds for infrastructure costs if requested by Red Ledges.

7. Bypass Road:

a. Red Ledges agrees to grant a 66-foot-wide easement to the City for a bypass road (hereafter "Bypass Road") running south to north near the eastern boundary of the proposed park area depicted in the Red Ledges Master Plan, between Lake Creek Road and the southern boundary of the Wasatch View Estates, as shown on Exhibit B attached hereto (hereafter "Bypass Road"). The centerline of the Bypass Road will be within 100 feet of the following described centerline:

A 66' FOOT RIGHT OF WAY, (33' EACH SIDE OF CENTERLINE) LOCATED IN SECTION 33, TOWNSHIP 3 SOUTH, RANGE 5 EAST, SALT LAKE BASE AND MERIDIAN, WASATCH COUNTY, UTAH, BEING MORE PARTICULARY DESCRIBED AS FOLLOWS

BEGINNING AT A POINT OF SAID RIGHT OF WAY, SAID POINT LIES 1353.17 FEET SOUTH 89° 49'54" WEST AND 24.03 FEET NORTH 00°32'07" WEST FROM THE SOUTH QUARTER CORNER OF SAID SECTION 33, AND RUNNING THENCE NORTH 00°32'07" WEST, 153.84 FEET TO THE ARC OF A 800.00 FOOT RADIUS CURVE TO THE RIGHT; THENCE ALONG THE ARC OF SAID 800.00 FOOT RADIUS CURVE 160.88 FEET(CHORD BEARS NORTH 05°13'32" EAST 160.61 FEET); THENCE NORTH 10°59'12" EAST 232.03 FEET TO THE ARC OF A 600.00 FOOT RADIUS CURVE TO THE LEFT; THENCE ALONG THE ARC OF SAID 600.00 FOOT RADIUS CURVE 258.27 FEET(CHORD BEARS NORTH 01°20'41" WEST 256.28 FEET); THENCE NORTH 13°40'34" WEST 243.16 FEET TO THE ARC OF A 600.00 FOOT RADIUS CURVE TO THE RIGHT; THENCE ALONG THE ARC SAID 600.00 FOOT RADIUS CURVE 459.72 FEET(CHORD BEARS NORTH 08°16'26" EAST 448.56 FEET); THENCE NORTH 30°13' 27" EAST, 190.37 FEET TO THE ARC OF A 300 FOOT RADIUS CURVE TO THE LEFT; THENCE ALONG THE ARC OF SAID 300.00 FOOT RADIUS CURVE 161.30 FEET (CHORD BEARS NORTH 14°49'16" EAST 159.36 FEET); THENCE NORTH 00°34'55" WEST, 2204.96 FEET TO THE POINT OF TERMINATION.

b. No driveways will be allowed to access the Bypass Road, and no on-street parking will be allowed on the Bypass Road.

c. Red Ledges, at its own expense, will construct the Bypass Road pursuant to City Standards; and when it is completed, Red Ledges will deed the underlying land to the City and the City will maintain the Bypass Road in perpetuity. Red Ledges shall plant and maintain the landscaping associated with the public park and Bypass Road in perpetuity.

d. Red Ledges will obtain, in a timely manner, a 66-foot right-of-way for a road running east to west along the north boundary of the property currently referred to as the "Stone Creek Development," and through the lot described as Sage Acres Lot #1, which is located on Mill Road in Heber City, to connect the Bypass Road to Mill Road (hereafter the "Connection Road"). No on-street parking or driveway access will be allowed on the Connection Road. Heber City and Red Ledges will equally

share the cost to acquire Sage Acres Lot #1, at the total cost of approximately $190,000.

e. Red Ledges, at its own expense, will construct the Connection Road pursuant to the City's Standards and under the City's direction.

f. Red Ledges will complete the construction of both the Bypass Road and the Connection Road within one year of the City's final plat approval of the Project's first phase.

8. Open Space: Within six months of the City's final plat approval of the Project's first phase, Red Ledges will convey, to a third-party acceptable to the County and Red Ledges, a conservation easement covering approximately 400 acres in the northeast quadrant of the Property (hereafter "Open Space"). In the event that the County and Red Ledges cannot agree on a third-party to hold the conservation easement, the joint board set forth in paragraph 21 will select one. Exhibit "A," attached hereto, illustrates the approximate location and outline of the 400 acres of Open Space. Exhibit "B," attached hereto, sets forth the terms of the conservation easement that will be used. Red Ledges will immediately thereafter, and within six months of the City's final plat approval of the Project's first phase, convey the fee title in the Open Space to the County. In the event that Red Ledges becomes insolvent or sells, conveys, transfers, or assigns any interest in the Property or the Project to any individual or entity—not including normal financing requirements conducted in the ordinary course of business or the sale of improved lots—the Open Space shall be immediately conveyed as set forth in this paragraph. Red Ledges shall be entitled to permit its residents and prospective buyers to utilize the trails in the Open Space to an equal extent as any other County resident or member of the public.

9. City's Widening of Center Street: Red Ledges shall provide financial assistance to the City to renovate the City's Center Street between Main Street and Mill Road up to a maximum of one-third of the cost of such renovation, with Red Ledges' share of this expense not to exceed One Million Dollars ($1,000,000.00). Said monies shall be paid to the City when the City initiates the project to widen Center Street (hereafter "Center Street Project") or by January 1, 2012, but in any event no sooner than January 2009 or 180 days after final plat approval of the Project's first phase, whichever first occurs, and no later than January 2012. In the event the Center Street Project has not been initiated by January 2012, Red Ledges shall deposit $1,000,000 into an escrow account administered by a third party and upon terms and conditions satisfactory to both the City and Red Ledges, provided that the City shall be entitled to any interest earned on said deposit. The City shall consult and confer with Red Ledges regarding the prioritization of expenditures, aesthetic impacts and the timing of improvement.

10. Density: The density determination of the Red Ledges Recreational Community will be set at 1,370 residential units for the land currently owned by it.

11. Storm Drain: The Parties agree that the storm drain system to be installed on the Red Ledges property will be designed to City standards.

12. Fire District Inspections: The Parties agree that the Wasatch County Fire District will perform all fire inspections related to the Property, and it will collect the same fire inspection fees for the Project and the Property that are assessed on a county-wide basis.

13. Project's Interior Roads: The Parties agree that the County's current 26' wide asphalt paving standard will be used for all roads, with rolled curb and gutter in Red Ledges. Sidewalks will only be required if Red Ledges determines they are needed. If needed, sidewalks will only be on one side of the street and will be 4' wide. Maintenance of and services surrounding any such roads shall be administered pursuant to Paragraph 14 below.

14. Gated Community: The Parties agree that Red Ledges Recreational Community will be and shall forever remain, at the election of the HOA, a fully private and gated community, said agreement to be enforceable by the HOA and/or Red Ledges. All roads and storm drain systems within the Community will be maintained by and at the expense of the HOA.

15. Grading Permits for Golf Course: Upon master plan approval by the City and Twin Creeks water approval, the City agrees to forthwith issue grading permits for golf course construction.

16. Building Inspections: All building inspections will be performed by the City in a timely manner. The City will ensure that enough qualified inspectors are available for that purpose.

17. Engineering: The City shall, review all Project engineering documents. Twin Creeks shall be responsible to review engineering for the water and sewer systems, and will supply preliminary plans to the City for review and comment.

18. Planning: Planning for the Project will be done by the City pursuant to City standards. However, Red Ledges understands that the City's "PC" zone, which will apply to the Project, may be modified to be more similar to the County's PUD zone. The Director of Planning for the County will consult with and advise the City planning department as it refines the City's PC zone. The City will involve the Fire District and the County Planning Department in the review of the development proposals with the City's "Development Review Committee." The County's Planning Director will review and consult with the City Planning Department regarding each phase of the project. In the event of a disagreement between the City and the County regarding the planning of the Project, either party may refer the disagreement to the joint board identified by paragraph 21. All parties agree that the County's ridgeline ordinances and standards as currently in effect will apply to the Property and the

Project with the same force and effect as if the Project were occurring within the County's jurisdiction.

19. Fire Station: Within one year of the City's final plat approval of the Project's first phase, Red Ledges agrees to provide a one acre lot, with utilities stubbed to the lot, within the Project at a location to be selected by Red Ledges with access to Lake Creek Road, for use as a fire station. The County will build the station and pay for all improvements on the lot, subject to architectural design review of Red Ledges or the Home-owners Association (hereafter "HOA") as provided in the Project's CC&R's. This design review will only apply to exterior architectural features, and approval will not be unreasonably withheld. If the County determines not to build a station on this lot, said lot shall revert to Red Ledges for any use permitted by City ordinances. In the event that Red Ledges becomes insolvent or sells, conveys, transfers, or assigns any interest in the Property or the Project to any individual or entity—not including normal financing requirements conducted in the ordinary course of business or the sale of improved lots—the lot referred to herein shall be immediately conveyed.

20. Mitigation Fee: Red Ledges agrees to pay a mitigation fee to the County in the amount of $4,500,000, to be used for the common good and general benefit of the citizens of Wasatch County, for example, but not limited to, acquisition of open space, for creation of parks, and similar facilities. The fee will be structured as follows: one-third to be paid December 31, 2007, provided the initial final plat approval of the first phase is completed with sufficient time for Red Ledges to begin lot sales in 2007, otherwise, the first one-third will be paid within six months of the City's final plat approval of the Project's first phase; the second third to be paid by December 31, 2008, or within 18 months of the City's final plat approval of the Project's first phase, whichever last occurs; and the final third to be paid by December 31, 2009, or within 30 months of the City's final plat approval of the Project's first phase, whichever last occurs. In the event that Red Ledges becomes insolvent or sells, conveys, transfers, or assigns any interest in the Property or the Project to any individual or entity—not including normal financing requirements conducted in the ordinary course of business or the sale of improved lots—the mitigation fee set forth herein shall become immediately due and payable.

21. Joint Board: Pursuant to Utah Code Section 11-13-207(1)(b), this Agreement shall be administered by a joint board consisting of six members, three appointed by the City and three appointed by the County. Four board-members shall constitute a quorum. Matters may be submitted to the joint board at the request of any two members of the joint board, and it shall render its decision within thirty (30) days of the submission. Any matter contemplated by this Agreement may be submitted to this joint board, but the joint board shall have no authority to violate, interpret, or change City's codes or ordinances. The joint board may adopt rules and bylaws as appropriate for the internal operation of the joint board. If a two-thirds majority (4) of the entire committee cannot agree with reference to any decision to be made, the

matter in dispute shall be submitted to the Mountainlands Association of Governments for arbitration. Provided, however, this dispute resolution mechanism shall not be construed as authorizing any material change to the Parties' rights and obligations under this Agreement, and no provision of this Agreement may be construed as giving Red Ledges the right to circumvent the City's planning and appeal process as set forth in the City's code and ordinances.

22. Effective Date: This Agreement shall be neither effective nor binding on any party until all parties have signed hereto. The effective date of this Agreement shall be the date of the last signature hereto.

23. Trail System: Red Ledges will provide a trail system that appropriately connects with the County trail system. Red Ledges will cooperate with the County Trail Planner to do so. Any dispute regarding the requirements of this paragraph may be referred to the joint board identified by paragraph 21.

C. Miscellaneous Provisions

24. Rescission: The parties recognize that while this Agreement anticipates the City's annexation of the Property, this Agreement does not bind the City to do so. In the event that the City decides not to annex the Property, all parties will be deemed to have rescinded this Agreement, and this Agreement shall become null and void and of no further force or effect.

25. Default, Noncompliance: In the event of a default under this Agreement or any non-compliance with the Agreement, any party may sue for injunctive relief, specific performance, and damages. The prevailing party or parties shall recover their costs and attorney's fees. Attorney fees for an attorney employed full-time by a governmental agency shall be calculated by using the same rate as the average rate for attorney's fees charged by privately employed attorneys in the State of Utah who have a similar number of years' experience as the governmental agency's attorney.

26. Forum: This Agreement and all matters pertaining to the validity, construction, interpretation, and effect of this Agreement shall be governed by the laws of the State of Utah. Any litigation regarding this Agreement shall take place in the Fourth District Court, Heber Department, in the State of Utah.

27. Severability: If any provision of this Agreement, or the application thereof to any person or circumstances, shall for any reason and to any extent be invalid or unenforceable, the remainder of this Agreement and the application of such provision to the other persons or circumstances shall not be affected thereby, but rather shall be enforced to the greatest extent permitted by law.

28. Entire Agreement: This Agreement contains the entire understanding and agreement between the Parties, and all preceding agreements are merged herewith. It is expressly understood and agreed that this Agreement may not be altered, amended, or otherwise modified in any respect except by a written instrument, duly executed by all Parties hereto.

29. Additional Documents: The Parties agree to cooperate fully and execute any and all supplementary documents and to take all necessary actions that may be necessary or appropriate to give full force and effect to the basic terms and intent of this Agreement.

30. Successors in Interest: This Agreement shall be binding upon and inure to the benefit of the Parties hereto and their successors and assigns.

31. Jointly Drafted: The Parties agree that this Agreement is the product of a negotiation between the Parties. The Agreement, therefore, shall be deemed to have been drafted jointly by all of the Parties.

32. Authorization: Each person executing this Agreement on behalf of any entity represents and warrants that they are duly authorized to sign on their behalf and to bind the entity.

a. Pursuant to Utah Code Section 11-13-202.5(1)(b), this Agreement must be approved by the legislative body of the public agencies who are parties to this Agreement. This approval will be reflected by the signature of the chair of such body on this Agreement.

b. Pursuant to Utah Code Section 11-13-202.5(2), the legislative body of each public agency which is a party to this Agreement shall adopt a resolution or ordinance approving this Agreement and specifying the effective date of the Agreement.

c. Pursuant to Utah Code Section 11-13-203(3), the legislative body of each public agency which is a party to this Agreement shall cause this Agreement to be reviewed by the attorney authorized to represent the public agency for review as to proper form and compliance with applicable law. This review will be reflected by the signature of such attorney to this Agreement.

33. Notice: Any notice to be given or other document to be delivered by any Party to the other or others hereunder may be delivered in person, or may be deposited in the United States mail, duly certified or registered, return receipt requested, with postage

prepaid, and addressed to the Party for whom intended, as follows:

WASATCH COUNTY
Attention: Council Chair
25 North Main Street
Heber City, Utah 84032

With a copy to:

Thomas Low, Esq.
805 West 100 South
Heber City, Utah 84032

HEBER CITY MAYOR
Attention: Mark Anderson
75 North Main Street
Heber City, Utah 84032

With a copy to:

J. Mark Smedley, Esq.
30 North Main
Heber City, Utah 84032

TWIN CREEKS SPECIAL SERVICE DISTRICT
Attn: Dan Matthews
55 South 500 East
Heber City, Utah 84032

RED LEDGES, L.L.C.
Attention: M. Anthony Burns
18001 Old Cutler Rd, Suite 460
Miami, FL 33157

With a copy to:

Craig V. Wentz, Esq.
50 South Main Street, Suite 1500
Salt Lake City, UT 84144

WASATCH COUNTY, A POLITICAL SUBDIVISION OF THE STATE OF UTAH:

Steve Farrell Dated: 2/21/2007

By: Steve Farrell, Wasatch County Council Chair

Dated: 2/21/2007

By: Michael Davis, Wasatch County Manager

APPROVED BY: Dated: 2/21/07

Thomas L. Low, Wasatch County Attorney

HEBER CITY, A MUNICIPAL CORPORATION:

Dated: 2/21/07

By: Mayor, David R. Phillips, Heber City,

APPROVED BY: Dated: 21st Feb. 2007

J. Mark Smedley, Heber City Attorney

TWIN CREEKS SPECIAL SERVICE DISTRICT:

Kendall Crittenden Dated: 2/21/07

By: Kendall Crittenden, Chair

APPROVED BY: Dated: 2/21/07

Attorney for Twin Creeks Special Service District

RED LEDGES, LLC, A FLORIDA LIMITED LIABILITY CO.

Dated: 2/21/07

By: Todd R. Cates, Vice President

Exhibit "A": Approximate Location and Outline Of 400 Acres Open Space



Exhibit "B": Terms of Conservation Easement

1. Purpose. It is the purpose of this Easement to assure that the Property will be retained predominantly in its natural, open space condition and to prevent any use of the Property that will significantly impair or interfere with the Conservation Values of the Property. Grantor intends that this Easement will confine the use of the Property to such activities as are consistent with the purpose and provisions of this Easement.

2. **Rights of Grantee.** To accomplish the purpose of this Easement the following rights are conveyed to Grantee by this Easement:

a) To preserve and protect the Conservation Values of the Property;

b) To enter upon the Property at reasonable times in order to monitor Grantor's compliance with and otherwise enforce the terms of this Easement; provided that such entry shall be upon prior reasonable notice to Grantor except in emergencies or cases of suspected deliberate violations, and Grantee shall not unreasonably interfere with Grantors' use and quiet enjoyment of the Property;

c) To prevent any activity on or use of the Property that is inconsistent with the purpose of this Easement and to require the restoration of such areas or features of the Property that may be damaged by any inconsistent activity or use; and

d) To review, comment upon, approve or object to any proposed plans relating to prohibited uses and permitted uses as set forth below.

3. **Prohibited Uses.** Any activity on or use of the Property inconsistent with the purpose of this Easement is prohibited. Without limiting the generality of the foregoing, the following activities and uses are expressly prohibited:

a) **Subdivision.** The division or subdivision or de facto subdivision of the Property into smaller parcels for any purpose.

b) **Structures and Improvements.** The construction or maintenance of any, houses, mobile homes, docks, and aircraft landing strips unless otherwise allowed herein.

c) **Mineral Development.** Surface mining, extraction or subsurface mining. Quarrying, excavating, or removing rocks, minerals, gravel, sand, topsoil, or other similar materials on or from the Property.

d) **Topography Modification.** Changes in the existing general topography of the landscape or land surface of the Property, excluding minor changes as a result of activities expressly permitted herein, unless such changes were caused by the forces of nature. Changing

the topography of the Property by placing on it any soil, land fill, or other material, except as necessary to conduct specific water preservation, collection and distribution purposes.

e) **Waste Disposal and Hazardous Materials.** Use of the Property for dumps, landfills, or the storage or deposit of waste materials of any kind. Placing, filling, storing or dumping on the Property of trash, debris, refuse, vehicle bodies, junk or waste. Using the Property for dumping, depositing, abandoning, discharging, storing, maintaining or releasing any gaseous, liquid, solid, radioactive or hazardous waste materials or pollutants of whatever nature on, in or over the ground or into the subsurface or groundwater of the Property. Dumping or other disposal of non-compostable refuse, animal carcasses, wildlife-attracting materials, or any other material which could reasonably be considered debris. Dumping ashes, sawdust, bark trash, rubbish or any other material or using the Property for dumps, landfills, or the storage or deposit of waste materials of any kind. Disposal of any waste materials generated by activities expressly permitted herein shall be in accordance with applicable state laws. Slash and other debris associated with timber harvesting activities shall be disposed of according to standard forestry practices. (This prohibition does not impose liability on Grantee, nor shall Grantee be construed as having liability as a "responsible party" under CERCLA or similar federal or state statutes.)

f) **Industrial, Commercial and Residential Activities.** The use of the Property for industrial, commercial (except grazing of livestock) or residential activities.

g) **Game Farming or Game Farm Animals.** Construction or operation of a game farm on the Property, or raising or holding game farm animals on the Property. "Game farm animals" include those animals regulated or prohibited by the Utah Legislature, the Division of Wildlife Resources, or the Department of Agriculture and Food.

h) **Commercial Feed Lot.** Establishing or maintaining any commercial feedlot on the Property. For purposes of this Easement, a commercial feedlot is defined as a permanently constructed, confined area or facility, within which the land is not grazed or cropped annually, used for purposes of engaging in the business of receiving and feeding livestock for hire.

i) **Signs and Billboards.** Placing any sign or billboard on the Property, except to state the name and address of the Property owner and manager; to advertise on-site activities which are permitted on the Property; to advertise the sale or rental of the Property; to identify natural environmental features; to give road or trail directions; or to control unauthorized entry or use of the Property. Signs shall be no larger than fifteen (15) square feet in area. This paragraph shall not prohibit Grantee from displaying such signs as it may customarily use to identify lands under conservation easement and the terms of such conservation easement; provided however, that the location of any such signs placed by Grantee shall be subject to receipt of Grantor's prior approval for same.

j. **Water Rights, Alteration of Water Course and Topography.** Use of the Property that would be detrimental to water quality or that would permanently alter the normal

water level and/or flow of surface or groundwater, except as is reasonable to carry out the permitted activities on the Property.

k. **Disturbance of Ecological Features.** Changing, disturbing, altering or impairing the significant relatively natural ecological features and values such as prime, unique, or important farmland soils; or the destruction of other significant conservation interests on the Property.

l. **Native Vegetation.** Conversion of native vegetation to exotic cover species or the introduction of non-native plant species. Cutting, removing, or destruction of native vegetation, except by grazing, haying, or other agricultural practices.

m. **Motor vehicle use.** Use of snowmobiles, motorcycles, or other motorized vehicles off of roads, trails or travelways established for that purpose, except for utilization of water rights, Water Facilities or property-maintenance purposes.

(i) **Exceptions.** Motor vehicles shall be allowed for the limited purpose of accessing the Property by the general public at entryways or the location of access roads on the periphery of the Property and for parking lots for the public. Off Highway vehicles (OHVs) such as, snowmobiles, motorcycles, All-terrain vehicles (ATV's), and other such recreational vehicles, as designated by Grantor, shall be allowed, but only on designated areas or designated trails established, and maintained by the Grantor for such use. Areas designated for such use may only be accessed through trail heads or access points established by Grantor and designated for that purpose. Areas located within 1000 feet of the developed property will be designated as Motorized Recreational Vehicle No Play Zones and under no circumstances shall such vehicles be allowed to operate within, nor shall any OHV trails be established within (1,000) feet of the developed property. All OHV's shall be equipped with regulation mufflers and not violate County sound ordinances then in effect.

n. **Trapping.** Animal trapping for purposes other than control of predatory animals which demonstrably have caused damage to property. Trapping methods employed must be selected for the target species, in accordance with Federal, state and local law and administered as humanely as is possible.

o. **Storage.** Keeping or storage on the Property of any automobiles, trucks, campers, travel trailers, motor homes, boats, heavy equipment, or other type of machinery not associated with property maintenance of water facilities.

4. **Reserved Rights.** Grantor reserves all rights accruing from its ownership of the Property, including the right to engage in, or permit or invite others to engage in, all uses of the Property that are not expressly prohibited herein and are not inconsistent with the purpose of this Easement. Without limiting the generality of the foregoing, the following rights are expressly reserved:

a. **Trails, low intensity uses and restrooms.** It is intended that there shall be constructed and maintained trails of various types (including but not limited to pedestrian, cycling, equestrian, and Off Highway Vehicle (OHV)) with trailheads, parking lots, gathering places and low intensive recreational facilities which would include restrooms with water, electricity and sewer connections which would be located on the Property.

b. **Grazing Rights.** Use of the Property for grazing of cattle, horses, sheep and goats is an express permitted use so long as conservation of the soils is maintained and the Property is not overgrazed as shall be determined by industry standards.

c. **Hunting.** Hunting of elk, deer, and rabbits, and all game birds such as shall be permitted by the Wildlife Resources Division of the State of Utah shall be a permitted use, subject to public safety restrictions on the discharging of firearms within proximity limits of residential housing as are determined by the Wasatch County Sheriff's Department.

d. **Facilities.** Grantor may maintain, replace, and repair the fences, roads and other improvements located on the Property as of the date of this Easement, as identified in the Baseline Documentation. Grantor may maintain, replace, and repair the existing fences, roads and other improvements identified in the Baseline Documentation, as may be necessary for the uses permitted by this Easement, provided such fence, road or improvement is maintained, replaced or repaired in its original approximate size and general location. If any or all of such facilities are removed or destroyed, Grantor may replace them with similar structures of the same size in the same location.

e. **Construction of additional items.** Grantor may construct additional fences and roads as may be necessary for the uses permitted by this Easement upon prior written approval by Grantee, as provided in Section 5 of this Easement. Grantor may construct fences along the exterior border of the Property without prior approval of Grantee. Drift fences may be constructed as necessary to control drifting snow.

f. **Maintenance.** Replacement or repair of existing fences within the Property boundaries and construction of new fences on the Property's exterior boundary shall be constructed in such a manner and with such materials as not to unduly endanger wildlife safety or to materially inhibit wildlife movement. Grantee's prior written approval, consistent with Section 5 of this Easement, must be obtained prior to replacing, repairing, or constructing any fencing on the Property that unduly endangers wildlife safety or that materially inhibits wildlife movement.

g. **Defensible space for fire protection.** Any existing or new structures are required to manage vegetation to reduce fire intensities. The recommended treatment of vegetation is dependent on fuel type (kinds of trees/shrubs/grass) and slope.

h. **Agricultural Chemicals.** Use of agricultural chemicals for the following purposes and under the following conditions:

(1) For the control of noxious weeds, other invasive exotic plant species and plants toxic to domestic livestock; provided that chemical herbicides may be used only in those amounts and with a frequency of application that constitute the minimum necessary for control; and, except with the prior approval of Grantee, that the herbicide is not applied by aerial spraying.

(2) For the control of agricultural, forest, or rangeland pests; provided that chemical biocides may be used only when no other reasonable and generally accepted method of control is effective, that the biocide is used only in those amounts and with a frequency of application constituting the minimum necessary to accomplish reasonable agricultural and residential purposes, that the biocide has minimal adverse effects on non-target species of plants or animals, and, except with the prior approval of Grantee, that the biocide is not applied by aerial spraying.

i. **Utilities and Easements**. Grantor may establish easements or rights of way for public utilities or communication facilities such as antennas, satellite dishes etc. and supporting structures and access roads. Such easements and uses may only be allowed if they can be established in locations or in a manner that will not significantly detract from the conservation values established herein. Such facilities may not be located within (1500) feet of the developed property.

5. **Review of Grantor Plans Pursuant to Prohibited Uses and Reserved Rights.** Before undertaking any activity pursuant to any reserved right under Section 4 above or any exception to a prohibited use under Section 3 above, Grantor shall submit to Grantee a detailed written plan describing the undertaking. Grantee shall have a period of forty-five (45) days from receipt of said plan to review said plan and make objections to same. All such objections shall be based upon inconsistencies between the plan and the purpose of this Easement or the Conservation Values of the Property. If within said (45) day period, Grantee makes no objections, then Grantee shall be deemed to have approved said plan, but nothing else not contained in the plan. If Grantee raises objections, the parties agree to meet and resolve in good faith all such objections prior to Grantor undertaking such development. If no agreement can be reached between the parties regarding the plan despite use of the parties' best efforts to do so, either one of the parties may submit the matter to binding arbitration. Any matter submitted to arbitration shall be submitted to and heard by the Salt Lake City Office of the American Arbitration Association in accordance with the then current Commercial Arbitration Rules of the American Arbitration Association.

6. **Grantee's Facilitation and Enhancement of Conservation Values**. Nothing set forth herein shall prevent Grantee from seeking to facilitate or enhance the Conservation Values of the Property or the purposes of this Easement. Before undertaking any such facilitation, improvement or enhancement of the Conservation Values, Grantee shall prepare and submit to Grantor a detailed written plan describing same. Grantor shall have a period of forty-five (45) days from receipt of said plan to review said plan and make objections to same. All such objections shall be based upon inconsistencies between the plan and the purposes of this

Easement and the Conservation Values of the Property; provided however, that such enhancements shall not be in derogation of the reserved rights or the exceptions to the prohibited uses reserved to Grantor in this Easement. If within said 45 day period, Grantor makes no objections, the Grantor shall be deemed to have approved said plan, but no other matters except those set forth in the plan. If Grantor raises objections, the parties agree to meet and resolve in good faith all such objections prior to Grantee undertaking such development.

7. **General Agreed Parameters for Certain Types of Improvements and Uses.** The parties agree to the following matters with regard to particular types of possible improvements or uses of the Property:

a. **Roads.** The parties agree that any road which is permitted and constructed will be constructed in such a fashion and manner so as to:

(1) minimize the width and length of such road;

(2) maximize the ability of the road to be reclaimed and returned to a natural state when it is no longer required or needed;

(3) minimize the road's impact on the Conservation Values of the Property.

8. **Structures and Other Improvements.** The parties agree that any structures or other improvement which are permitted and constructed will be constructed in such a fashion and manner so as to minimize the structure's impact on the Conservation Values of the Property.

9. **Access.** An express right of access by the general public is hereby granted to the Property and is conveyed by this Easement as may be controlled by the Grantor in strict compliance with Parks and Open Space General Plan of the Grantees and the preservation of water rights and water facilities.

10. **Modification.** If circumstances arise under which an amendment to or modification of the Easement would be appropriate, Grantor and the Grantee may jointly amend the Easement; provided that no amendment shall be allowed that affects the qualification of the Easement under the IRS Code 170 (h), or any regulation promulgated in this section, or the 'Land Conservation Easement Act' of Utah's statutes, Sections 57-18-1 to 57-18-7, successor statute or which affect the rights of DIC as contained in this Easement. Any such amendment shall be consistent with the purposes of the Easement, shall not affect its perpetual duration, shall not permit additional development or improvements to be undertaken on the Property other than development or improvements currently permitted by the Easement, and shall not impair any of the significant conservation values of the Property. Any such amendment shall be recorded in the official records of the county in which the Property is located. Any such proposed amendment would require (60) days notice to the public in writing and published in a daily newspaper for (3) consecutive weeks.



NOT TO SCALE

JACK JOHNSON COMPANY
Designing World Destinations
In-Person - 1777 Sun Peak Drive - Park City - Utah 84098
Telephone - 435.649.9000 -- Facsimile - 435.649.1820
www.jackjohnson.com

DATE:	November 22, 2006
DESIGNED BY:	dcj
DRAWN BY:	dcj
REVIEWED BY:	
PROJECT:	0649.0006.00
ISSUE:	Annex. App. & Master Plan

REVISIONS

2-22-07	REVISED MASTER PLAN

Burns
Red Ledges
Recreational Community

Master Plan | P1

FIRST AMENDMENT TO INTERLOCAL AGREEMENT
REGARDING THE "RED LEDGES" PROPERTY

This Agreement amends the Interlocal Agreement executed on February 21, 2007 (hereinafter the "Agreement") by and among Wasatch County, Utah, (hereinafter "County"), Heber City (hereinafter "City"), Twin Creeks Special Service District (hereinafter "Twin Creeks"), political subdivisions of the State of Utah, and Red Ledges LLC, a Florida Limited Liability Company, regarding the development of the "Red Ledges" property, located in Wasatch County and Heber City. Red Ledges Land Development, Inc., a Florida Corporation, (hereinafter "Red Ledges") is the successor in interest to all the rights and obligations of Red Ledges, LLC, under the February 21, 2007 Agreement and maintains offices at 2 S. Main Street, Suite 2-A, Heber City, UT 84032.

WHEREAS paragraph 7(f) of the Agreement specified that Red Ledges would complete construction of the Bypass Road and the Connection Road, as more particularly described therein, within one (1) year from the City's final plat approval of the Project's First Phase; and

WHEREAS final approval of the plat for the Project's First Phase occurred on October 12, 2007; and

WHEREAS an adjoining property owner, described in the Agreement as Stone Creek Development, has encountered delays in the installation of its required infrastructure adjoining the Bypass Road and Connection Road.

WHEREAS, the parties have agreed to extend the October 12, 2008 completion date for the Bypass Road and Connection Road as hereinafter set forth.

NOW, THEREFORE, the City, County, Twin Creeks and Red Ledges hereby agree as follows:

1. Extended Completion Date for the Bypass Road and Connection Road: The parties agree that the October 10, 2008 completion date is hereby extended through October 10, 2009.

2. Conditional Second Extension of the Completion Date for the Bypass Road and Connection Road. At the request of Red Ledges, the City, the County, and Twin Creeks, shall consent to a second extension of time for completion of the Bypass Road and Connection Road through October 10, 2010 in the event that either (1) Stone Creek encounters additional delay in the installation of the required infrastructure or, (2) Red Ledges encounters unforeseeable delays justifying the second extension.

3. Ratification: Except as expressly modified herein the Agreement is ratified, confirmed and declared to be in full force and effect by the parties hereto.

IN WITNESS WHEREOF the parties hereto have executed this First Amendment to the Agreement on the dates reflected opposite their respective signature elements as follows:

WASATCH COUNTY, A POLITICAL SUBDIVISION OF THE STATE OF UTAH:

Steve Farrell — Date: 9/26/08

By: Steve Farrell, Wasatch County Council Chair

Michael Davis — Date: 9-26-08

By: Michael Davis, Wasatch County Manager

APPROVED BY: Thomas L. Low — Date: 9-26-08

Thomas L. Low, Wasatch County Attorney

HEBER CITY, A MUNICIPAL CORPORATION:

David R. Phillips — Date: 8-21-08

By: Mayor, David R. Phillips, Heber City

APPROVED BY: J. Mark Smedley — Date: 23rd Oct. 2008

J. Mark Smedley, Heber City Attorney

TWIN CREEKS SPECIAL SERVICE DISTRICT:

Kendall Crittenden — Date: 2/5/2009

By: Kendall Crittenden, Chair

APPROVED BY: — Date: 5/5/09

Attorney for Twin Creeks Special Service District

RED LEDGES LAND DEVELOPMENT, INC., a Florida Corporation:

Todd Cates — Date: 8/26/08

By: Todd Cates, Vice President

W:\69387\AMDMNT92-First Amendment to Interlocal Agreement.doc

SECOND AMENDMENT TO INTERLOCAL AGREEMENT REGARDING THE "RED LEDGES" PROPERTY

This Agreement amends the Interlocal Agreement executed on February 21, 2007 (hereinafter the "Agreement") by and among Wasatch County, Utah, (hereinafter "County"), Heber City (hereinafter "City"), Twin Creeks Special Service District (hereinafter "Twin Creeks"), political subdivisions of the State of Utah, and Red Ledges LLC, a Florida Limited Liability Company, regarding the development of the "Red Ledges" property, located in Wasatch County and Heber City. Red Ledges Land Development, Inc., a Florida Corporation, (hereinafter "Red Ledges") is the successor in interest to all the rights and obligations of Red Ledges, LLC, under the February 21, 2007 Agreement and maintains offices at 2 S. Main Street, Suite 2-A, Heber City, UT 84032.

WHEREAS, the City, County and Red Ledges desire to have a public trail system that connects to a County wide trail system and reduce to writing a formal agreement that formalizes the trail requirements and expectations for the Red Ledges Development; and

WHEREAS, Paragraph 23 of the Interlocal Agreement specifies that Red Ledges "will provide a trail system that appropriately connects with the County trail system. Red Ledges will cooperate with the County Trail Planner to do so. Any dispute regarding the requirements of this paragraph may be referred to the joint board identified in paragraph 21 of the Interlocal Agreement."; and

WHEREAS, the City and County have overlapping responsibilities regarding the trails and the trail system; and

WHEREAS, the parties hereto desire a unified public trail system that avoids conflicts between the parties; and

WHEREAS, the City and Red Ledges have entered into written agreements regarding trails, specifically within an Annexation Agreement recorded in Book 942 Pages 1876-1883, a Master Plan Agreement recorded in Book 943 Pages 118-127, and a Subdivision Agreement recorded in Book 951 Pages 1860-1883 in the Wasatch County Recorder's Office; and

WHEREAS, the City has approved and permitted construction of Phase 1 improvements which include trails; and

[Last Whereas clause deleted.]

NOW, THEREFORE, the parties hereto agree as follows:

1. All public trails are to be built concurrent with City and County approved infrastructure, on a phase by phase basis. Phase 1 Trails are shown in Exhibit 1.
2. All trails that cross roads shall be identified as public or private with appropriate signage . Exhibit 2 shows those locations currently anticipated as requiring such signage. Exhibit 4 shows the agreed signage design.

3. Locations of public trails are shown in Exhibit 3. Excepting trails in open space that may be built in the future not at the expense of Red Ledges.
4. Trails are to meet County trail standards (as shown in Exhibit 4) except that grades may exceed over 10% in limited areas approved by Heber City, provided that best efforts should be made to not exceed the 10% grade requirement.
5. Trail connections shall be allowed for off-site public trails to connect to Red Ledges public trails at the five locations shown in Exhibit 2. With the approval of Red Ledges, Heber City and Wasatch County, additional connections beyond those shown in Exhibit 2 may be made within the Open Space Area that will be dedicated to Wasatch County, but not within the area of subdivision lots. Additional connections from off-site to the public trails through the Heber City Park may be allowed.
6. There shall be a 20' minimum width public trail easement dedicated on all plats over all public trails. However, all public trail easement plat dedications for back country trails, as identified in Exhibit 2, shall have a 10' minimum width.
7. The trail crossing at the 90 degree bend on the bypass shall be constructed in accordance with accepted standards approved by Heber City. Generally, the standards entail street surface painting (i.e. double white lines), ADA compliant curb cuts on each side of the road that are 8 feet wide, a sign for each direction of traffic to warn about pedestrians, a public trail sign on each side of the street, and adequate night lighting.
8. Except as provided herein, trail surfaces are to conform and be constructed by the developer to the profile standards shown on Exhibit 4 (asphalt, crushed rock etc).
9. As agreed in the subdivision agreement, public trails will be maintained by Heber City.
10. Except as expressly amended herein, the terms and provisions of the Interlocal Agreement dated February 21, 2007, and as amended by the First Amendment dated _____, remain in full force and effect.

IN WITNESS WHEREOF the Parties hereto have executed this Second Amendment to the Agreement on the dates reflected opposite their respective signature elements as follows:

WASATCH COUNTY A POLITICAL SUBDIVISION UNDER THE STATE OF UTAH

By: _____ Jan. 14 2013 ~~2009~~
Mike Davis, Wasatch County Manager Date

HEBER CITY A POLITICAL SUBDIVISION UNDER THE STATE OF UTAH

By: _____ Jan 14, 2013 ~~2009~~
David Phillips, Mayor Date

ATTEST:

Michelle Kellogg
Heber City Recorder

TWIN CREEKS SPECIAL SERVICE DISTRICT A POLITICAL SUBDIVISION UNDER THE STATE OF UTAH

By: _____
Manager, Twin Creeks Special Service District

1/14 2013 ~~2009~~
Date

RED LEDGES LAND DEVELOPMENT, INC:

By: _____
Todd Cates, Vice President

1/15/13 ~~2009~~
Date

Exhibit 1

Phase 1 Trails are marked in red

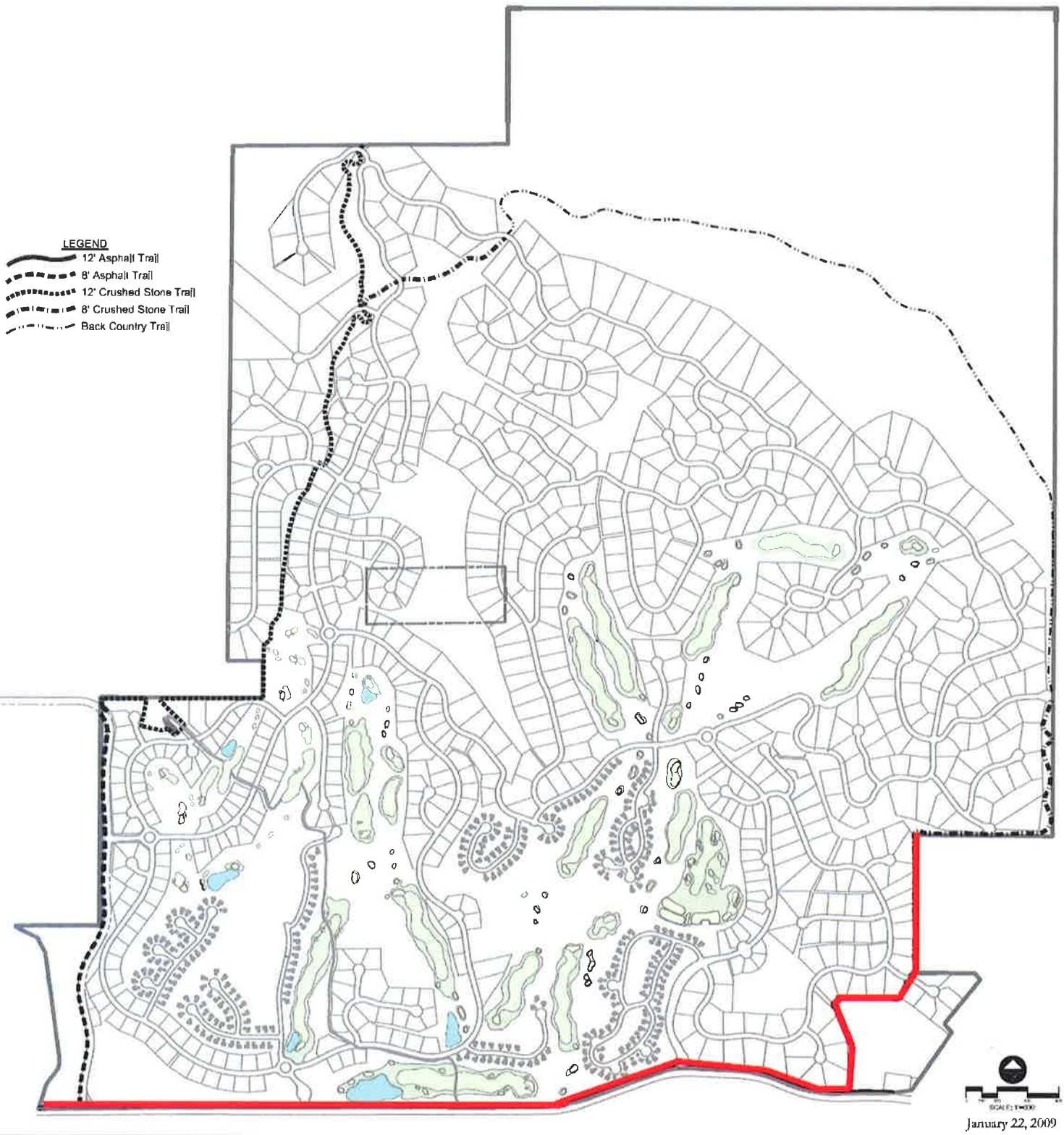
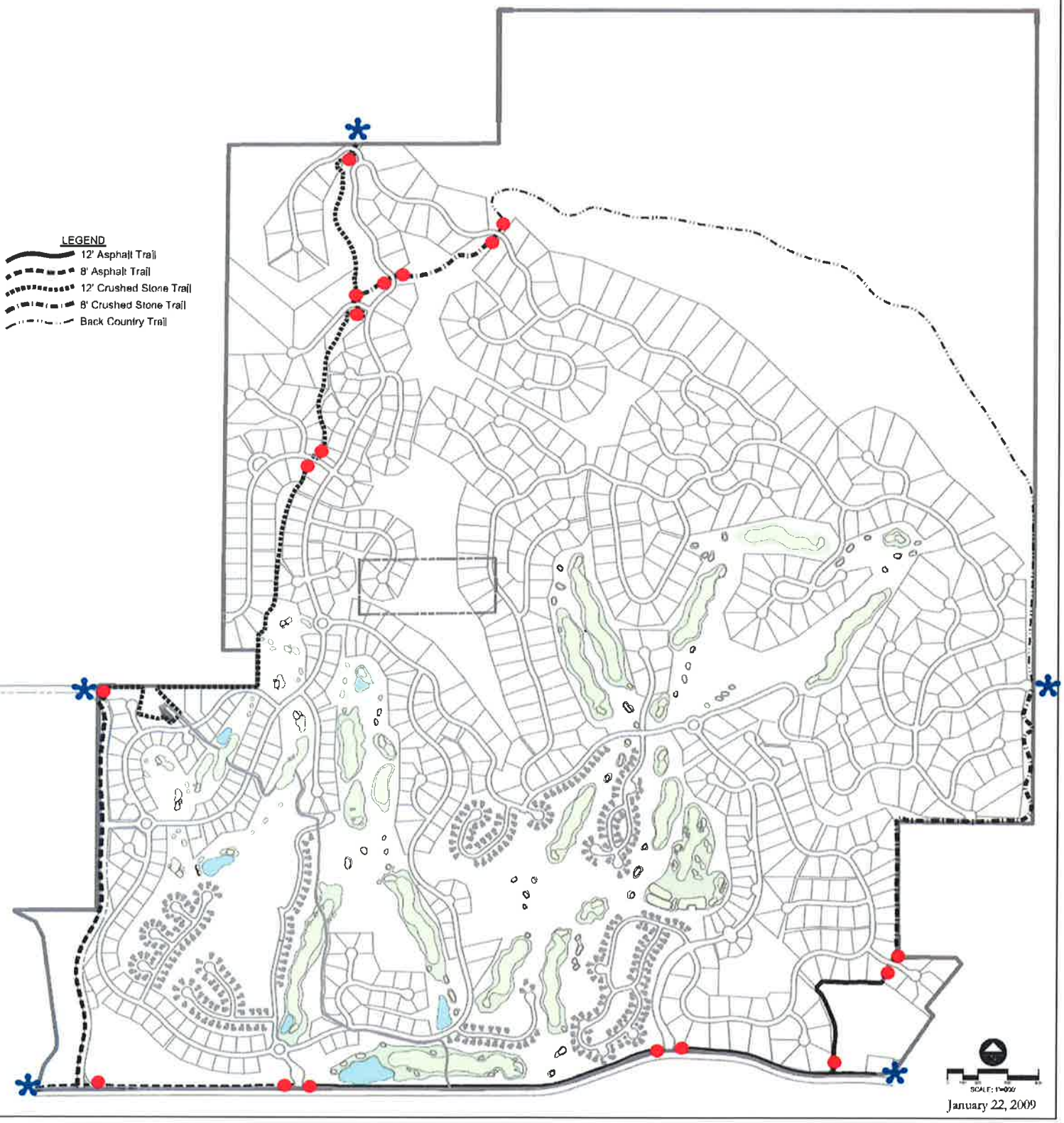


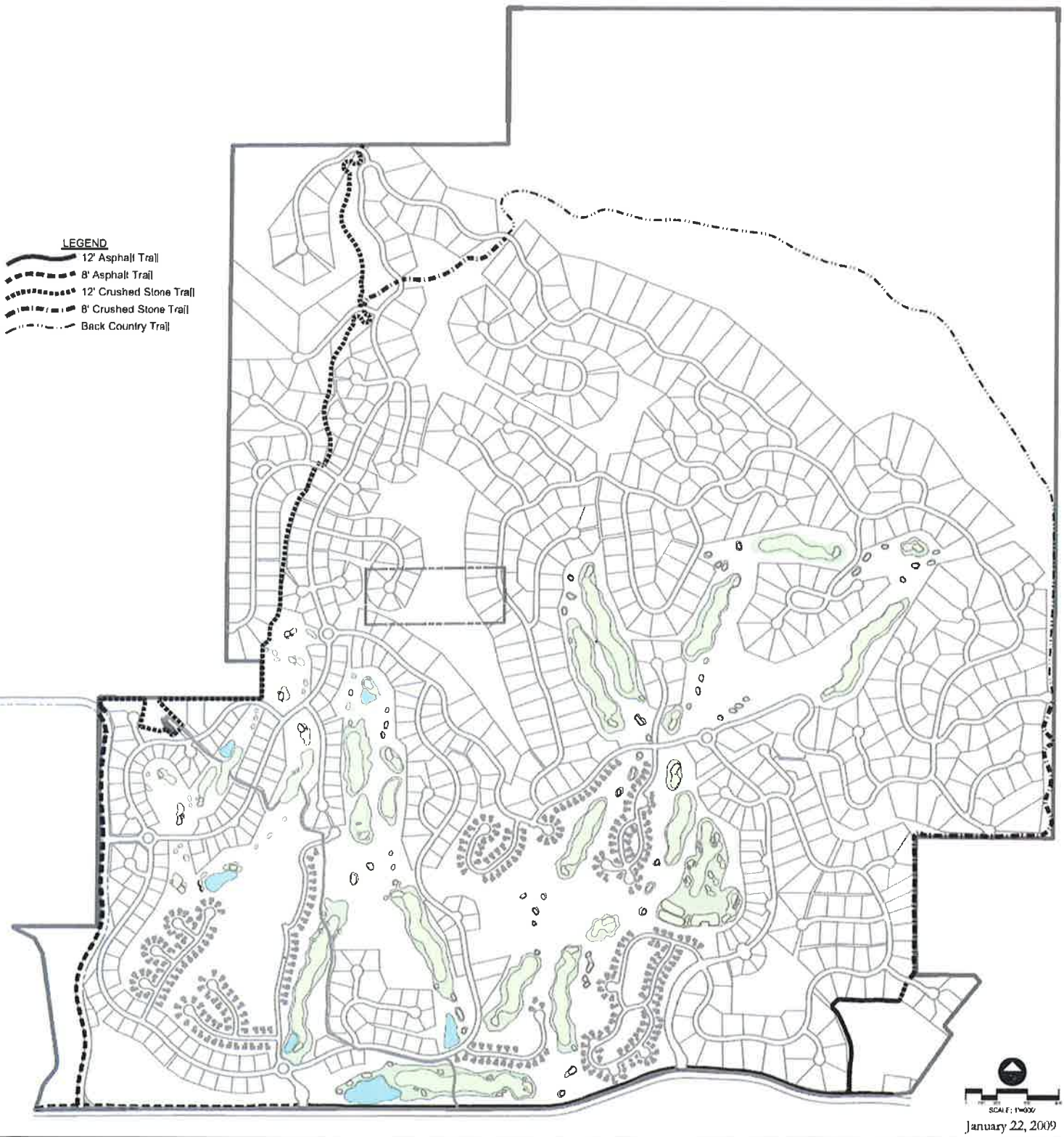
Exhibit 2

- "Public Trail" Sign Locations
- * Public trail connection points



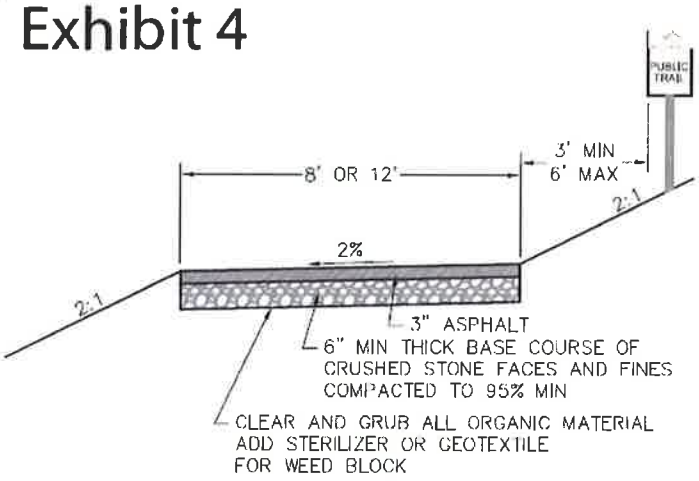
January 22, 2009

Exhibit 3
All public trails

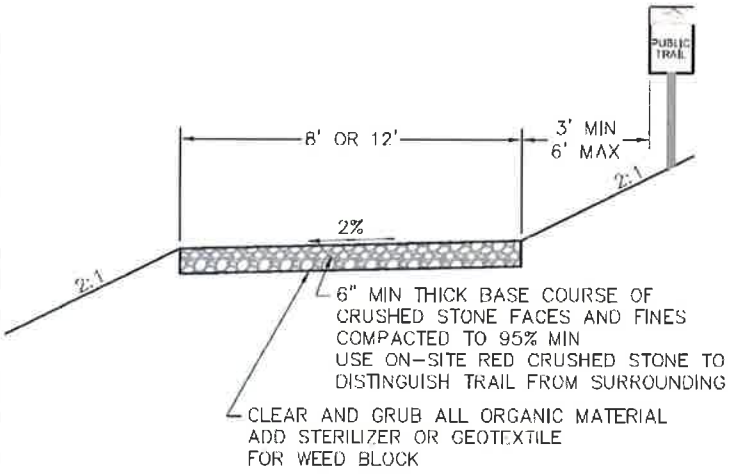


January 22, 2009

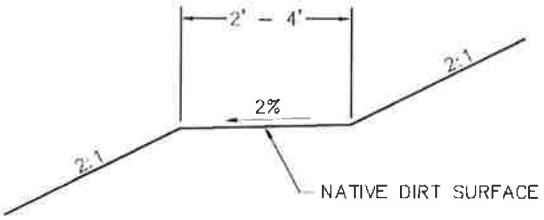
Exhibit 4



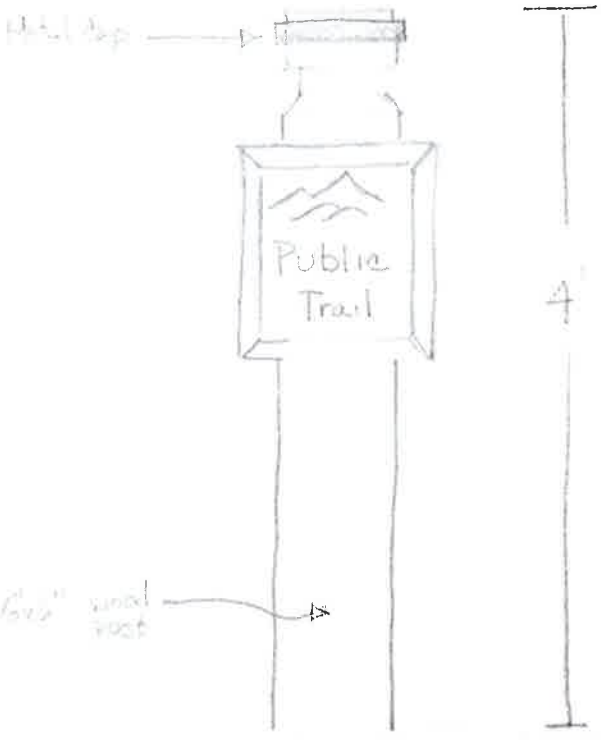
ASPHALT TRAIL - NTS



CRUSHED STONE TRAIL - NTS



BACK COUNTRY TRAIL



PUBLIC TRAIL SIGN

THIRD AMENDMENT TO INTERLOCAL AGREEMENT
REGARDING THE "RED LEDGES" PROPERTY

This Agreement amends the Interlocal Agreement executed on February 21, 2007 (hereinafter the "Agreement") by and among Wasatch County, Utah, (hereinafter "County"), Heber City (hereinafter "City"), Twin Creeks Special Service District (hereinafter "Twin Creeks"), political subdivisions of the State of Utah, and Red Ledges LLC, a Florida Limited Liability Company, regarding the development of the "Red Ledges" property, located in Wasatch County and Heber City. Red Ledges Land Development, Inc., a Florida Corporation, (hereinafter "Red Ledges") is the successor in interest to all the rights and obligations of Red Ledges, LLC, under the February 21, 2007 Agreement and maintains offices at 2 S. Main Street, Suite 2-A, Heber City, UT 84032.

WHEREAS paragraph 7(f) of the Agreement specified that Red Ledges would complete construction of the Bypass Road and the Connection Road, as more particularly described therein, within one (1) year from the City's final plat approval of the Project's First Phase: and

WHEREAS final approval of the plat for the Project's First Phase occurred on October 12, 2007; and

WHEREAS an adjoining property owner, described in the Agreement as Stone Creek Development, has encountered continued delays in the installation of its required infrastructure adjoining the Bypass Road and Connection Road.

WHEREAS the parties have agreed to extend the October 12, 2008 completion date for the Bypass Road and Connection Road as hereinafter set forth.

WHEREAS the First Amendment to Interlocal Agreement was signed and executed between 2008 & 2009 which extended this date until October 10, 2009 with a second extension through October 10, 2010.

NOW, THEREFORE, the City, County, Twin Creeks and Red Ledges hereby agree as follows:

1. Extended Completion Date for the Bypass Road and Connection Road: The parties agree that the October 10, 2008 completion date is hereby extended through October 31, 2016.

2. Grading and Utilities: Should Stone Creek move forward with their needed utilities before construction of the Bypass Road and Connection Road begins, Red Ledges agrees to rough grade those portions of the roads needed for said utilities.

3. Ratification: Except as expressly modified herein the Agreement is ratified, confirmed and declared to be in full force and effect by the parties hereto.

IN WITNESS WHEREOF the parties hereto have executed this Third Amendment to the Agreement on the dates reflected opposite their respective signature elements as follows:

WASATCH COUNTY, A POLITICAL SUBDIVISION OF THE STATE OF UTAH:

_____ Date: 2/12/2013

By: Mike Davis, Wasatch County Manager

HEBER CITY, A MUNICIPAL CORPORATION

_____ Date: 2/21/2013

By: Mayor, David R. Phillips, Heber City

ATTEST: _____ Date: 2-21-2013

Heber City Recorder

TWIN CREEKS SPECIAL SERVICE DISTRICT:

_____ Date: February 14, 2013

By: Dan Matthews, Manager, Twin Creeks Special Service District

RED LEDGES LAND DEVELOPMENT, INC., a Florida Corporation:

_____ Date: 3/28/13

By: Todd Cates, Vice President

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FOURTH AMENDMENT TO INTERLOCAL AGREEMENT REGARDING THE "RED LEDGES" PROPERTY

This Agreement amends the Interlocal Agreement executed on February 21, 2007 (hereinafter the "Agreement") by and among Wasatch County, Utah, (hereinafter "County"), Heber City (hereinafter "City"), Twin Creeks Special Service District (hereinafter "Twin Creeks"), political subdivisions of the State of Utah, and Red Ledges LLC, a Florida Limited Liability Company, regarding the development of the "Red Ledges" property, located in Wasatch County and Heber City. Red Ledges Land Development, Inc., a Florida Corporation, (hereinafter "Red Ledges") is the assignee of all the rights and obligations of Red Ledges, LLC, under the February 21, 2007 Agreement and maintains offices at 1851 E Center St, Heber City, UT 84032.

WHEREAS paragraph 7(f) of the Agreement specified that Red Ledges would complete construction of the Bypass Road and the Connection Road, as more particularly described therein, within one (1) year from the City's final plat approval of the Project's First Phase; and

WHEREAS final approval of the plat for the Project's First Phase occurred on October 12, 2007; and

WHEREAS the parties have agreed to extend the October 12, 2008 completion date for the Bypass Road and Connection Road as hereinafter set forth.

WHEREAS the First Amendment to Interlocal Agreement was signed and executed between 2008 & 2009 which extended this date until October 10, 2009 with a second extension through October 10, 2010.

WHEREAS the Second Amendment to Interlocal Agreement was signed and executed on January 14, 2013.

WHEREAS the Third Amendment to Interlocal Agreement was signed and executed between February and March of 2013.

NOW, THEREFORE, the City, County, Twin Creeks and Red Ledges hereby agree as follows:

1. Extended Completion Date for the Bypass Road and Connection Road: The Parties agree that the completion date for construction of the Bypass Road and the Connection Road is hereby extended through October 31, 2019. Beginning in the year 2019 and thereafter, each February or March, depending on what is most convenient to the scheduling agenda of the City Council, the city agrees to assess the then current desire for the Bypass and Connection Road, and related issues, and reconsider further extensions to each successive October 31st, on a year by year basis.

The parties specifically agree that failure on the part of Red Ledges to initiate and finish on site, physical construction of said Bypass Road and Connection Road by October 31, 2019, or subsequent granted extensions, or failure to abide by any other provision of this agreement shall constitute a breach of the Interlocal Agreement and this Amendment. Red Ledges further agrees that if this breach occurs the city could choose to withhold any further phase approvals, until the agreed physical construction of said Bypass Road and Connection Road has been completed.

2. Bypass Road and Water Line Easement: Simultaneous with the execution of this Amendment, Red Ledges will record the easements attached as Exhibits A and C hereto for the benefit of the City. The easements shall be granted for the purpose of a roadway and laying underground utilities, and other underground and surface facilities related to public roads and utilities. Use of said easement shall not obligate the City to construct any utilities, particularly those required for the function of the road when it is constructed; i.e. storm drain. Said utilities shall be constructed and installed within the alignment described on the draft plat, incorporated and made a part of this Agreement, as Exhibit B herein, and the draft construction drawings

prepared by Jack Johnson Company, dated June 10, 2008, both of which are subject to change.

3. Grading and Access: Should Heber City or an authorized developer move forward with any utilities needed within the easement before construction of the Bypass Road and Connection Road begins, Red Ledges agrees to rough grade those portions of the road needed for said utilities, within two foot of the finished grade centerline shown on the draft construction drawings prepared by Jack Johnson Company, dated June 10, 2008.

4. Road Right-Of-Way Dedication: Within two weeks of completion of the Bypass Road and Connection Road, a plat describing the 66-foot road right-of-way underlying the roadway, including the east road and utility connection described in Exhibit C, shall be dedicated by Red Ledges to Heber City. If there is a breach in the timing, the conditions of Item 1 will apply.

5. Ratification: Except as expressly modified herein, the aforementioned February 21, 2007 Interlocal Agreement is ratified, confirmed and declared to be in full force and effect by the parties hereto.

IN WITNESS WHEREOF the parties hereto have executed this Fourth Amendment to the Agreement on the dates reflected opposite their respective signature elements as follows:

WASATCH COUNTY, A POLITICAL SUBDIVISION OF THE STATE OF UTAH:

_____ Date: March 10, 2016

By: Mike Davis, Wasatch County Manager

HEBER CITY, A MUNICIPAL CORPORATION:

_____ Date: 9 MARCH 2016

By: Alan W. McDonald, Mayor, Heber City

ATTEST:

_____ Date: 3-9-2016

Heber City Recorder

HEBER CITY CORPORATE Seal WASATCH COUNTY UTAH

TWIN CREEKS SPECIAL SERVICE DISTRICT:

_____ Date: 3/10/2016

By: Ron Phillips, Manager, Twin Creeks Special Service District

RED LEDGES LAND DEVELOPMENT, INC., a Florida Corporation:

_____ Date: 3/10/16

By: Todd Cates, Vice President

EXHIBIT A

Bypass Easement

AFTER RECORDATION PLEASE RETURN TO:
HEBER CITY CORPORATION
75 NORTH MAIN STREET
HEBER CITY, UT 84032

GRANT OF RIGHT-OF-WAY EASEMENT TO HEBER CITY

For good and valuable consideration, receipt of which is hereby acknowledged, the undersigned Property Owner, RED LEDGES LAND DEVELOPMENT, INC., as GRANTOR(S) hereby grant to HEBER CITY, a municipal corporation situated in Wasatch County, the State of Utah, (herein after referred to as "CITY"), a permanent easement of right-of-way sixty-six (66) feet in width for the purpose of laying underground utilities, and other appurtenant underground and surface structures related to public roads and utilities, hereinafter referred to as "said facilities," together with the right to construct, operate, maintain, repair and replace said facilities, and the right of ingress and egress for such purposes. Said easement is described as follows:

(See Attached Exhibit 'A' for Legal Description & Location Map)

GRANTOR waives any right to compel CITY to grade, surface, or otherwise improve or maintain said easement area.

GRANTOR shall not increase or decrease or permit to be increased or decreased the ground elevations of said easement existing at the time this document is executed, nor construct or permit to be constructed any permanent building, structures, improvements, landscaping, or other encroachment upon said easement, without the express written consent in advance of the CITY.

GRANTOR further grants to CITY the right to assign any or all of the rights granted in this easement in whole or in part to other companies providing public utilities or communication facilities/services. CITY recognizes the private nature of Grantor's development and will limit access to the easement to only those parties involved in construction and maintenance of utilities until the permanent Bypass Road is built (as defined in the Interlocal Agreement dated February 21, 2007).

CITY may remove from the easement any building, structure, improvement or other encroachments thereon conflicting, interfering or inconsistent with its use for the purposes hereby granted. CITY shall have the right to install its own locks or receive gate codes in all fences and gates which now cross or may hereafter cross said easement, as well as provide a drivable surface over said easement to facilitate access. Fences constructed around or through the easement shall contain a 12 foot wide gate for CITY access. CITY shall cause that the roads within this easement will be returned to pre-construction conditions after all such utilities are installed. CITY or its representatives shall coordinate with Grantor so as to not unreasonably interfere with the current use of roads within this easement while construction of utilities occurs. CITY and Grantor agree to indemnify each other and hold each other harmless from any and all liabilities, including attorneys' fees, incident to each party's or their agents use of the Easement provided herein.

Nothing contained herein shall be construed to provide an easement of ingress or egress to the general public until the Bypass Road becomes a public road.

GRANTOR: _____ Date: _____

_____
(Printed Name / Title)

STATE OF _____)

: ss.
COUNTY OF _____)

On the _____ day of _____, 2016, personally appeared before me _____, the landowner of the property described in the attached Exhibit A and duly acknowledged to me that they executed the same.

_____
NOTARY PUBLIC

EASEMENT EXHIBIT A

A PARCEL OF LAND LOCATED IN THE NORTHWEST AND SOUTHWEST QUARTERS OF SECTION 32 AND THE NORTHEAST QUARTER OF SECTION 33, TOWNSHIP 3 SOUTH, RANGE 5 EAST, SALT LAKE BASE AND MERIDIAN, WASATCH COUNTY, UTAH, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT LOCATED NORTH 89°48'55" EAST, 1339.06 FEET ALONG THE SOUTH LINE OF SECTION 33 AND NORTH, 48.25 FEET FROM THE SOUTHWEST CORNER OF SECTION 33 TO A POINT ON THE ARC OF A CURVE LEADING NORTHEASTERLY; THENCE NORTHEASTERLY, ALONG AND AROUND THE ARC OF SAID CURVE, CONCAVE NORTHWESTERLY, HAVING A RADIUS OF 15.00 FEET, AN ARC DISTANCE OF 23.58 FEET, SAID ARC BEING SUBTENDED BY A CHORD BEARING AND DISTANCE OF NORTH 44°30'26" EAST, 21.23 FEET TO THE POINT OF TANGENCY OF SAID CURVE; THENCE NORTH 00°32'07" WEST, 113.96 FEET TO THE ARC OF A CURVE LEADING NORTHERLY; THENCE NORTHERLY, ALONG AND AROUND THE ARC OF SAID CURVE, CONCAVE EASTERLY, HAVING A RADIUS OF 833.00 FEET, AN ARC DISTANCE OF 167.51 FEET, SAID ARC BEING SUBTENDED BY A CHORD BEARING AND DISTANCE OF NORTH 05°13'32" EAST, 167.23 FEET TO THE POINT OF TANGENCY OF SAID CURVE; THENCE NORTH 10°59'12" EAST, 232.03 FEET TO THE ARC OF A CURVE LEADING NORTHERLY; THENCE NORTHERLY, ALONG AND AROUND THE ARC OF SAID CURVE, CONCAVE WESTERLY, HAVING A RADIUS OF 567.00 FEET, AN ARC DISTANCE OF 244.06 FEET, SAID ARC BEING SUBTENDED BY A CHORD BEARING AND DISTANCE OF NORTH 01°20'41" WEST, 242.18 FEET TO THE POINT OF TANGENCY OF SAID CURVE; THENCE NORTH 13°40'34" WEST, 243.16 FEET TO THE ARC OF A CURVE LEADING NORTHERLY; THENCE NORTHERLY, ALONG AND AROUND THE ARC OF SAID CURVE, CONCAVE EASTERLY, HAVING A RADIUS OF 633.00 FEET, AN ARC DISTANCE OF 435.01 FEET, SAID ARC BEING SUBTENDED BY A CHORD BEARING AND DISTANCE OF NORTH 08°16'26" EAST, 423.23 FEET TO THE POINT OF TANGENCY OF SAID CURVE; THENCE NORTH 30°13'27" EAST, 170.69 FEET TO THE ARC OF A CURVE LEADING NORTHERLY; THENCE NORTHERLY, ALONG AND AROUND THE ARC OF SAID CURVE, CONCAVE WESTERLY, HAVING A RADIUS OF 567.00 FEET, AN ARC DISTANCE OF 364.69 FEET, SAID ARC BEING SUBTENDED BY A CHORD BEARING AND DISTANCE OF NORTH 11°47'53" EAST, 358.44 FEET TO THE POINT OF REVERSE CURVATURE OF A CURVE LEADING NORTHERLY; THENCE NORTHERLY, ALONG AND AROUND THE ARC OF SAID CURVE, CONCAVE EASTERLY, HAVING A RADIUS OF 2033.00 FEET, AN ARC DISTANCE OF 401.24 FEET, SAID ARC BEING SUBTENDED BY A CHORD BEARING AND DISTANCE OF NORTH 00°58'26" WEST, 400.59 FEET TO THE POINT OF REVERSE CURVATURE OF A CURVE LEADING NORTHERLY; THENCE NORTHERLY, ALONG AND AROUND THE ARC OF SAID CURVE, CONCAVE WESTERLY, HAVING A RADIUS OF 2967.00 FEET, AN ARC DISTANCE OF 543.49 FEET, SAID ARC BEING SUBTENDED BY A CHORD BEARING AND DISTANCE OF NORTH 00°08'23" WEST, 498.58 FEET TO THE POINT OF REVERSE CURVATURE OF A CURVE LEADING NORTHERLY; THENCE NORTHERLY, ALONG AND AROUND THE ARC OF SAID CURVE, CONCAVE EASTERLY, HAVING A RADIUS OF 2985.33 FEET, AN ARC DISTANCE OF 723.17 FEET, SAID ARC BEING SUBTENDED BY A CHORD BEARING AND DISTANCE OF NORTH 01°58'49" EAST, 721.40 FEET TO THE POINT REVERSE CURVATURE OF A CURVE LEADING NORTHWESTERLY; THENCE NORTHWESTERLY, ALONG AND AROUND THE ARC OF SAID CURVE, CONCAVE SOUTHWESTERLY, HAVING A RADIUS OF 267.00 FEET, AN ARC DISTANCE OF 461.03 FEET, SAID ARC BEING SUBTENDED BY A CHORD BEARING AND DISTANCE OF NORTH 40°32'47" WEST, 405.95 FEET TO THE POINT OF TANGENCY OF SAID CURVE; THENCE SOUTH 89°57'43" WEST, 993.88 FEET; THENCE SOUTH 84°50'23" WEST, 110.43 FEET; THENCE NORTH89°49'06" WEST, 1.99 FEET TO THE ARC OF A CURVE LEADING WESTERLY; THENCE WESTERLY, ALONG AND AROUND THE ARC OF SAID CURVE, CONCAVE SOUTHERLY, HAVING A RADIUS OF 457.54 FEET, AN ARC DISTANCE OF 59.71 FEET, SAID ARC BEING SUBTENDED BY A CHORD BEARING AND DISTANCE OF SOUTH 86°26'35" WEST, 59.67 FEET TO THE POINT OF REVERSE CURVATURE OF A CURVE LEADING WESTERLY; THENCE WESTERLY, ALONG AND AROUND SAID CURVE, CONCAVE SOUTHERLY HAVING A RADIUS OF 114.00 FEET, AN ARC DISTANCE OF 12.12 FEET, SAID ARC BEING SUBTENDED BY A CHORD BEARING AND DISTANCE OF SOUTH 85°45'02"WEST, 12.12 FEET; THENCE SOUTH 88°47'48" WEST,84.25 FEET TO THE ARC OF A CURVE LEADING WESTERLY; THENCE WESTERLY ALONG AND AROUND THE ARC OF SAID CURVE, CONCAVE NORTHERLY, HAVING A RADIUS OF 86.00 FEET, AN ARC DISTANCE OF 2.88 FEET, SAID ARC BEING SUBTENDED BY A CHORD BEARING AND DISTANCE OF SOUTH 87°50'16" WEST 2.88 FEET; THENCE SOUTH 86°52'49" WEST, 16.34 FEET TO THE ARC OF A CURVE LEADING WESTERLY; THENCE WESTERLY ALONG AND AROUND THE ARC OF SAID CURVE, CONCAVE NORTHERLY, HAVING A RADIUS OF 533.00 FEET, AN ARC DISTANCE OF 40.61 FEET, SAID ARC BEING SUBTENDED BY A CHORD BEARING AND DISTANCE OF SOUTH 89°03'47" WEST, 40.60 FEET; THENCE NORTH 88°45'15" WEST, 73.69 FEET TO THE POINT OF TANGENCY OF A CURVE LEADING SOUTHWESTERLY; THENCE SOUTHWESTERLY ALONG AND AROUND THE ARC OF SAID CURVE, CONCAVE SOUTHEASTERLY, HAVING A RADIUS OF 15.00 FEET, AN ARC DISTANCE OF 23.63 FEET, SAID ARC BEING SUBTENDED BY A CHORD BEARING AND DISTANCE OF SOUTH 46°06'47" WEST, 21.26 FEET; THENCE NORTH 00°58'47" EAST, 97.45 FEET; THENCE NORTH 89°59'13" EAST, 1408.82 FEET TO THE ARC OF A CURVE LEADING SOUTHEASTERLY; THENCE SOUTHEASTERLY, ALONG AND AROUND THE ARC OF SAID CURVE, CONCAVE SOUTHWESTERLY, HAVING A RADIUS OF 333.00 FEET, AN ARC DISTANCE OF 574.99 FEET, SAID ARC BEING SUBTENDED BY A CHORD BEARING AND DISTANCE OF SOUTH 40°32'47" EAST, 506.18 FEET TO THE POINT OF REVERSE CURVATURE OF A CURVE LEADING SOUTHERLY, ALONG AND AROUND THE ARC OF SAID CURVE, CONCAVE EASTERLY, HAVING A RADIUS OF 2919.34 FEET, AN ARC DISTANCE OF 707.18 FEET, SAID ARC BEING SUBTENDED BY A CHORD BEARING AND DISTANCE OF SOUTH 01°58'49" WEST, 705.46 FEET TO THE POINT OF REVERSE CURVATURE OF A CURVE LEADING SOUTHERLY; THENCE SOUTHERLY, ALONG AND AROUND THE ARC OF SAID CURVE, CONCAVE WESTERLY, HAVING A RADIUS OF 3033.00 FEET, AN ARC DISTANCE OF 510.27 FEET, SAID ARC BEING SUBTENDED BY A CHORD BEARING AND DISTANCE OF SOUTH 00°08'23" EAST, 509.67 FEET TO THE POINT OF REVERSE CURVATURE OF A CURVE LEADING SOUTHERLY; THENCE SOUTHERLY, ALONG AND AROUND THE ARC OF SAID CURVE, CONCAVE EASTERLY, HAVING A RADIUS OF 1967.00 FEET, AN ARC DISTANCE OF 388.22 FEET, SAID ARC BEING SUBTENDED BY A CHORD BEARING AND DISTANCE OF SOUTH 00°58'26" EAST, 387.59 FEET TO THE POINT OF REVERSE CURVATURE OF A CURVE LEADING SOUTHERLY; THENCE SOUTHERLY, ALONG AND AROUND THE ARC OF SAID CURVE, CONCAVE WESTERLY, HAVING A RADIUS OF 633.00 FEET, AN ARC DISTANCE OF 407.14 FEET, SAID ARC BEING SUBTENDED BY A CHORD BEARING AND DISTANCE OF SOUTH 11°47'53" WEST, 400.16 FEET TO THE POINT OF TANGENCY OF SAID CURVE; THENCE SOUTH 30°13'27" WEST, 170.69 FEET TO THE ARC OF A CURVE LEADING SOUTHERLY; THENCE SOUTHERLY, ALONG AND AROUND THE ARC OF SAID CURVE, CONCAVE EASTERLY, HAVING A RADIUS OF 567.00 FEET, AN ARC DISTANCE OF 434.44 FEET, SAID ARC BEING SUBTENDED BY A CHORD BEARING AND DISTANCE OF SOUTH 08°16'26" WEST, 423.89 FEET TO THE POINT OF TANGENCY OF SAID CURVE; THENCE SOUTH 13°40'34" EAST, 243.16 FEET TO THE ARC OF A CURVE LEADING SOUTHERLY; THENCE SOUTHERLY, ALONG AND AROUND THE ARC OF SAID CURVE, CONCAVE WESTERLY, HAVING A RADIUS OF 633.00 FEET, AN ARC DISTANCE OF 272.47 FEET, SAID ARC BEING SUBTENDED BY A CHORD BEARING AND DISTANCE OF SOUTH 01°20'41" EAST, 270.37 FEET TO THE POINT OF TANGENCY OF SAID CURVE; THENCE SOUTH 10°59'12" WEST, 232.03 FEET TO THE ARC OF A CURVE LEADING SOUTHERLY; THENCE SOUTHERLY, ALONG AND AROUND THE ARC OF SAID CURVE, CONCAVE EASTERLY, HAVING A RADIUS OF 767.00 FEET, AN ARC DISTANCE OF 154.24 FEET, SAID ARC BEING SUBTENDED BY A CHORD BEARING AND DISTANCE OF SOUTH 05°13'32" WEST, 153.98 FEET TO THE POINT OF TANGENCY OF SAID CURVE; THENCE SOUTH 00°32'07" EAST, 114.16 FEET TO THE ARC OF A CURVE LEADING SOUTHEASTERLY; THENCE SOUTHEASTERLY, ALONG AND AROUND THE ARC OF SAID CURVE, CONCAVE NORTHEASTERLY, HAVING A RADIUS OF 15.00 FEET, AN ARC DISTANCE OF 23.54 FEET, SAID ARC BEING SUBTENDED BY A CHORD BEARING AND DISTANCE OF SOUTH 45°29'34" EAST, 21.20 FEET; THENCE SOUTH 89°33'00" WEST, 96.00 FEET BACK TO THE POINT OF BEGINNING.

CONTAINING 8.59 ACRES, MORE OR LESS.

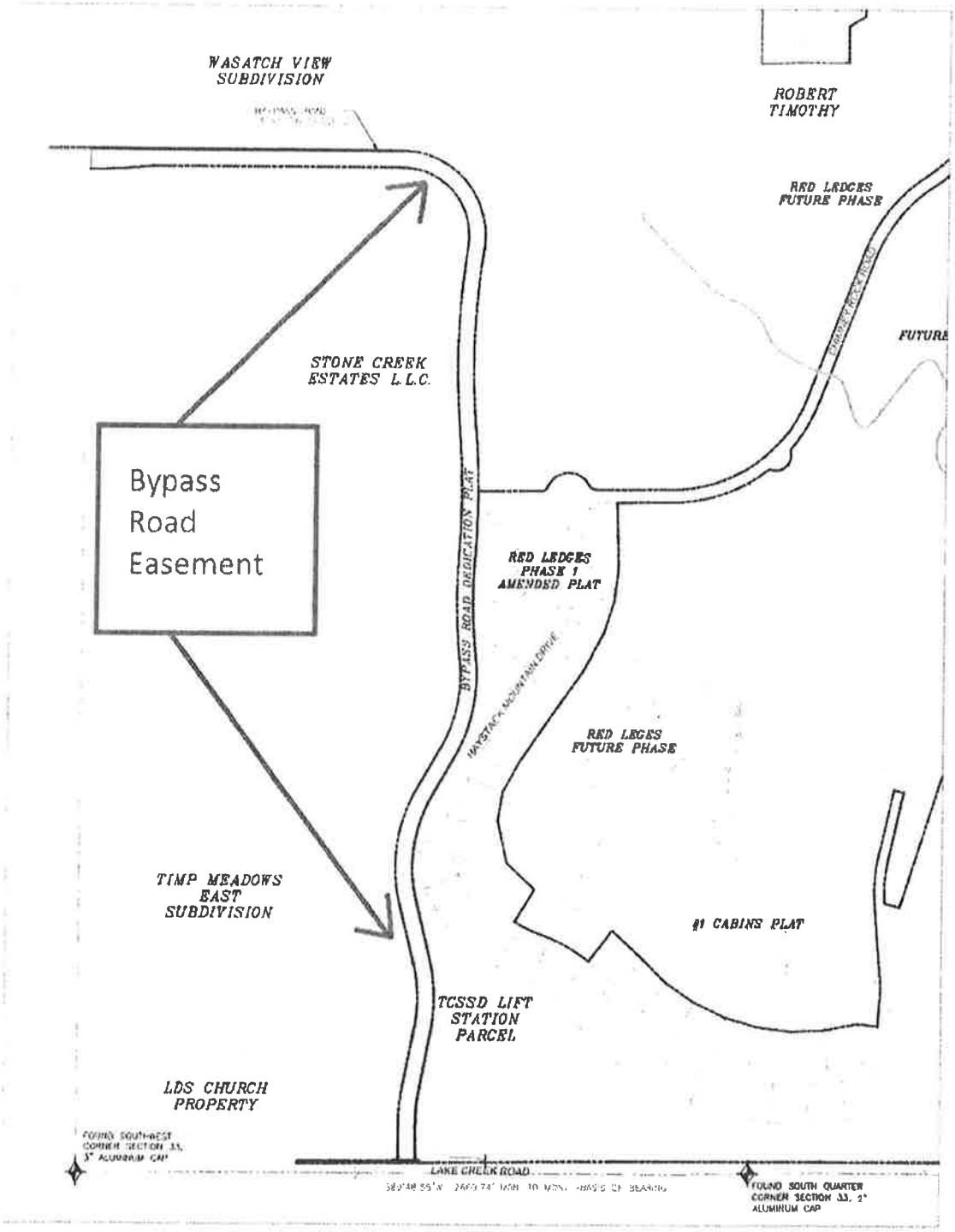
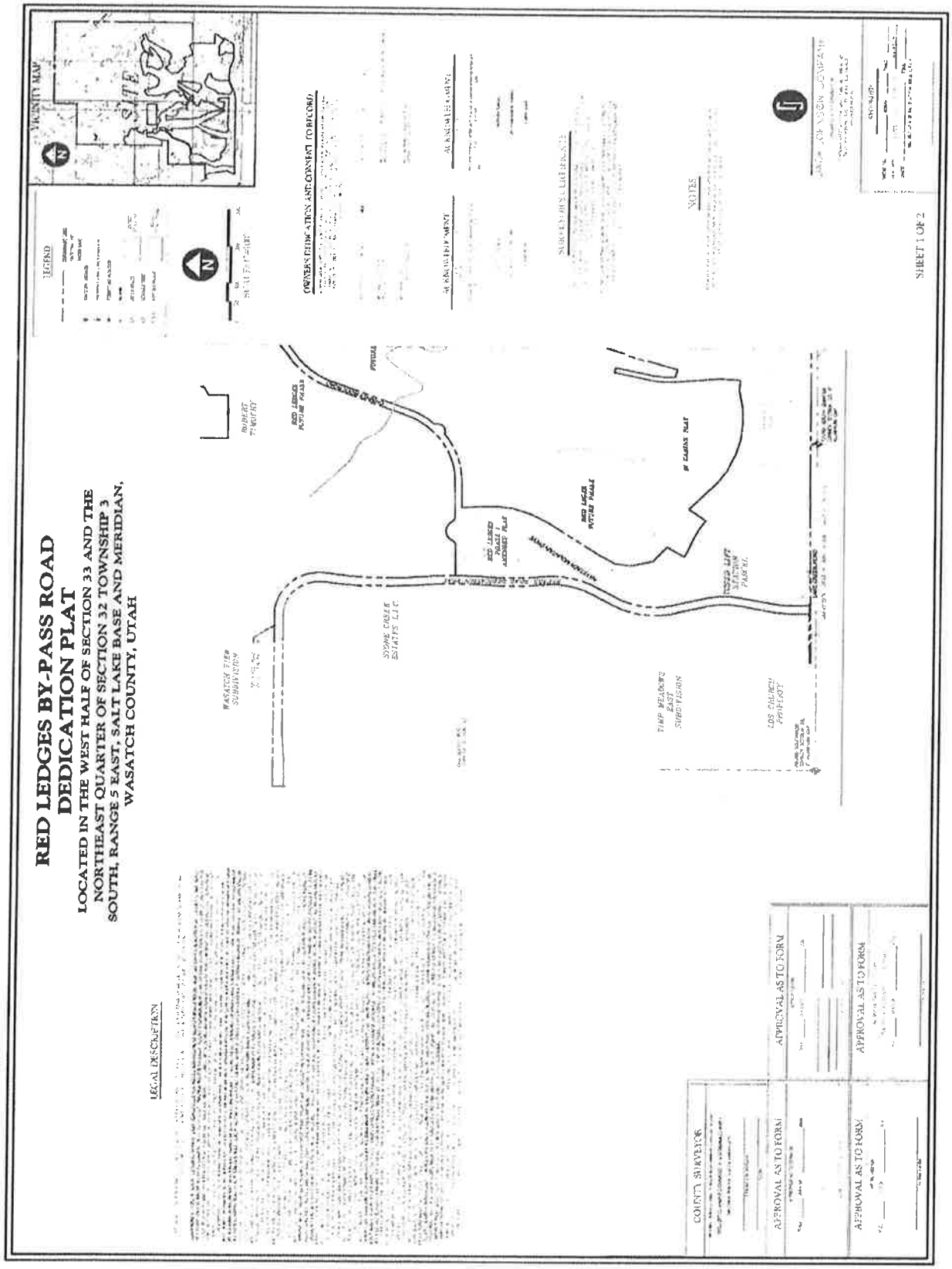

WASATCH VIEW SUBDIVISION
ROBERT TIMOTHY
RED LEDGES FUTURE PHASE
STONE CREEK ESTATES L.L.C.
Bypass Road Easement
BYPASS ROAD DEDICATION PLAT
RED LEDGES PHASE 1 AMENDED PLAT
HAYSTACK MOUNTAIN DRIVE
RED LEGES FUTURE PHASE
TIMP MEADOWS EAST SUBDIVISION
#1 CABINS PLAT
TCSSD LIFT STATION PARCEL
LDS CHURCH PROPERTY
LAKE CREEK ROAD
FOUND SOUTH QUARTER CORNER SECTION 33, 2" ALUMINUM CAP

EXHIBIT B
Draft Plat



LEGEND
SHEET 2 OF 2

EXHIBIT C

Utility Easement

AFTER RECORDATION PLEASE RETURN TO:
HEBER CITY CORPORATION
75 NORTH MAIN STREET
HEBER CITY, UT 84032

GRANT OF UTILITY EASEMENT TO HEBER CITY

For good and valuable consideration, receipt of which is hereby acknowledged, the undersigned Property Owner, RED LEDGES LAND DEVELOPMENT, INC., as GRANTOR(S) hereby grant to HEBER CITY, a municipal corporation situated in Wasatch County, the State of Utah, (herein after referred to as "CITY"), a permanent easement of right-of-way sixty-six (66) feet in width for the purpose of laying underground utilities, and other appurtenant underground and surface structures related to public roads and utilities, hereinafter referred to as "said facilities," together with the right to construct, operate, maintain, repair and replace said facilities, and the right of ingress and egress for such purposes. Said easement is described as follows:

(See Attached Exhibit 'A' for Legal Description and location map)

GRANTOR waives any right to compel CITY to grade, surface, or otherwise improve or maintain said easement area.

GRANTOR shall not increase or decrease or permit to be increased or decreased the ground elevations of said easement existing at the time this document is executed, nor construct or permit to be constructed any permanent building, structures, improvements, landscaping, or other encroachment upon said easement, without the express written consent in advance of the CITY.

GRANTOR further grants to CITY the right to assign any or all of the rights granted in this easement in whole or in part to other companies providing public utilities or communication facilities/services. CITY recognizes the private nature of Grantor's development and will limit access to the easement to only those parties involved in construction and maintenance of said facilities.

CITY may remove from the easement any building, structure, improvement or other encroachments thereon conflicting, interfering or inconsistent with its use for the purposes hereby granted. CITY shall have the right to install its own locks or receive gate codes in all fences and gates which now cross or may hereafter cross said easement, as well as provide a drivable surface over said easement to facilitate access. Fences constructed around or through the easement shall contain a 12 foot wide gate for CITY access. CITY shall cause that the roads within this easement will be returned to pre-construction conditions after all such utilities are installed.

CITY and Grantor agree to indemnify each other and hold harmless from any and all liabilities, including attorneys' fees, incident to the each party's or their agents use of the Easement provided herein.

Nothing contained herein shall be construed to provide an easement of ingress or egress to the general public.

GRANTOR: _____ Date: _____

_____
(Printed Name / Title)

STATE OF _____)
: ss.
COUNTY OF _____)

On the _____ day of _____, 2016, personally appeared before me _____, the landowner of the property described in the attached Exhibit A and duly acknowledged to me that they executed the same.

_____
NOTARY PUBLIC

Easement Exhibit A

Utility Easement

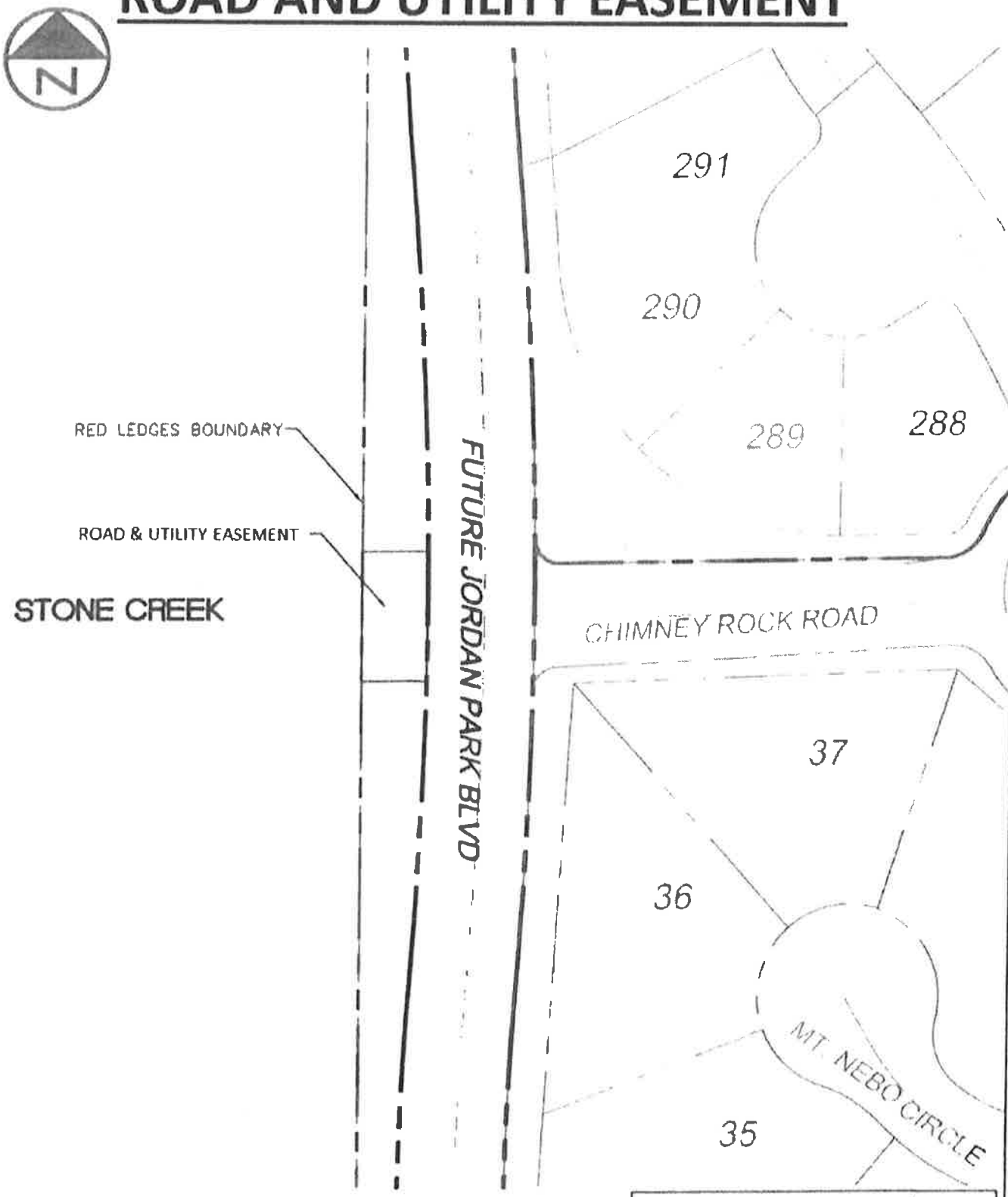
JORDAN PARK BLVD UTILITY EASEMENT

BASIS OF BEARING FOR THIS DESCRIPTION IS NORTH 89°22'55" EAST BETWEEN THE SOUTHWEST CORNER OF SECTION 28, TOWNSHIP 3 SOUTH, RANGE 5 EAST, SALT LAKE BASE AND MERIDIAN, AND THE SOUTH QUARTER CORNER OF SAID SECTION 28.

BEGINNING AT A POINT ALONG THE RED LEDGES BOUNDARY, AS RECORDED IN THE WASATCH COUNTY SURVEYORS OFFICE AS ENTRY 1878-A AND 1878-B, SAID POINT BEING NORTH 89°22'55" EAST 1461.21 FEET ALONG THE SECTION LINE AND SOUTH 2676.91 FEET FROM THE SOUTHWEST CORNER OF SECTION 28, TOWNSHIP 3 SOUTH, RANGE 5 EAST, SALT LAKE BASE AND MERIDIAN AND RUNNING THENCE NORTH 89°44'34" EAST 41.25 FEET TO A POINT ON THE FUTURE JORDAN PARK BLVD WEST RIGHT OF WAY LINE; THENCE ALONG SAID RIGHT OF WAY LINE, SOUTHWESTERLY 80.01 FEET ALONG THE ARC OF A 2967.00 FOOT RADIUS NON-TANGENT CURVE TO THE RIGHT (CHORD BEARS SOUTH 00°17'14" WEST 80.00 FEET; THENCE LEAVING SAID RIGHT OF WAY, SOUTH 89°44'34" WEST 40.84 FEET TO A POINT ON THE SAID RED LEDGE BOUNDARY; THENCE ALONG SAID RED LEDGES BOUNDARY, NORTH 00°00'32" WEST 80.00 FEET TO THE POINT OF BEGINNING.

CONTAINS 3,298 FEET, MORE OR LESS.

ROAD AND UTILITY EASEMENT



WILDING
ENGINEERING
14721 South Heritage Crest Way
Bluffdale, Utah 84065
801.553.8112
www.wildingengineering.com

12

G:\DATA\10093 Red Ledges\dwg\Plat\RL Bypass Road plat sheet 2.dwg

MEMORANDUM OF UNDERSTANDING REGARDING A TIMELINE OF REQUIRED TRIGGER EVENTS FOR COMPLETION OF RED LEDGES' PORTION OF THE EASTERN BYPASS AND CONNECTION ROAD and THE ASSOCIATED PUBLIC PARK and TRAIL ("Sixth Amendment")

The Fifth Amendment - Memorandum of Understanding ("MOU"), dated the 29th of August, 2019, is hereby amended as this 12th day of August, 2020, and this Sixth Amendment is made by and among *Red Ledges Land Development, Inc., a Florida Corporation,* ("Red Ledges"), and *Heber City, Corporation,* ("Heber City," or "City," or "The City"), having offices at 75 N Main St, Heber City, UT 84032, collectively hereinafter referred to as the "Parties".

WITNESSETH:

WHEREAS, The *Interlocal Agreement*, (2007), and the *Red Ledges Planned Community Master Plan Agreement* (2007) read together, indicate that:

7. c *Red Ledges, at its own expense, will construct the Bypass Road pursuant to city standards; and when it is completed, Red Ledges will deed the underlying land to the City and the City will maintain the Bypass Road in perpetuity. Red ledges shall plant and maintain the landscaping associated with the public park and Bypass road in perpetuity...,* and

7. f *Red Ledges, will complete construction of the Bypass road and Connection road within one year of final approval of Phase 1 ...* and

WHEREAS, the portion of the Bypass road and Connection road that Red Ledges agreed to construct has been identified as Section C of the Eastern Bypass and Connection Road, and

WHEREAS, the said Master Plan Agreement instructs that the following improvements will commence with ***Phase 5 of Red Ledges***:

4. a. v. 2. Red Ledges Community Park irrigation and landscape improvements per the Conceptual Community Park Exhibit in the Master Plan, and

WHEREAS, The *Fourth Amendment to Interlocal Agreement Regarding the "Red Ledges" Property*, provided that the Parties agreed that the completion date for Section C of the Eastern Bypass and Connection Road was extended through October 31, 2019, and that failure on the part of Red Ledges to initiate and finish construction of Section C of the Eastern Bypass and Connection Road by October 31, 2019, or subsequent granted extensions would constitute a breach of the Interlocal Agreement and the Fourth Amendment. It was further agreed that if that specific breach occurred, the City could choose to withhold any further phase approvals, until the Bypass and Connection Road was completed. (page 1, paragraph 1 *Extended Completion Date for the Bypass Road and Connection Road),* and

WHEREAS, on the 2nd day of June, 2020, pursuant to a request by Red Ledges, the City Council gave direction to Staff to extend the completion date for construction of Section C of the Eastern

Bypass and Connection Road until sometime beyond May 30, 2021, and clarify a date specific for completion of the public park and public trail and trail head, and access to said park, trail and trail head, and

WHEREAS, Red Ledges and the City desire to agree and sign an agreement in respect to a revised timeline of said trigger events, including but not limited to occurrences, constructions, submissions, applications, inspections, respective obligations and duties, and expectations of each Party, and

WHEREAS, Specifically, the Parties desire to capture and reduce to writing a timeline of required, specific and certain trigger events for the completion of Section C of the Eastern Bypass and Connection Road until sometime beyond said May 30, 2021, and completion of the public park and public trail, and access to the public park, public trail and trail head on or before the 30th day of May, 2021, by amending the August 29th 2019 MOU;

NOW THEREFORE, It is agreed that the 5th Amendment- MOU of August 29th, 2019, is amended as follows:

1. Subject to acts of God, events outside the control of Red Ledges, or delay caused by the City, Red Ledges, or its successors shall initiate and be responsible to complete construction, subject to approval of the City Engineer, of Section C of the Eastern Bypass and Connection Road, and a public park, public trail, public trailhead identified and park access bridge, identified and made reference in the above mentioned *Interlocal Agreement*, (2007), and the *Red Ledges Planned Community Master Plan Agreement* (2007) in accordance with the terms and conditions set forth in this Sixth Amendment.

2. The Public Park and Public Trail, including all amenities, vegetation and plantings, referenced in the aforementioned August 29, 2019 amended MOU, (Fifth Amendment) along with the temporary access to said Park including an improved, asphalted parking lot, curb and gutter along said Park access road, an added public trail head, the portion of the Public Trail that goes from Center Street to the Park entrance, and the Park access bridge from 110 North to the Park, shall all be substantially completed on or before June 30th, 2021.

2.1. All interior accesses within the Park from the parking lot to the pavilions, the "all abilities" playground (referenced below), the park amenities, restrooms, trailhead to the outlaying trail system, and from the Park access bridge to 110 North shall be hard surfaced and ADA compliant. These accesses may be a combination of sidewalks or hard surface trails. The portion of the trail that goes from Center Street to the Park entrance shall be asphalted.

2.2. The Temporary road access from Center Street to the Park shall originally be the existing dirt road accessed off Center Street, and that runs north and south along the length of the Public Park. The improved, asphalted parking lot shall be located at the south end of the retention basin. The temporary access may originally consist of gravel, or road base for the first three years from the date of this Agreement. Red Ledges shall be responsible to maintain said road so that it is smooth and easily commutable and reasonably free of potholes, wash boarding

and any other obstacles. Thereafter, in the event that Section C of the Eastern Bypass and Connection Road has not commenced within said three years, Red Ledges shall fully improve, said access, including full asphalting and striping of said access along the length of the frontage of the Park, up to the entry of the Park's parking lot at the south end of the retention basin, subject to City Engineer approval, within 90 days of the three (3) year anniversary date of this Agreement.

3 In consideration for extending the completion deadline for Section C of the Eastern Bypass and Connection Road, sometime beyond May 30, 2021, said Public Park shall include the following additional amenities and improvements. An "all abilities" playground consisting of at least two "all abilities," or "inclusive play" amenities, and play surface area that permits wheelchairs and strollers to enter and navigate the play space. City and Red Ledges shall mutually decide on the location and size of "all abilities" playground, type of inclusive play amenities, and type of play surface. Both parties will work in good faith to finalize these details. Additionally, pending the approval of Red Ledges, both parties will work cooperatively to site a sufficiently sized space for a "fitness court," (as illustrated in Exhibit A) to be located near or adjacent to the "all abilities" playground. The City shall be solely responsible for the construction and maintenance of the fitness court and any costs and liabilities related thereto.

3.1 Red Ledges shall also be responsible for installing temporary improvements, before April 1, 2021, needed to protect downstream properties, east of Section C of the Eastern Bypass and Connection Road, from natural runoff or Wasatch canal flooding that may occur due to the postposing of drainage facilities to be constructed with the Bypass Road. The April 2021 timeline is adopted to allow Developer reasonable opportunity to work with the correct canal oversight authority on plans as well as complete said temporary flood control improvements after the water is removed from the canal for the 2020 water season.

4. Section C of the Eastern Bypass and Connection Road, shall be completed upon the earliest of any of the following events:

a. Within sixty (60) days of the completion, of both connecting road portions of Sections A or B, if construction on those Sections (A and B) begins approximately at the same time or simultaneously; or

b. If either Section A or Section B is completed independent of the other, or construction is begun on either Section, independent of the other, construction of Section C of the Eastern Bypass and Connection Road shall begin within sixty (60) days of the beginning of construction of the later of Section A or B, and then shall be completed within 120 days of the completion of both Sections A and B, subject to weather permitting conditions; or

c. Within 120 days of when eighty percent (80%) of the 1,210 platted units/lots of the entire Red Ledges Development have sold. Should the total number of platted units/lots be reduced or increased, construction will begin within 120 days of when 80% of the adjusted number of lots/units are sold. Should Red Ledges complete platting of lots prior to selling 80% of units/lots, Red Ledges will provide to the City a performance and construction bond for the entire construction costs for Section C and Connection Road of the Eastern Bypass.

4.1 Red Ledges will provide the City a copy of its EMMA quarterly disclosure reports that are submitted to Zions Bank as part of Red Ledges's required report for the Twin Creeks assessment bond, pursuant to a June 30th, 2015 Agreement.

4.2. In the event that Section C of the Eastern Bypass and Connection Road is not completed in a timely manner pursuant to these time line triggers, or that any of the time line trigger events of this Agreement are not met, in addition to all other remedies, sanctions and rights of enforcement contained in the Annexation Agreement, Interlocal Agreement, Development Agreement and Master Plan Agreement, the Red Ledges Planned Community Master Plan Agreement (2007), and the First, Second, Third, Fourth, and Fifth Amendment to the Interlocal Agreement Regarding the "Red Ledges Property", and any other associated agreements or contracts pertaining to the Red Ledges Development and Annexation, and pursuant to this MOU, the City may, in its sole discretion, not grant and withhold any further approvals for the associated Red Ledges Development and Projects, including but not limited to subdivision approvals, plat approvals, plat amendments, building permit approvals, inspection approvals, either owned by Red Ledges or its assigns or successors. The decision of the City to withhold any such approvals shall in no way limit or restrict the City from enforcing or seeking any and all other remedies at law, equity or identified or provided for in any of the above referenced Agreements associated with Red Ledges and Heber City and Wasatch County.

5. The timeline of required, preparatory trigger events for completion of Section C of the Eastern Bypass and Connection Road, and to which Red Ledges shall be required to adhere, or be declared in default of its obligations are as follows:

5.1. Completion and submission to the City of an executed surety bond and performance agreement approved by the City in an amount equal to 120% of the estimated total cost for the City to construct the public park, public trail and trailhead, on or before August 31st, 2020. The previous bond requirement for Section C of the Eastern Bypass and Connection Road is postponed until construction bids are awarded on Sections A and B, if construction for both is commenced simultaneously, or, when the construction bid is awarded for the later of either Section A or B. In any such event, said previous bond coverage for Section C of the Eastern Bypass and Connection Road shall be required within twenty (20) days of such above described events. Except as otherwise set forth herein, the extent of Red Ledges duty to secure its surety's obligation to guarantee Red Ledges' performance under this Agreement, and other referenced Agreements herein, shall be limited to the amount of the Security (herein the "Proceeds"). All incidental costs that may exceed the amount of the surety obligation herein, shall, notwithstanding, be available to the City from Red Ledges. Except as against surety, nothing in this Agreement, including but not limited to the surety's limit of liability shall prevent the City from seeking all and any remedies at equity or law against any and all other parties associated with such costs, damages or losses suffered by the City.

5.2. Complete road design and construction documents, approved by the City Engineer for Section C of the Eastern Bypass and Connection Road, the Public Park, and the Public Trail, and dedication of the associated right of way to the City for Section C of the Eastern

Bypass and Connection Road, shall be executed and submitted to the City on or before September 1, 2020.

6. Except as amended hereby or inconsistent herewith, the August 29, 2019, Fifth Amendment- MOU remains in full force and effect.

IN WITNESS WHEREOF the foregoing has been confirmed and agreed to be effective the 12TH day of August, 2020.

AGREED TO BY:

Matt Brower,
Heber City Manager
Heber City, Utah
On this 11 of August, 2020

Mayor Kelleen Potter,
Heber City, Utah
On this 11 of August, 2020

By: Todd R. Cates, VP
Red Ledges Land Development, Inc.,
Heber City, Utah
On this 12TH of AUGUST, 2020

FIFTH AMENDMENT - MEMORANDUM OF UNDERSTANDING REGARDING A TIME LINE OF REQUIRED TRIGGER EVENTS FOR COMPLETION OF RED LEDGES' PORTION OF THE EASTERN BYPASS AND CONNECTION ROAD and THE ASSOCIATED PUBLIC PARK and TRAIL

This Fifth Amendment - Memorandum of Understanding ("MOU"), dated as of the 29th day of **August 2019,** is made by and between Red Ledges Land Development, Inc., a Florida Corporation, ("Red Ledges"), and Heber City, Corporation, ("Heber City, or City, or The City"), having offices at 75 N Main St, Heber City, UT 84032 ("City"), collectively hereinafter referred to as the "Parties".

WITNESSETH:

WHEREAS, The Interlocal Agreement, (2007), and the Red Ledges Planned Community Master Plan Agreement (2007) read together, indicate that:

7. c. Red Ledges, at its own expense, will construct the Bypass Road pursuant to city standards; and when it is completed, Red Ledges will deed the underlying land to the City and the City will maintain the Bypass Road in perpetuity. Red Ledges shall plant and maintain the landscaping associated with the public park and Bypass Road in perpetuity..., and

7. f "Red Ledges will complete construction of the Bypass road and Connection Road within one year of final approval of Phase 1..." and

WHEREAS, The said Master Plan Agreement instructs that the following improvements will commence with Phase 5 of Red Ledges:

4. a. v. 2. Red Ledges Community Park irrigation and landscape improvements per the Conceptual Community Park Exhibit in the Master Plan, and

WHEREAS, The Fourth Amendment to Interlocal Agreement Regarding the "Red ledges" Property, provides that the Parties agreed that the completion date for construction of the Bypass and Connection road was extended through October 31, 2019, and that failure on the part of Red Ledges to initiate and finish construction of the Bypass and Connection Road by October 31, 2019, or subsequent granted extensions would constitute a breach of the Interlocal Agreement and the Fourth Amendment. It was further agreed that if that specific breach occurred, the City could choose to withhold any further phase approvals, until the Bypass and Connection Road was completed. (Page 1, paragraph 1 Extended Completion Date for the Bypass Road and Connection Road.), and

WHEREAS, On the 19th day of March, 2019, the City Council passed a Motion not to extend the completion date for construction of the Eastern Bypass Connection Road beyond October 31, 2019, without assurances agreeable to the City, and

WHEREAS, The Parties desire to capture and reduce to writing a time line of required, specific and certain trigger events for the completion of said Eastern Bypass and Connection Road as a City Standard Minor Collector Road, a public park and public trail and

WHEREAS, Red Ledges and the City desire to agree and sign an agreement in respect to a time line of said trigger events, including but not limited to occurrences, constructions, submissions, applications, inspections, respective obligations and duties, and expectations of each Party;

NOW THEREFORE, It is agreed as follows:

1. Subject to acts of God, or delay caused by the City or Heber Light and Power out of the control of Red Ledges, Red Ledges shall initiate and be responsible to complete construction, subject to approval of the City Engineer, with approval from the City Council, the Eastern Bypass & Public Trail, Public Park, and Connection Road identified, and made reference in the above mentioned Interlocal Agreement, (2007), and the Red Ledges Planned Community Master Plan Agreement (2007).

2. Unless otherwise agreed to in writing, the Parties anticipate and are expected that pursuant to and in accordance with this said time line and trigger events, the Eastern Bypass and Connection Road, and public trail, shall be completed on or before May 30, 2021.

3. In the event that the Eastern Bypass and Connection Road is not completed on or before May 30, 2021 or that any of the time line trigger events of this agreement are not met, in addition to all other remedies, sanctions and rights of enforcement contained in the Annexation Agreement, Interlocal Agreement, Development Agreement and Master plan Agreement, the Red Ledges Planned Community Master Plan Agreement (2007), and the First, Second, Third and Fourth Amendments to the Interlocal Agreement Regarding the "Red Ledges Property", and any other associated agreements or contracts pertaining to the Red Ledges Development and Annexation, and pursuant to this MOU, the City shall not grant any further approvals for the associated Red Ledges Development and Projects, including but not limited to subdivision approvals, plat approvals, plat amendments, either owned by Red Ledges or its assigns or successors. The decision of the City to withhold such approvals shall in no way limit or restrict the City from enforcing or seeking any and all other remedies at law, equity or identified or provided for in any of the above referenced Agreements associated with Red Ledges and Heber City and Wasatch County.

4. The time line of required trigger events for completion of Red Ledges' Eastern Bypass and Connection Road, and to which Red Ledges shall be required to adhere, or be declared in default of its obligations are as follows:

a. Completion and submission to the City of an executed surety bond and performance agreement approved by the City in an amount equal to 120% of the estimated total cost for the City to construct the Eastern Bypass and Connection Road, public park and public trail, on or before July 15, 2019. Except as otherwise set forth herein, the extent of Red Ledges to secure its, (Red Ledges'), performance under this Agreement, and other referenced Agreements herein, shall be limited to the amount of the Security (herein the "Proceeds"). All

incidental costs that may exceed the amount of the surety obligation herein, shall, notwithstanding, be available to the City from Red Ledges. Except as against surety, nothing in this Agreement, including but not limited to the surety's limit of liability shall prevent the City from seeking all and any remedies at equity or law against any and all other parties associated with such costs, damages or losses suffered by the City.

b. Completion and submission to the City of approved and complete road design and construction documents, approved by the City Engineer for the Eastern Bypass and Connection Road, Public Park, Public Trail, and dedication of Eastern Bypass including Public Trail & Public Park right of way to the City, on or before October 31, 2019. In addition, Red Ledges will dedicate easements to the City for all Red Ledges public trails upon default or the City's acceptance of such road and park. Furthermore, Red Ledges will convey the deed to the land for the Eastern Bypass Road and Public Park to the City upon default or the City's acceptance of such road and park.

c. Award of a construction contract and beginning construction, on or before March 1, 2020.

d. Completion of the road substructure, which for the purposes of this Agreement shall mean all improvements and underground utilities for the road except asphalt, curb and gutter, and trail on or before October 1, 2020.

e. Completion and City approval and acceptance of the road construction project, on or before May 30, 2021.

If, upon the City's written notice to Surety of Red Ledges' failure to perform as per the preceding time line, the proceeds are not remitted to City within thirty (30) days of demand, or the improvements are not installed within a reasonable time period determined by City, then Red Ledges acknowledges and agrees that City shall be allowed to proceed against Red Ledges without further notice for all City's costs of obtaining the Proceeds and/or completing the improvements.

5. Inasmuch as the Red Ledges development has now geographically entered Phase five (5), pursuant to aforementioned Agreements, and this Agreement, Red Ledges agrees to complete the Public Park adjacent to Center Street, and running adjacent along the western edge of the Eastern Bypass Road on or before October 1, 2020. Said Park shall be developed in accordance with the Conceptual Community Park Exhibit in the Master Plan and notwithstanding that Exhibit shall include at a minimum the following key elements:

a. Native & irrigated grasses with necessary topsoil for good growth south of the Stone Creek retention pond to existing Lake Creek trail. Park grade & elevations shall be similar to surrounding land & Bypass Road elevations with ability to add berms, sandstone rocks, and sculpting the land to add interest to the park.

Red Ledges will plant native grass and plants in all other areas of the park not dedicated to trails and irrigated grass turf. Red Ledges will place clean top soil of 1 to 3 inches

on an as needed basis on disturbed areas where top soils have been removed and plant native grass and plants in all other areas of the park not dedicated to trails and turf. Red Ledges will be responsible to assure the establishment & maintenance of the native grass and plants for two years after dedication of park to City.

b. A public, gravel trail system that runs around and through the interior of the Park, including around the retention pond. The design and location of park trails will be done with cooperation and approval of Heber City prior to construction. Red Ledges will locate, design and construct, with approval of Heber City. All public trails will be based on the *Second Amendment to Interlocal Agreement Regarding the "Red Ledges" Property* dated January 14, 2013; furthermore, the internal park trails will be governed by this 'Fifth Amendment - Memorandum of Understanding.'

c. Two Family size covered picnic pavilions with electrical outlets and a minimum of ten feet irrigated grass around each pavilion including approximately 8 inches of clean top soil under irrigated grass. Electric metering will be assigned to City upon dedication of Park.

d. Pedestrian trail access to Timp Meadows/170 North to the west of Park with the City making necessary improvements to the Wasatch Canal. Red Ledges will contribute up to $15,000 to City for costs of Canal Bridge by May 30, 2021.

e. Trail access and connections to Center St. and Eastern Bypass public trails.

f. At least 10 Park Benches.

g. 1 permanent unisex restroom with attendant lighting.

h. Asphalted public parking for onsite trail head and Public Park with nighttime lighting per standards of at least 15 parking spaces, which will be asphalted on or before May 30, 2021.

i. Minimum two water drinking fountains & faucet spigots in park area south of retention pond.

5.1. Except for the two-year native grasses & plants maintenance requirement, Heber City shall be responsible for the perpetual care and maintenance of said Public Park upon dedication. Heber City will accept responsibility for perpetual maintenance of pavilions, irrigated turf areas, parking area, public bathroom, all public trails located in the park, and all other areas of the park. City's maintenance responsibility will commence upon: 1) completion of all park amenities detailed in this MOU, and 2) dedication of all park property to Heber City on or before May 30, 2021. Said deed shall include a statement of reversion that the City will deed the land back to Red Ledges Community Association, Inc., if City chooses not to maintain public park as a park as is, in perpetuity. In the event that the City chooses to deed land back to Red Ledges Community Association Inc., it will maintain the public park as is, in perpetuity.

Perpetual maintenance of the public trails is to be the responsibility of Red Ledges including within Red Ledges and along the Eastern Bypass Road and Center Street trails. Red Ledges agrees to maintain trails and asphalt to City standards.

6. Red Ledges agrees to complete the Public Trail that runs through the park adjacent to Center Street, and running adjacent along the western edge of the Eastern Bypass on or before May 30, 2021. Red Ledges will also install the public trail on the southern edge of the Connection Road on or before May 30, 2021 per same standards below in 6a., b., & c., except installing asphalt. Said Public Trail on the Eastern Bypass Road shall be developed and completed pursuant to the trail plan or other such trail references appertaining to any aforementioned Agreements, this Agreement, and City standards, and shall include at a minimum the following:

a. 8' wide asphalt, 3" thick, 6" road base, and weed barrier.

b. Trail access, crossings, and connections to Red Ledges public trail system at Center Street and the north east corner of the Eastern Bypass and Connection Road.

c. No vehicles or vehicular traffic shall be allowed on the Public Trail or associated amenities, except City, Red Ledges, or County maintenance vehicles.

6.1. Notwithstanding the Second Amendment to the Interlocal Agreement, clause 9; Red Ledges shall be responsible for the perpetual care and maintenance of said Public Trail and all public trails listed in the Second Amendment. Red Ledges agrees to maintain trails and asphalt to City standards.

6.2 Any public accesses to said Public Trail shall be recorded.

7. Red Ledges agrees that all trails designated as public trails in the *Second Amendment* on private and public property, including trails within the public park, are available for general public use and not to be restricted to private only use.

8. Red Ledges agrees to finalize and complete the open space agreement with Wasatch County pursuant to aforementioned Agreements and this Agreement by June 15, 2020, pending county approval.

9. This Agreement is effective upon signature by the parties and will remain in effect unless and until terminated by mutual agreement.

10. This Agreement shall in no way supersede, replace or impose requirements or processes provided for by any local, state or federal land use laws or ordinances, or any other associated agreements or contracts pertaining to the Red Ledges Development and Annexation, some of which are mentioned herein.

11. AMENDMENTS This Agreement may be modified or amended only by written agreement among the parties hereto. Any terms or conditions not set forth in this Agreement, but expressly agreed to in a future MOU signed by the City and Developer shall be considered integrated into this MOU.

12. TERMINATION This MOU may be terminated at any time by mutual written agreement of all parties. Expiration or termination would affect only pursuit of new projects under the MOU. Projects completed or in progress will be governed by the specific individual agreements set forth herein as they apply to such projects.

13. AUTHORITY The City Manager and Mayor executing this MOU represent and warrant that they are signing this MOU with full approval of and authority granted by the Heber City Legislative Body.

14. REMEDIES In the event of any party's default under this Agreement the non-defaulting party or parties may, in addition, but not limited to any and all other remedies afforded them by local, state or federal law, or in the Agreements referenced and mentioned above herein, or this Agreement, sue for injunctive relief and/or damages. The prevailing party or parties shall recover their costs and attorney's fees.

IN WITNESS WHEREOF the foregoing has been confirmed and agreed to be effective the 29TH day of ~~July~~ AUGUST 2019.

AGREED TO BY:

Matt Brower,
Heber City Manager
Heber City, Utah
On this 29th of ~~July~~ August 2019

Mayor Kelleen Potter,
Heber City, Utah
On this 29th of ~~July~~ August 2019

Red Ledges ~~Land Development~~, Inc.,

Todd R Cates, VP
Heber City, Utah
On this 29TH of ~~June~~ AUGUST, 2019

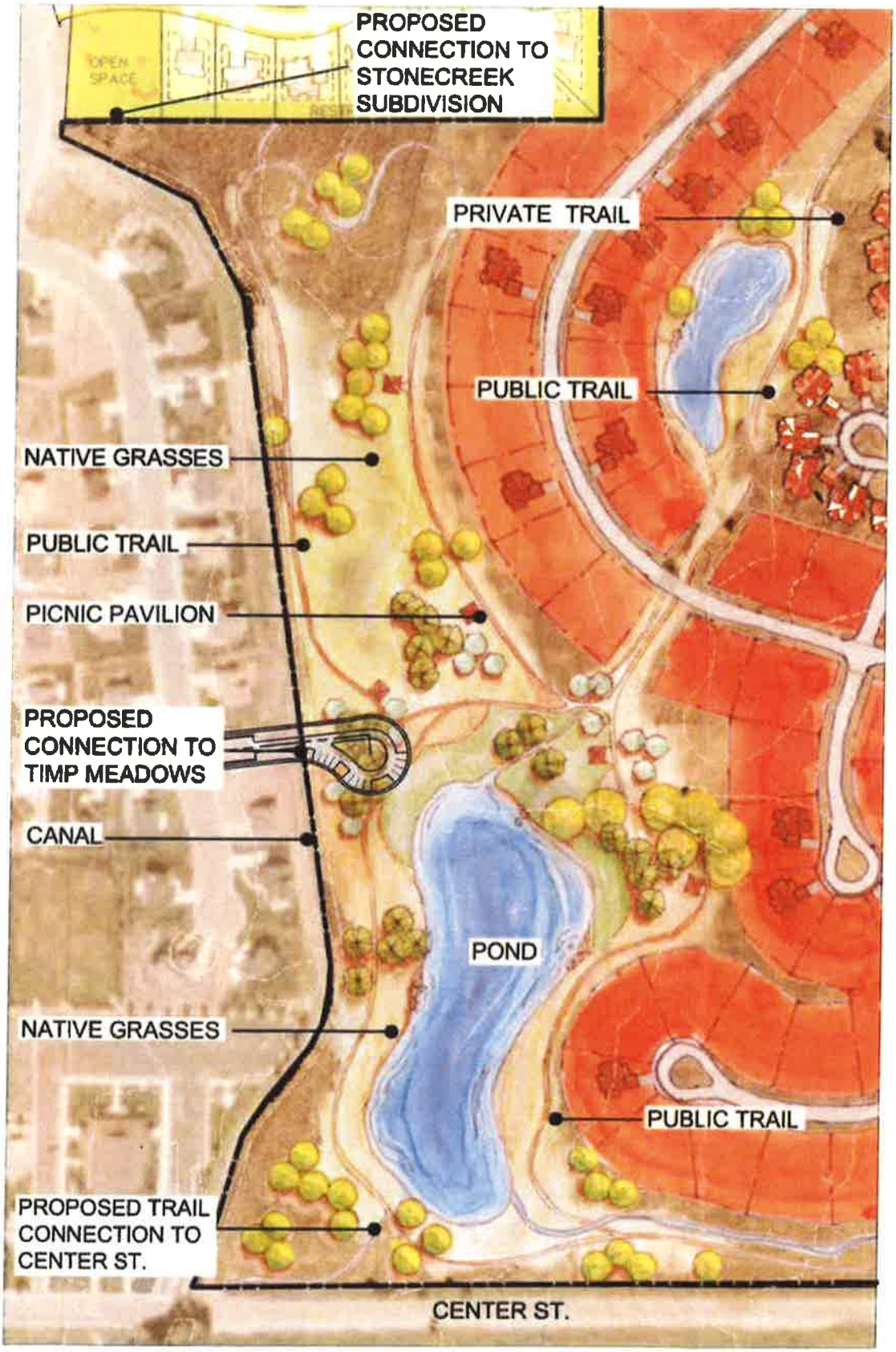
WASATCH COUNTY, A POLITICAL SUBDIVISION OF THE STATE OF UTAH:

Mike Davis, Wasatch County Manager
Heber City, Utah
On this 30th of September, 2019

TWIN CREEKS SPECIAL SERVICE DISTRICT:

Ron Phillips, Twin Creeks Special Service District
Heber City, Utah
On this 10th of September, 2019

RED LEDGES MASTER PLAN PARK EXHIBIT 11/22/06



PUBLIC PARK

19 ACRES

N

0 50 100 200 300

SCALE: 1"=100'

Red Ledges Land Development, Inc.
2 S. Main Street
Suite 2-A
Heber City, UT 84032

May 8, 2009

Mayor David R. Phillips
75 North Main Street
Heber City, UT 84032

Re: Interlocal Agreement Regarding the "Red Ledges" Property

Dear Mayor Phillips:

Paragraph 9 of the Interlocal Agreement Regarding the "Red Ledges" Property executed by and between Wasatch County, Heber City, Twin Creeks Special Service District and Red Ledges, LLC on November 21, 2007, pertaining to the ""City's Widening of Center Street" provides that Red Ledges shall provide financial assistance to the "City" to renovate the City's Center Street between Main Street and Mill Road up to a maximum of one-third of the cost of such renovation, with Red Ledges' share of the expense not to exceed One Million Dollars ($1,000,000.00). City representatives have advised that the total cost of the Center Street widening project will be approximately $3,500,000.00 and that the $1,000,000.00 maximum amount provided for in the Agreement will be required to be paid by Red Ledges to the City.

Based upon discussions with members of your staff, all interested parties have agreed that the $1,000,000.00 amount required to be paid by Red Ledges Land Development, Inc., as successor to Red Ledges, LLC, in accordance with the provisions of paragraph 9 of the Interlocal Agreement shall be paid in six (6) monthly installments commencing on June 1, 2009 and on the first day of each month thereafter through November 1, 2009 in the following amounts: $166,666.66 on June 1, July 1, August 1, September 1 and October 1 and a final payment of $166,666.70 on November 1, 2009.

Please sign and return the enclosed copy of this letter to confirm our understanding and agreement with reference to the agreed installment payment arrangement to satisfy the $1,000,000.00 obligation in accordance with the provisions of paragraph 9 of the Interlocal Agreement.

Best regards,

Yours sincerely,

Red Ledges ~~Land Development~~, Inc.

Todd Cates, Vice President

Acknowledged and agreed this 13 day of May, 2009.

By: _____
Title: Mayor

Heber City Council Staff Report

MEETING DATE: 7/1/2025

SUBJECT: Ordinance 2025-08 adopting the Central Heber Overlay Zone (CHOZ)

RESPONSIBLE: Tony Kohler

DEPARTMENT: Planning

STRATEGIC RELEVANCE:

SUMMARY

After the Central Heber Vision was adopted last year, the City has been working on implementation. Already pieces of the Vision are underway. As part of that Vision, transitions from the commercial/mixed use downtown (the C-3 zone) area into the Central Neighborhoods and the possibility of creating infill options for the Central Neighborhoods became recommendations within the Vision. The draft Central Heber Overlay Zone, CHOZ, is intended to implement those parts of the Vision.

CHOZ includes two sub-districts. One sub-district, the Transition Corridor (TC) covers the transition areas located essentially in a north south direction east and west of the C-3 zone but also including the Midway Lane area, west to about 600 West. The second sub-district, the Central Neighborhoods (CN), covers the downtown existing neighborhood generally in the R-2 and R-3 zones.

Part of the intent of the CHOZ is to provide a balance of rental and ownership opportunities in the Downtown. Some of the options provide the potential for affordable housing that could be owner occupied. Some options are strictly rental situations, but long term rentals.

The Council held a workshop where a PowerPoint presentation covered many of the aspects of the CHOZ. The intent of this workshop is to review the actual draft ordinance and discuss several issues that have arisen.

RECOMMENDATION

The staff requests the City Council to study the draft and be prepared to ask questions and address issues. New changes since the PC recommendation are in red.

BACKGROUND

Envision Heber Phase 3, included the Vision for Central Heber, a grass roots process that created a series of recommendations for the Downtown area.

DISCUSSION

Within the general CHOZ Overlay, there are two sub-districts: Central Neighborhoods for the neighborhoods, and the Transition Corridor District (east and west of Main Street and along Midway Lane). The intent of each district is as follows:

Central Neighborhoods District (CND). The Central Neighborhoods District, as part of the Central Heber Overlay Zone, has been established to allow for various forms of infill. These include flag lots, small lots, and certain missing middle housing types. The CND adds additional housing flexibility to the R-2 and R-3 zones in the Downtown area.

In general, additional uses are proposed, especially for various housing types. Some new housing concepts are proposed including, flag lots, smaller lots (based on your current infill ordinance), duplexes, twin homes, and ADUs which are already allowed

Some spatial requirements have been made more flexible but all development types will accommodate needed easements for Public Works.

Design standards are based on the type of building being proposed.

A new small lot concept is also suggested which would allow for a detached ADU-like lot accessed by a permanent easement with a requirement for the owner to live in the new dwelling.

Transition Corridors District (TCD). The Central Heber Vision suggests an additional mix of uses could be considered as a transition to the residential neighborhoods east and west of the Main Street area and along Midway Lane. The Transition Corridors District (TCD) has been established to promote limited uses with a mix consisting of residential and commercial uses. The mix of uses would allow for medium to higher density residential uses, with occasional corners for lower intensity commercial uses. The TCD has several suggested transitions as you closer to the 200s. A portion of the TCD, between 150 West and 150 East, has been identified by the Central Heber Vision, as an area to be considered for rezoning to C-3 Commercial.

CND and TCD housing and use options

Difference between the two sub-districts – see table 18.83.040

Some changes and issues have recently been discussed:

· Updated town house section – suggest no more than 5 attached units and if the units do not face the street (are oriented away from the street), the end unit closest to the street has to face and be accessed from the street– Max of 5 total units in a project in the CND but no project size limitation in the TCD, just no more than 5 attached units in one building

· Double deep flag lots have been re-introduced

· Previously dropped Mansion apartments from CND but a recent idea suggests dropping the duplexes and twin homes and replacing those with Mansion Apartments which would allow 2 through 4 units. This would mean a 2 unit Mansion Apartment has more standards which it needs to meet. State law changes have impacted creating design standards for duplexes, twin homes and single family dwellings.

· Flag lots, detached ADUs, and SDUs emphasize standards that make them subordinate to avoid the “neighbors in my backyard” issue

· Staff suggests keeping the 35’ height limit as a general standard but that is reduced for flag lots detached ADUs, and SDUs to 1.5 stories

· The safety requirements for Public Works and the Fire Department have been pulled together as a general set of requirements applicable to all new development. The Fire Department’s hose rule is quite restrictive for many of our deeper lots (150’ to the midpoint at the rear of the

building). Interior sprinkling requirements which create more flexibility, may need to occur more than anticipated.

· Issues have been raised about some of the building design requirements increasing costs of construction.

· Several graphics need updates so please focus on the text and realize that some of the labels on the graphics need to be changed.

· Some housing types require permanent owner occupancy and others require longer term rentals

FISCAL IMPACT

None at this tim

CONCLUSION

The CHOZ is intended to implement the Central Heber Vision.

ALTERNATIVES

1. Approve as proposed
2. Approve as amended
3. Continue
4. Deny

POTENTIAL MOTIONS

N/A

ACCOUNTABILITY

Department: Planning
Staff member: Tony Kohler, Community Development Director

EXHIBITS

1. CHOZ draft for 7 1 25
2. Ord 2025-08 CHOZ (2)

18.83 Central Heber Overlay Zone (CHOZ)
Draft update for the July 1 workshop

18.83.010 Purpose
18.83.020 Permitted and Conditional Uses
18.83.030 Spatial Requirements
18.83.040 Building Typologies & Design Requirements
18.83.050 Visual Screening
18.83.060 Definitions
18.83.070 Related Provisions

18.83.010 Purpose

To implement the Central Heber Vision of the General Plan, the Central Heber Overlay Zone (CHOZ) is hereby created to include two distinct land use districts. If the use of the Overlay is desired by an applicant, the uses and standards of this chapter shall apply.

A. **Central Neighborhoods District (CND)** is established to allow for various low intensity forms of infill, combined with options to preserve historic homes. Infill options include certain missing middle housing types and historic building use flexibility.
B. **Transition Corridors District (TCD)** is established to permit a moderate intensity mixture of residential and commercial uses. The TCD serves as a transition area from the C-3 Commercial Zone westward and eastward of Main Street to existing residential neighborhoods. The district also serves as a connecting land use from the C-3 Commercial Zone westward to the area containing the new high school, railroad and Southfield Park. The TCD promotes missing middle housing types, historic building use flexibility, mixed use buildings and lower intensity commercial uses. A portion of this area, located between 150 W/E to the C-3 Commercial Zone, has been identified by the General Plan as an area to be considered for rezoning to the C-3 Commercial Zone, in the future.

18.83.020 Permitted and Conditional Uses

The underlying zone uses remain. The CHOZ includes additional uses and limitations as described below. In order to accomplish the objectives and purposes of this title and to stabilize and protect the essential district characteristics, the following uses are allowed the CHOZ:

A. **Land Use Regulations Terms**
   P = PERMITTED USE (P) A site plan application is required with staff processing. Site plan applications are approved, when and if they meet the ordinance standards.
   C = PLANNING COMMISSION CONDITIONAL USE REVIEW (C). A site plan application with Planning Commission review is required.
   N = not allowed in the particular overlay area
B. Within the Table, if a use is not specifically designated below, then it is prohibited, except as specified in the underlying zone.
   All uses listed in the use table, that require a building permit shall also require a site plan application.

Permitted and Conditional Use Chart
18.83.020.1

Land Use	CND	TCD	Limitations
Residential attached units	P	P	See Section 18.83.040 for permitted building types per district. 5 or less units per building and project is limited to 5 units
Residential attached units over 5 units	N	C	See Section 18.83.040 for permitted building types per district,
Artist studios & live-work	N	P	
Office, Retail, Services and Secondhand Stores	N	P	• Max 5000 sf footprint • See note 1 below • Tattoo parlors, tobacco shops, adult related businesses, pawn shops & cannabis facilities are prohibited)
Cafes/restaurants, bakery, outdoor dining	N	C	• No drive-up windows • No fast food • See note 1 below
Hotels	N	C	See note 1 below
Medical offices, clinics	N	P	See note 1 below
Institutional/Religious, Museums & Public Uses	C	P	
Fitness centers & gymnasiums	N	P	See note 1 below
Commercial day care	N	P	As regulated by State Law
Home occupations, home based pre-school, daycare and micro-school	P	P	As regulated by Section 18.68.609 & State Law
Public/Private schools	C	P	As regulated in State Law and Section 18.68.230. Size limitations may be imposed.
Signs	N	P	• As regulated by Section 18.104 • Further limited to one monument sign (max 15 square feet and 4’ in height) with a rock/brick base, and one wall sign (max 24 square feet and 3’ in height) or one projecting sign (as per the standards in 18.104)

Note 1 - For the TCD, permitted only for properties fronting 100 South and for properties fronting 100 East and 100 West

18.83.030 Spatial Standards

A. The minimum spatial standards shall be as set forth in the underlying zone, with the addition of Small lots, Flag lots and SDUs, as described below.
B. The maximum height of all principal structures shall be thirty-five feet and accessory buildings shall follow the requirements of the underlying zone.

General Spatial Requirements *
Table 18.83.030.1

Frontage	Min Front Setback	Min Rear Setback	Min Side Setback	Min Area & Depth	Max Height
All other buildings must meet the frontage requirements of the underlying zone	15 feet min from public right of way; 10 feet min for flag lots from PUE/access easement to any building	15 feet to property line	5 feet min to each side property line; 15 feet min from public right of way	As per the underlying zone or as specified in section 18.83.040 98 foot min depth for corner lots	~~25 foot~~ 1.5 stories max for flag lots, detached ADUs, and SDUs; 35 foot max for all other buildings

*Other standards may apply elsewhere in this code, such as 18.83.040

18.83.040 Building Typologies & Design Requirements

Table of Permitted Building Types per District
18.83.040.1

Building Typology	CND	TCD
Small lot	P	N
Flag lot (s)	P	P
Subordinate Dwelling Unit (SDU)	P	P
Detached and Internal Accessory Dwelling Unit (ADUs)	P	P
Townhouses (small – no more than 5 attached units per building)	P	P
Townhouse complexes (more than one building)	N	C
Mansion style apartments/condominiums	N (alt "C")	C
Duplexes (alt delete)	C	C
Twin Homes (alt delete)	P	P
Commercial Building	N	P
Mixed Use Building	N	P

A. Those who desire to convert homes, lots or other buildings to commercial use or multi-family use shall maintain the required landscaping. No parking is allowed in the front yard.
B. Rooftops may be used as garden type open space, and/or passive recreation space.
C. All Rooftop Heating, Ventilating, and Air Conditioning equipment (HVAC) shall be enclosed or screened such that it is not readily recognizable as HVAC equipment.
D. Special Standards for certain uses and structures.
1. Non-residential uses shall not produce noise exceeding fifty-five (55) decibels as measured at the property line, vibration, fumes smoke, dust or other particulate

matter, odorous matter, heat, humidity, glare, electrical interference or other objectionable effects.

2. Where garages are built, they shall be wired for a minimum of 220 Volt vehicle charging.
3. Temporary outdoor sales are allowed.
4. 10 foot wide dry utility easements shall be provided along each public and private right of way. Dry utility placement shall occur in the public Right of Way or through negotiated locations such as the private drive/street, an alley or a public utility easement (PUE) on private property. A determination of the best locations for utilities shall occur during the application process with an application requirement for a conceptual utility plan as part of that process. No above ground utilities, especially utility boxes, shall be placed in the clear view of an intersection or driveway. Any above ground utilities shall be located in an easement (PUE) behind the front face of the building, and preferably to the rear of the building.
5. All development proposed within this overlay is subject to the normal review processes of the City. The City Fire Department shall review, provide comments/recommendations, and resolve any access and fire suppression related issues.
6. When located on private property, sewer, water, and irrigation shall be metered from the public ROW and distributed through the development as private ownership. Such extensions are not a City responsibility.
7. When rented, all housing types, except ADUs, shown in table 18.83.040.1 shall have a minimum lease period of one year.

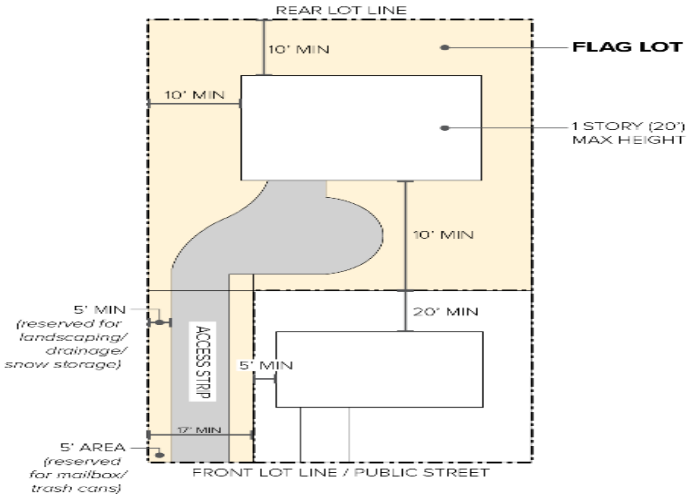
E. Small lots. Smaller lots than the standard lot size required in the R-2 and R-3 zones are allowed as follows**:**

1. Such interior lots may have a width no less than 49'at the front yard setback and if located on a corner, 56' wide.
2. Any street facing garage shall be setback from the front face of the dwelling by at least ten feet.
3. Lots with a detached rear yard garage are required to have a minimum twelve (12') foot side yard from the side property line, to accommodate a driveway to the required rear parking. The opposite side yard setback is a minimum of six (6) feet.
4. A minimum lot size of 3,500 square feet is required.

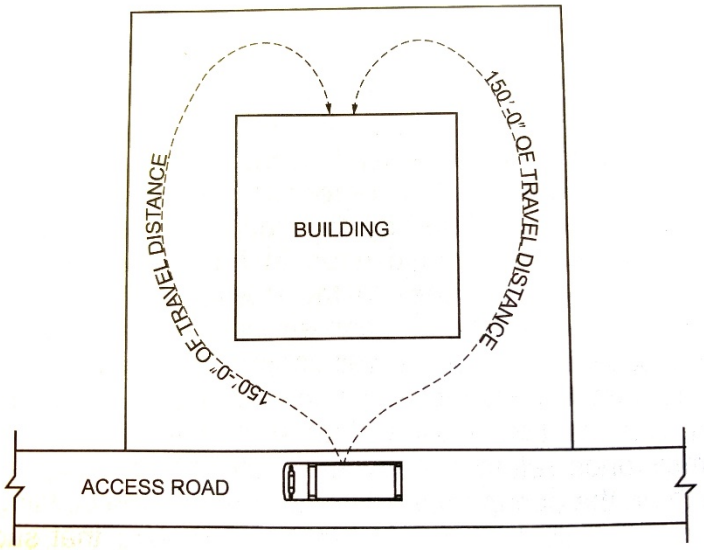
F. Flag lots. Flag lots shall meet the following requirements. These requirements supersede the requirements for flag lots in Section 18.52.050:

1. Up to two (2) flag lots (plus the existing home) may be created from an existing parcel of property.
2. Homes shall not exceed 1.5 stories in height and 10'rear, front, and side yard minimums are required.
3. The existing home shall maintain a minimum of a 20' rear yard.
4. The flag lot (s) shall be used exclusively as a single-family residential dwelling which includes the potential for one internal Accessory Dwelling Unit and shall be located to the rear of the original or front lot. If the dwelling on the front lot is torn down, any new dwelling shall face the adjacent street.

5. The main body of a flag lot, exclusive of the access strip, shall be no smaller than 50% of the required lot area in the zone in which it is located.
6. The existing front lot shall meet the required lot area, lot width, front yard, side and rear yard setback requirements for the governing zoning district in which it is located.
7. The access strip portion of a flag lot:
   a. Shall be at least ~~17'~~15' wide for its entire length from the street to the point where the access strip adjoins the main body of the flag lot with a minimum of 12' of pavement;



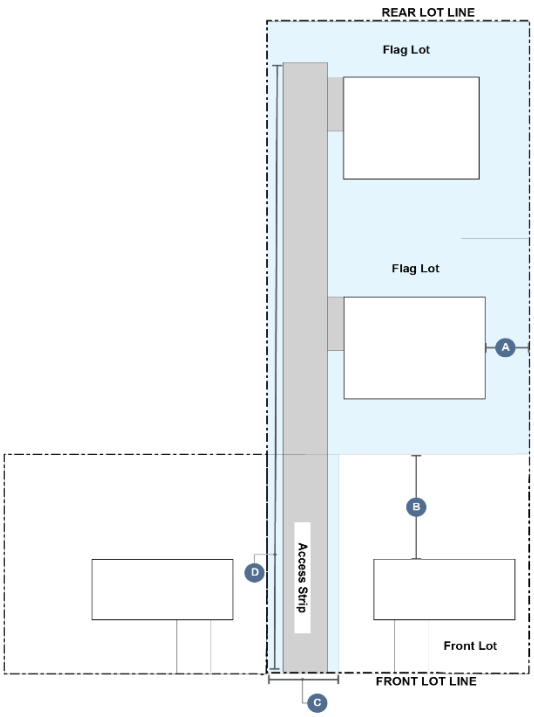
   b. ~~Shall be paved except for~~ The 15' driveway shall include, ~~5'~~ 3' reserved for landscaping/drainage/snow storage adjacent to the neighboring property line, unless agreed to in writing by the adjoining property owner;
   c. Hard surfaced driveways shall be located a minimum of ~~5'~~ 3' from any existing home on the original or neighboring lots;
   d. No driveway gates are allowed.
   e. Shall front on a public street;
f. Shall not exceed one hundred fifty feet (150') in length measured to the midpoint at the back of the flag lot home, measured as a pedestrian would walk from the street to the back of the home, see attached diagram for reference. ~~unless approved by the Fire Department~~. All flag lots/homes shall be within 600' of a fire hydrant, as measured along the roadway and access to the front door and/or garage. Interior sprinkling may be required for homes further than 150' from the public street and all flag lots are subject to Fire Department approval.



1) Where the ~~5'~~ 3' landscaped area abuts the public street, it shall contain a mailbox (s), displaying the lot address (s), and a gravel or paved area for trash cans.

g. Any flag lot/home exceeding the 150' regulation shall have a minimum 16' wide, paved driveway with the 3' buffers on each side and an approved turnaround, as per Fire Department standards.

8. Where two flag lots are proposed behind a lot fronting on the public street, the middle lot may have a zero lot line using the property line adjacent to the furthest lot.
9. Two (2) adjoining flag lots may share a common access strip only if the access strip is a paved twenty-two ~~(20'~~ 22') wide or greater width – this includes a 5' landscaped drainage/snow storage area ~~and 15' of pavement.~~ A Fire Department approved turnaround is required.
10. The access strip portion of a flag lot shall be platted as a contiguous portion of the flag lot(s) or as an easement but require public utility easements for access and public utilities from the original lot and to the adjacent street, in addition to recorded agreements about maintenance by the property owners.



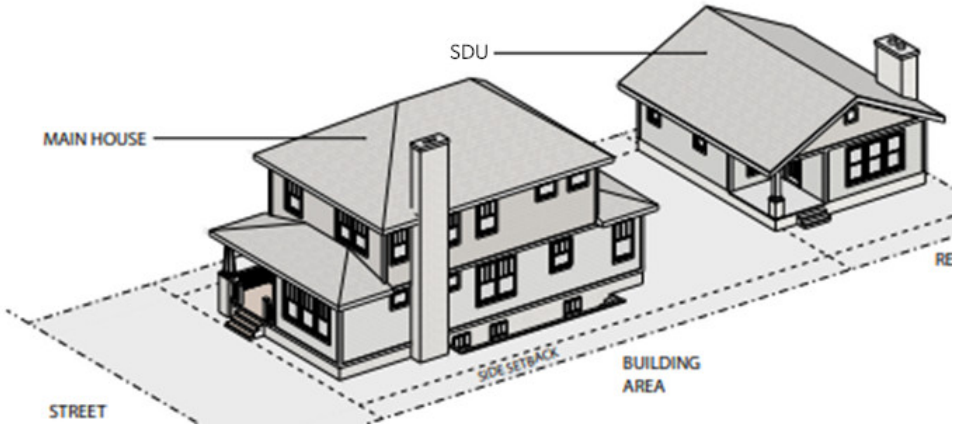
11. The subdivision plat shall include an outline of the buildable area proposed for the home (s).
12. 2 parking spaces are required for each home, as well as a turnaround area to prevent the need to back out through the driveway/access strip.
13. The address of the flag lot dwelling (s) shall be clearly visible on the home when viewed from the access strip and on the mailbox along the public street.

G. Subordinate Dwelling Units (SDU)

1. These ordinance provisions only apply to lots 5000 square feet and larger and located in the CHOZ. If an SDU can be located on a property, it is considered an additional voluntary benefit provided to the homeowner and therefore is subject to additional regulations.
2. A Permitted use application for a Subordinate Dwelling Unit (SDU) is required. Such applications shall show the footprint and height, materials/design of the SDU, the proposed lot, side yards, rear yards, the designated front yard, and the proposed

permanent access easement. In addition, a subdivision plat and processing is required.

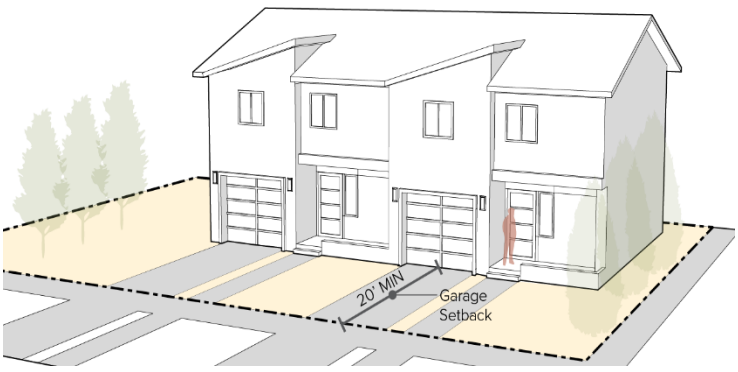
3. Standards: The following standards and conditions shall apply to all SDUs:
    a. Location: A SDU shall only be allowed as part of, or in conjunction with, a single-household dwelling, and SDUs shall contain no more than a ~~one-story~~ 1.5 stories ~~(pitched roof excluded)~~ and shall have minimum side and rear yard of 5 feet or as allowed by Building Code standards. The front yard shall have a minimum of 10' unless adjacent to a street or alley, where 15' minimum is required.
    b. Number: A maximum of one SDU is allowed and only the original, existing dwelling may contain an additional internal ADU. The SDU shall not have an internal ADU.
    c. Parking: At least one off-street parking stall shall be provided for the SDU. The required parking space may be a designated tandem space on the original lot as a permanent easement area. Parking spaces shall be identified on the subdivision plat. In addition, the parking area shall include sufficient space for garbage cans and a mailbox clearly displaying the address of the SDU, adjacent to the public street.
    d. Design And Character: The SDU shall be designed to reflect the architecture of the existing home but as a small home with painted wood, composite wood-like appearing materials, brick or stone exteriors as well as a pitched roof, 3' by 12' minimum.
    e. No SDU shall be allowed to be located further than 150' from the public street as measured to the midpoint at the rear of the SDU and measured as a pedestrian would walk from the street to the back of the home. All SDUs shall be within 600' of a fire hydrant, as measured to the midpoint at the rear of the SDU.
4. Size: An SDU shall be subordinate to the footprint of the original single-household dwelling. The SDU shall not have more than an eight hundred (800) square foot footprint. Basements are encouraged. If a garage is desired, it is not included in the 800 square foot footprint.
5. Lot Size and Frontage:
    a. The original home shall be located on a lot that is at least 5000 square feet and meet the setbacks as specified in this ordinance.
    b. No frontage on a public street or alley is required for an SDU, but a walkable or drivable permanent access easement is required (see 11 below).
6. Foundation: The SDU shall be secured to a permanent concrete foundation in accordance with the International Building Code, as adopted and amended by the City.
7. Occupants: The SDU shall be owner occupied exclusively by one household.



8. The SDU shall be permanently occupied by the owner. The City may require the recording of an instrument with the property to notify the public of this requirement.
9. The SDU shall have separate utilities from the original dwelling.
10. An SDU shall have a recorded permanent access easement or a deeded driveway. If the permanent access easement can only accommodate pedestrians, then the original lot shall accommodate the required one additional parking space. Such walkable pathways shall be a minimum width of 5' ~~to 12'~~ and shall connect to the public street. Such pathways shall be unobstructed, maintaining a clear path free of debris and impediments to access.
11. Accessory buildings shall meet the standards for accessory buildings in the existing zone. Accessory buildings shall be subordinate in height to the SDU. Once a front yard is designated, accessory buildings are not allowed in the front yard.
12. The front entry shall include a covered porch at least 6' deep and contain at least 60 square feet.

H. Duplexes and Twin homes *(option to delete):* as an extra allowance in the CHOZ, construction of a duplex or a twin home is considered an additional voluntary benefit provided to the property owner and therefore is subject to additional regulations.

1. If garages are proposed, the garage door shall encompass no more than 40% of the front façade (A) and shall be recessed, a minimum of 5', as per the drawing below.
2. If garages are proposed for each unit, they shall not be placed adjacent to each other and have a minimum setback of 20'.
3. Vinyl, aluminum siding and stucco are not allowed.
4. Separate utility lines and connections are required for each unit.
5. Duplexes located on a corner lot shall have one unit facing each street.
6. Twin homes require an agreement between the owners to be recorded specifying how shared walls, roofs, yards and drives are to be maintained.

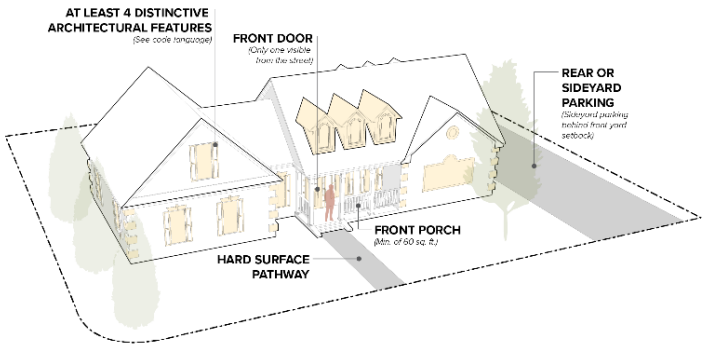


7. Twin homes require a subdivision plat.

I. Mansion Style Apartments/condominiums. Shall be designed to resemble larger homes and shall only have one visible front door as viewed from the public street. The front door area shall include a porch with a minimum of 60 square feet and a hard surfaced pathway to the street. Parking shall be provided to rear or side beyond front yard setback. Vinyl, aluminum and stucco wall surfaces are not allowed. Mansion Style apartment/condominiums may accommodate 2 to 4 units.

All Mansion Style apartment buildings shall include at least 4 distinctive architectural features from the following list (only one item from each numbered item below, as a minimum) and shall be incorporated in each building:

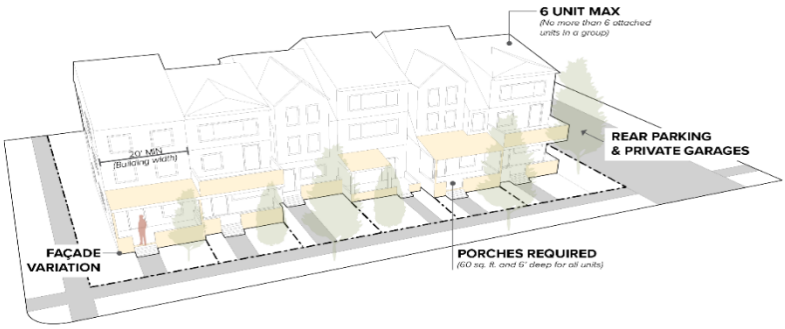
1. Ornamental details such as knee braces, exposed joists, decorative vents, window shutters.
2. Box or bay windows
3. Balconies with at least 50 square feet.
4. A minimum of 5 windows, 12 square foot minimum on the front façade.
5. A substantial/noticeable change of material applied to the front façade.
6. A substantial/noticeable change of color applied to the front façade.
7. A change of pattern that is substantial/noticeable on the façade (Example: changing brick work from face brick to a soldier course or basket weave pattern.)
8. Brick or stone along the front of the building, covering at least 25% of the front of the building.
9. Materials – brick, stone, wood, cement composite materials, and metal accents.



Separate utilities for each unit are required if condominium units are proposed.

J. Townhouse. Horizontally attached multi-story units in a rowhouse configuration. This building type can include live/work units. If live work is included, such units shall not exceed 3000 square feet of business usage, not more than 50% of the floor, and no more than 5 employees. If end units face the street, they shall they shall address the street with a front door and a porch and include windows covering at least 25% of the façade for each floor. Parking and private garages shall be to the rear of the building allowing the primary façade to front a public street or public greenspace. Garages shall include the infrastructure for a 220 outlet capable of faster car charging. Provide outdoor covered balconies or patios for 100% of the units at a minimum of 6 feet deep and 60 square feet each.

Building width shall be a minimum of 20’. Guest parking shall not include any driveway area that accesses a garage. No more than 5 attached units per building. Setbacks for each unit shall be varied at least 2’ feet where a development has more than 5 units. Townhouse developments with over 12 units shall include at least a play structure and a barbeque/seating area and one passive leisure space of at least 3000 square feet. Separate utilities for each unit are required and may require easements for units that are distant from a public street. Building heights shall not exceed 35 feet. An HOA is required.



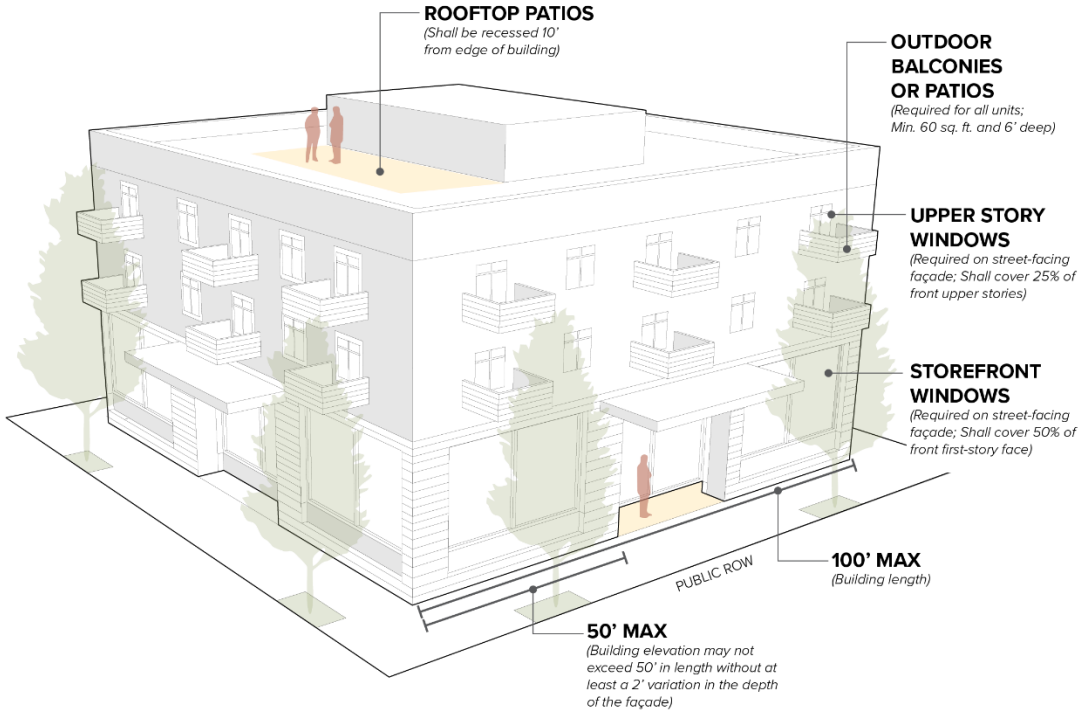
K. Mixed-use buildings. Intended for a mix of primarily residential with commercial/office or commercial and office uses required to be located on the first floor, and optional above the first floor at or near the front build-to-line with parking to the rear, underground, or podium type. No podium parking is allowed to front a street. This building type may support office, retail, hotel/hospitality or residential uses mixed vertically. For residential units, provide outdoor balconies or patios for 100% of the residential units at a minimum of 6 feet deep and 60 square feet each. No wood burning fireplaces, stoves, appliances, or outdoor fire pits are allowed. Provide indoor bike storage or bike lockers. Rooftop patios are allowed but shall be recessed ten feet from the edge of the building.

Exterior materials of a durable or resilient nature such as brick, stone, composite materials, or other materials of similar quality, hardiness, and low maintenance characteristics are required. Roughhewn, exposed wood beams, columns and supports are required for all facades facing a street. New development in the TCD shall incorporate common, locally found materials such as granite, stone, sandstone, wood, and brick as part of the first floor of each building for at least 75% of the first floor, excluding the windows. All stories above the first floor shall incorporate at least 50% of the above specified materials. Stucco and EIFS are prohibited for use as materials on any façade visible from a right-of-way, but may be used on second and above stories if additional scoring provides a brick-like appearance. Other materials may be considered, by the Planning Director for soffits, or as accents or unique architectural features. Twenty-five year guaranteed architectural shingles or other longer-lasting materials are required for sloped roofs. 360 degree architectural consistency is required.

No new building elevation may exceed 50 feet in length without at least a 2-foot variation in the depth of the façade along the public right of way and a 1-foot variation on other facades. Residential unit balconies shall not be interpreted to meet this requirement. No single building shall exceed 100 feet.

Parking shall be to the rear of the building.

Storefront windows are required on the street facing façade and street facing windows shall be cover a minimum of 50% of the front first story face and 25 percent of all upper stories.

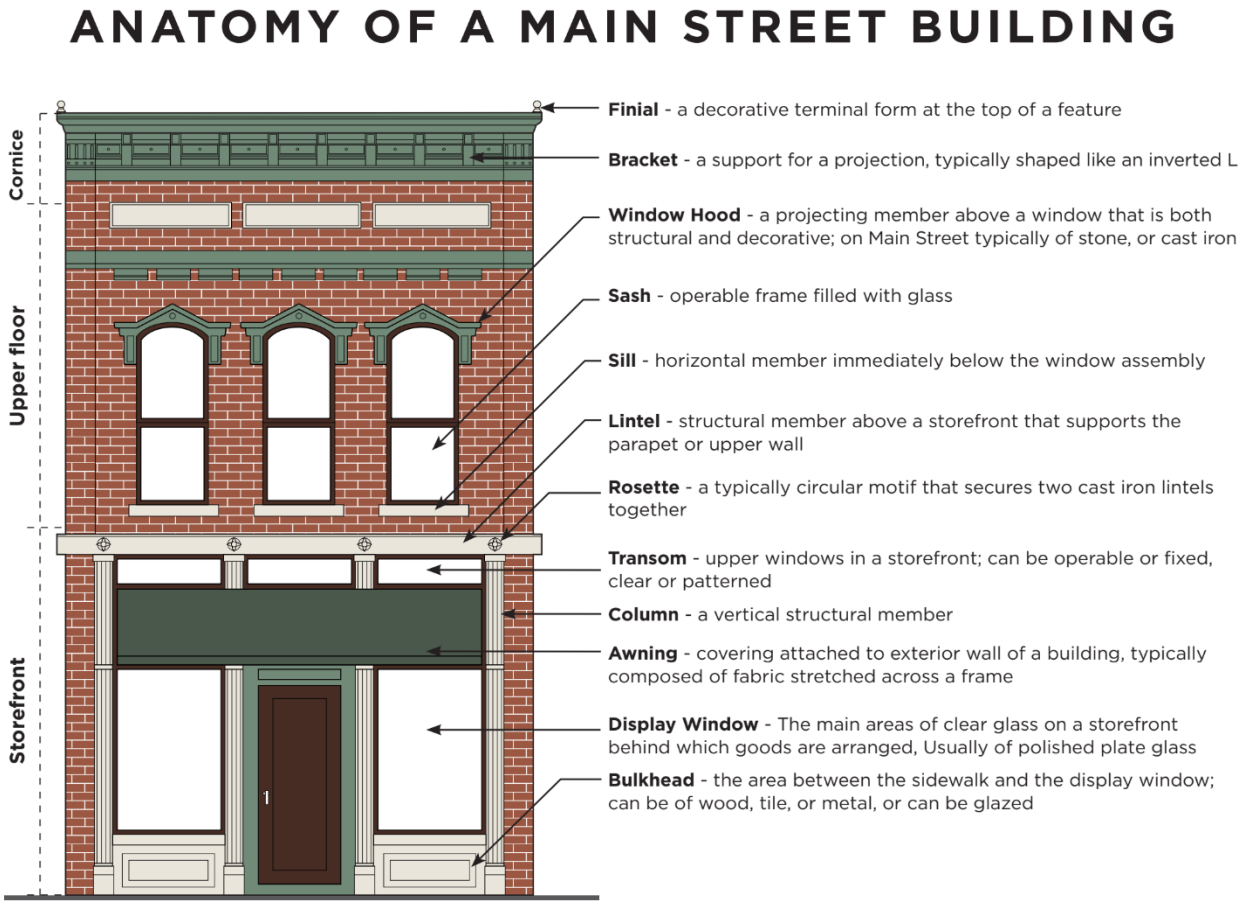


L. Commercial Buildings.

Minimum 2-story building with the primary use of office, retail, civic or commercial use. All such buildings shall include at least 1 vehicle charging station per building.

Exterior materials of a durable or resilient nature such as brick, stone, composite materials, or other materials of similar quality, hardiness, and low maintenance characteristics are required. Roughhewn, exposed wood beams, columns and supports are required for all facades facing a street. New development in the TCD shall incorporate common, locally found materials such as granite, stone, sandstone, wood, and brick as part of the first floor of each building for at least 75% of the first floor, excluding the windows. All stories above the first floor shall incorporate at least 50% of the above specified materials. Stucco and EIFS are prohibited for use as materials on any façade visible from a right-of-way, but may be used on second and above stories if additional scoring provides a brick-like appearance. Other materials may be considered, by the Planning Director for soffits, or as accents or unique architectural features. Twenty-five year guaranteed architectural shingles or other longer-lasting materials are required for sloped roofs. 360 degree architectural consistency is required.

Principal entrance shall face the street or be located on the corner of the building and recessed. Front façade shall include a storefront type appearance and include at least two additional features from the sketch below:



18.83.050 Visual Screening

All commercial lots within the zone shall have a six-foot rear yard sight obscuring fence.

18.83.060 Definitions (added as needed and likely relocated to the definitions chapter)

18.83.070 Related Provisions

Chapter 18.12	Administration
Chapter 18.08	Definitions
Chapter 18.68	Supplementary Regulations
Chapter 18.108	Conditional Use Permits
Chapter 18.72	Off-Street Parking and Loading
Chapter 18.103	Sign Regulations
Chapter 18.78	Lighting
Chapter 18.174	Enforcement
Chapter 18.117	Subdivisions

ORDINANCE 2025-08

AN ORDINANCE REPEALLING THE RESIDENTIAL COMMERCIAL OVERLAY ZONE (RC) AND THE NEIGHBORHOOD INFILL OVERLAY ZONE (NIOZ) AND REPLACING THEM WITH THE CENTRAL HEBER OVERLAY ZONE (CHOZ).

WHEREAS, Heber City's General Plan, Envision Heber 2050, identifies a new vision for the Central Heber Area, including new opportunities for infill development, redevelopment and mixed use development;

WHEREAS, the Heber City Planning Commission hosted a workshop and public hearing for impacted property owners in Central Heber for the proposed new CHOZ; and

WHEREAS, on April 22, 2025, the Heber City Planning Commission provided a unanimous recommendation to the City Council for the adoption of the CHOZ;

NOW, THEREFORE, the City Council finds it consistent with the public interest and the City's General Plan to adopt the CHOZ.

BE IT ORDAINED by the City Council of Heber City, Utah, the Zoning Map is hereby Amended to replace the RC Residential Commercial Overlay Zone and Neighborhood Infill Overlay Zone as shown in Exhibit A; Heber City Municipal Code, Chapter 18.50 RC Residential Commercial Overlay Zone and Chapter 18.83 Neighborhood Infill Overlay Zone, are hereby REPEALLED and replaced with Chapter 18.83 Central Heber Overlay Zone (CHOZ), which is hereby ADOPTED as shown in Exhibit B;

If any section, subsection, sentence, clause, phrase, or portion of this Ordinance is, for any reason, held invalid or unconstitutional by any court of competent jurisdiction, such provision shall be deemed a separate, distinct, and independent provision, and such holding shall not affect the validity of the remaining portions of this Ordinance.

To the extent that any ordinances, resolutions, or policies of Heber City materially conflict with the provisions of this Ordinance, they are hereby amended to comply with the provisions hereof.

This Ordinance shall take effect immediately upon passage.

PASSED, APPROVED and ORDERED TO BE PUBLISHED BY THE HEBER CITY COUNCIL this 1st day of July, 2025.

	AYE	NAY	ABSENT	ABSTAIN
Aaron Cheatwood				
Michael Johnston				
Sid Ostergaard				
Scott Phillips				

Yvonne Barney

APPROVED:

_____
Mayor Heidi Franco

ATTEST:

_____Date:_____ RECORDER

EXHIBIT A: CENTRAL HEBER OVERLAY ZONING MAP

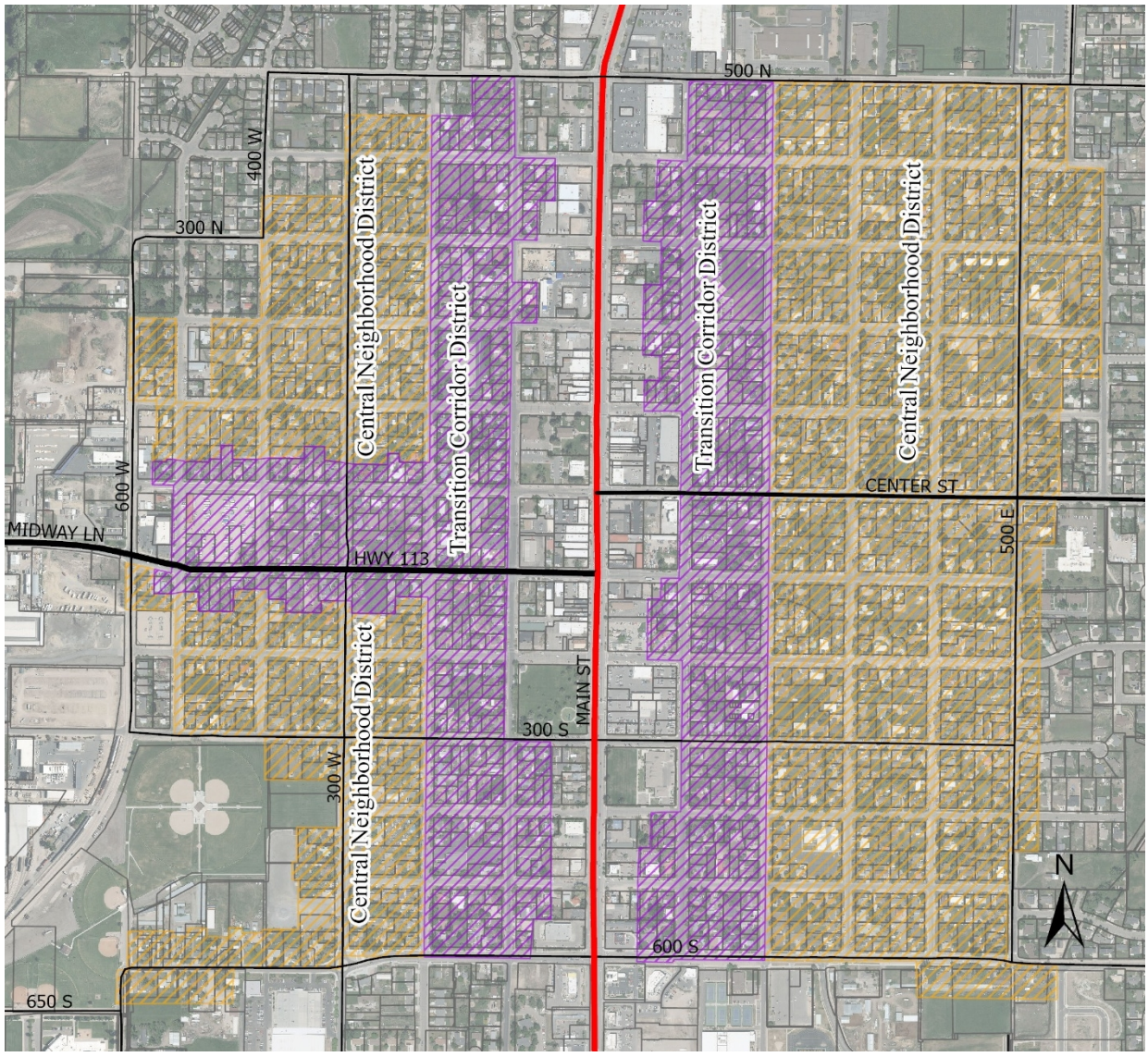


EXHIBIT B: CHAPTER 18.83 CENTRAL HEBER OVERLAY ZONE

HEBER CITY COUNCIL STAFF REPORT

MEETING DATE: 7/1/2025

SUBJECT: **Mayor's Contest Awards to honor the**

250th Anniversary of the Battle of Lexington and Concord

RESPONSIBLE: Mayor Heidi Franco

STRATEGIC RELEVANCE: Necessary Administrative Item

RECOMMENDATION:

To honor the first battle of the Revolutionary War--the 250th Anniversary of the Battle of Lexington and Concord this war; Mayor Franco held a Youth Contest. Winners will read their entries at the City Council meeting and at the Red, White, and Blue Festival on July 4th.

Mayor Franco is awarding:

Esther Linford, age group 8-10

Addie Brock, age group 11-14

Abigail Ragozzine, age group 15-17

Two Other Honorable Mentions are:

Alexis Linford, age group 11-14

Daelee Smith, age group 11-14

HEBER CITY CORPORATION
75 North Main Street
Heber City, UT 84032
Heber City Council Meeting
June 3, 2025

DRAFT Minutes

4:00 p.m. Work Meeting
6:00 p.m. Regular Meeting

I. WORK MEETING - 4:00 P.M.

Mayor Franco called the meeting to order at 4:00 p.m. and welcomed everyone present.

City Council Present:	Mayor Heidi Franco Council Member Yvonne Barney Council Member Aaron Cheatwood Council Member Mike Johnston Council Member Sid Ostergaard - remotely Council Member Scott Phillips
Staff Present:	City Manager Matt Brower Assistant City Manager Mark Smedley Community Development Director Tony Kohler Planning Manager Jamie Baron City Engineer Russ Funk City Attorney Jeremy Cook City Recorder Trina Cooke Planner Jacob Roberts Finance Manager Sara Jane Nagel Chief of Police Parker Sever Public Works Director Matthew Kennard

Staff Participating Remotely: IT Specialist Anthon Beales, Finance Manager Sara Jane Nagel, Planning Manager Jamie Baron, Engineering Administrative Assistant Desireé Muheim, Engineer Kyle Turnbow, Human Resources Manager Cherie Ashe, Public Works Director Matthew Kennard, City Engineer Russ Funk, Assistant City Manager J. Mark Smedley, Planning Admin Meshelle Kijanen, and Deputy City Recorder Robin Bond.

Also Present: Phil Jordan, Tori Broughton, Julie Franklin, Oakley Franklin, Mary Snyder, Elisha McKenzie, David Niban, Joshua Niban, Missy Luke, Larson Quick, Rance Echols, Brandon Healey, Brayden Luke, Joel Hicken, Justin Motley, Trudi Harter, Grace Doerfler, Kent Shelton, Rock Shutter, Brian Balls, David N. Johnson,

Adam Killpack, Del Barney, Aaron Taylor Hicken, and others who did not sign in or whose handwriting was illegible.

Also Attending Remotely: (names are shown as signed-in online) Aron G. APC Towers, Laurie Gagan, Zach Butterfield, Louise, MKohler, Ann, S, Jami Hewlett, Christen Thomson, Mike, Jill Watson, Grace Doerfler, H, SRH, C, Brandon Woodard, A, B, Deb, Shorty5, and Jonathan Crosswhite.

1. Central Heber Overlay Zone (CHOZ) Recommendation by Planning Commission (Tony Kohler, Community Development Director) - *60 min*

Community Development Director Tony Kohler introduced the agenda item. Planning Commission Chair Phil Jordan and Vice Chair Tori Broughton were in attendance to provide the presentation, as included in the meeting materials, and offer information regarding the proposed Central Heber Overlay Zone (CHOZ). Vice Chair Broughton described the intent of overlay zone was to improve the downtown corridor, promote walkability, increase safety, and to beautify and enhance the aesthetic of the corridor, while planning for the future at the same time. Planning Consultant John Janson reviewed lower density residential uses; flag lots; subordinate dwelling units; detached accessory dwelling units; duplexes; twin homes; mansion style apartments; commercial buildings; mixed-use buildings; and an infill option summary. An ordinance would be presented to Council at a future meeting to consider adoption of the CHOZ.

2. Ordinance 2025-05 Text Amendment: Body Art Facilities (Jacob Roberts, Planner) - *40 min*

Planner Jacob Roberts provided a presentation, as included in the attached meeting materials, offering background of the applicant's journey to obtain permission to operate a body-art facility in Heber City. He stated there were existing aesthetic facilities that offered cosmetic tattoos within the City. He shared the State's definition of tattoos was captured within the term "body-art" and provided an excerpt of State Code. Mr. Roberts shared proposed changes to the City Code, and the positive recommendation forwarded from the Planning Commission. Council discussion followed.

II. BREAK - 10 MIN

III. REGULAR MEETING - 6:00 P.M.

1. Call to Order

Mayor Franco called the meeting to order at 6:08 p.m. and welcomed everyone present.

2. Pledge of Allegiance (Heidi Franco, Mayor)

Mayor Franco led the recitation of the Pledge of Allegiance.

3. Prayer/Thought by Invitation (Yvonne Barney, Council Member)

Council Member Yvonne Barney shared a prayer.

IV. AWARDS, RECOGNITION, and PROCLAMATIONS:

1. Mayor's Award for Public Works Storm Drain Crew

Mayor Franco read the nomination from an observer in the community who had witnessed members of the Public Works Storm Drain crew Stephen LaFay, James Pedersen, Brandon Healey, and Brayden Luke attempt to rescue baby ducklings that had fallen into a storm drain.

2. Mayor's Award for Winners of the Heavy Equipment (Backhoe) Rodeo

Mayor Franco congratulated Kody Giles for winning the Trackhoe Rodeo, the Backhoe Rodeo, and on a team with Christian Payan and Justin Motley, had won the overall Heavy Equipment Rodeo events during Public Works Week.

V. CONFLICT OF INTEREST DISCLOSURE:

Council Member Johnston declared a conflict with Red Rock Annexation.

Council Member Cheatwood explained he worked with Red Rock but had nothing to do with the annexation and would receive no financial gain from the annexation.

VI. PUBLIC HEARINGS: (Council May Take Action on the Following Items Upon Conclusion of the Public Hearing)

1. Public Hearing on FY 2026 Tentative Budget (Sara Nagel, Finance Manager)

Finance Manager Sara Jane Nagel stated that tonight was the second public hearing for the 2026 Fiscal Year Budget adoption process. She outlined the budget process as included in the attached presentation in the meeting materials. She shared a list of projects included in the budget that could be deferred, if needed, as identified by staff, dependent upon the unknown amount of sales tax revenue the City received for the year.

City Engineer Russ Funk explained that the cost of the striping project would need to be increased in the budget. The bids returned were $80,000.00 higher than in preceding years.

Mayor Franco opened the Public Hearing at 6:33 p.m.

Resident Jami Hewlett said she was very concerned about the increased utility rates. She said she was unable to afford her home any longer because of the raised rates for utilities, taxes, and insurance. Ms. Hewlett asked why Zion's bank was doing a study for the City and said there had been a problem with someone at Zion's Bank trying to get on the school board. She was wondering why Zion's Bank got to do the study and was recommending that her utility rates be increased when she was already maxed out. She wanted to know how the increased density would affect the utility rates by

raising them even more. She thought the sewer was maxed out and did not know how power could be provided to all the new density. She asked if Zion's bank was able to do a feasibility study for that and if she could get a copy. She was interested to know why the City would not be getting the $250,000 dividend from Heber Light and Power any more. She said she did not understand the budget process being used and thought the City was spending all the money to get more. Ms. Hewlett continued to say that we did not know what the economy was going to do so felt the City should not spend all the money on the infrastructure and trails. She felt they were a liability and cost money. She wanted to see more scrutiny with the budget instead of finding more ways to spend money. She said the park was maxed out and there was no room to play anymore because there were no other parks. The City was adding all the costs to her and increasing her cost of living and she did not know how she was going to stay in Heber.

Mayor Franco addressed the questions posed by Ms. Hewlett. She explained the utility rate needed to be increased to cover the cost of infrastructure maintenance. City Manager Matt Brower added that the study had discovered that Heber City's water utility rate was far below the State average. The City was increasing utility rates incrementally to make the impact less stressful on the customers. Mr. Brower explained the zero based budget was created to accommodate needs as outlined by each department. It was a more efficient process and did not encourage more spending by departments. He noted the City had cut millions of dollars budget in the prepared budget presented.

With no one else from the public coming forward to comment, the Public Hearing was closed at 6:46 p.m.

2. Public Hearing on Unbilled Services for Culinary Water, Sewer Water, Stormwater and Pressurized Irrigation Funds (Sara Nagel, Finance Manager)

Finance Director Sara Nagel explained the requirement within the State Code for the City to hold a Public Hearing to inform of the free services the City provided to itself. She disclosed the dollar amounts for each of the water, pressurized irrigation, sewer, and storm water utilities the City did not bill itself for, as included in the attached presentation.

Mayor Franco opened the Public Hearing at 6:50 p.m.

Jami Hewlett said there was inconsistency. A few years ago the Council created a public infrastructure district (PID) for Harvest Village with little or no public input. She asked how it would affect the culinary water.

With no one further coming forward from the public, the Public Hearing was closed at 6:51 p.m.

Mayor Franco explained that the unbilled services item was completely separate from

the PID. It was the City not billing itself for the utilities it used at its buildings and to water the parks. Council Member Cheatwood suggested the public look at the meeting materials from May 6, 2025, to find additional details.

3. Public Hearing UT Code 10-3-818 Salaries in Municipalities Ordinance 2025-14 (Cherie Ashe, Human Resources Manager)

Human Resource Manager Cherie Ashe read the State Code requirement to hold a Public Hearing for salaries in municipalities as outlined in UCA 10-3-818. The City was required to disclose the wages, proposed increases, and vehicle allowances for all the elected and statutory officers employed by the City. Council Member Cheatwood asked Ms. Ashe to explain the Council and Mayor's compensation as well as lack of health benefits offered that were given to Council's elsewhere.

Mayor Franco opened the Public Hearing at 7:06 p.m.

Jami Hewlett said she was reading the code and did not see that the Council had to adopt anything that night. She questioned the vehicle allowance for select employees and said the City was raising her utility rates to add density and tax her out of her home. She felt that City Manager Matt Brower was promoting himself for a raise and she felt that was a conflict of interest. She said she did not know why the City was paying the airport manager. She thought the airport was a private entity. Ms. Hewlett said the Council and Mayor were not included in the visual. She found the minimum, mid-point, maximum wages difficult to understand. She did not remember a public hearing being held for this agenda item and questioned why it was now being voted on.

Mayor Franco explained that the discloser of wage increases was required in the State Code and the State Auditor's Office required the City to approve it by ordinance.

With no one further from the public coming forward, the Public Hearing was closed 7:10 p.m.

Motion: Council Member Phillips made the motion to approve Ordinance 2025-14.
Second: Council Member Cheatwood made the second.
Voting Yes: Council Members Phillips, Ostergaard, Cheatwood, Barney, and Johnston.
Voting No: None.
The **Motion Passed Unanimously, 5-0.**

4. Public Hearing for Approval of Ordinance 2025-10, Red Rock Annexation (Jamie Baron, Planning Manager) - 30 Min

Planning Manager Jamie Baron explained that the Red Rock annexation was where Delta Stone was located. The 31-plus acres of land was currently in unincorporated Wasatch County. He reviewed the annexation process requirements. The Planning Commission had forwarded a positive recommendation. Mr. Baron reviewed the recommended conditions forwarded by the Planning Commission as included in the Staff Report. The applicant had agreed to install a sidewalk on the east side of Daniel

Road to fill a gap. It did not make sense to install a sidewalk on the side of the road where they were located because there was no other existing sidewalk on that side of the road. He described the exchange of land between the City and the applicant to retain a City easement for a future road. City Attorney Jeremy Cook clarified an agreement with an adjacent property owner. City Engineer Russ Funk had met with the Town of Daniel Mayor Scott Kohler, and the neighbors that would have a new sidewalk, and all were willing to have the sidewalk installed in front of their properties. He recalled the City policy to provide utility services to all residents.

Mayor Franco opened the Public Hearing at 7:24 p.m.

Jami Hewlett felt it was crazy that a Council Member was annexing property into Heber City and felt it was completely unethical. She did not know how Wasatch County could hook into the City utilities that Heber City had to pay for. She thought that Community Development Director Tony Kohler might be related to Daniel Mayor Scott Kohler and that would be a conflict of interest. She said nobody knew about this and the people in Wasatch County and Heber didn't know what was going on and the people in Daniel didn't know what was going on. She did not think Daniel Road should have increased traffic because everything was so dangerous these days. She said she lived downtown and her kids couldn't walk to Dairy Keen because everything was so dangerous. She did not want her utilities to go up because they were maxed out. She did not think it was legal for a Council Member to push an annexation. She said there had been no public notice.

Community Development Director Tony Kohler relayed the genealogy that made him and the Mayor of Daniel second Cousin's once removed. Mr. Kohler had no financial connection to Mayor Kohler or the project.

With no one further coming forward from the public, the Public Hearing was closed at 7:31 p.m.

Mayor Franco explained the Council Member representing the annexation did not own the property being annexed and that it was located in Wasatch County, not the Town of Daniel. Council Member Johnston was representing the property owner in the capacity of doing his job and had recused himself from the Council discussion and vote. If the property owner decided to develop, then they would connect to the City utilities.

City Engineer Russ Funk explained the transportation master plan did anticipate Daniel Road becoming a major collector road. He felt it was important for the public to understand that it was the developer that paid for all the improvements, the burden of the cost did not fall on the public.

Motion: Council Member Phillips moved to approve Ordinance 2025-10, Red Rock Annexation, with the findings and conditions as presented in the Staff Report.
Second: Council Member Cheatwood made the second.
Voting Yes: Council Members Phillips, Ostergaard, Cheatwood, and Barney.
Voting No: None.
Council Member Johnston had recused himself.
The **Motion Passed 4-0.**

VII. CONSENT AGENDA:

Trudy Harter, President of the Timpanogos Valley Theater that was located in the City-owned Social Hall, explained issues faced since the theater group had taken residency in the Social Hall. She described the failed efforts of the theater to repair and replace heating and air-conditioning units over the years, resulting in their request for the City to provide a new HVAC system. She further described the uncomfortable heat in the summer that the students endured. City Manager Matt Brower read from the Staff Report attached to Consent Agenda item two to provide further explanation of the request.

Motion: Council Member Phillips moved to approve the Consent Agenda.
Second: Council Member Barney made the second.
Voting Yes: Council Members Phillips, Ostergaard, Cheatwood, Barney, and Johnston.
Voting No: None.
The **Motion Passed Unanimously, 5-0.**

1. Approval of May 6, 2025, City Council Meeting Minutes (Trina Cooke, City Recorder)

2. Authorization to Commence work on HVAC replacement for Heber City Social Hall (TVT Building) (Matt Brower, City Manager)

3. Cemetery Columbarium Water Fountains (Matt Brower, City Manager) - *10 min*

VIII. PUBLIC COMMENTS: (3 min per person/20 min max)

Dave Nelson wished to provide information regarding a recent meeting with UDOT's (Utah Department of Transportation) Craig Hancock. He owned two properties that would be greatly impacted by the bypass. He felt UDOT was unaware of the extent of the impact to Mr. Nelson's development project. He informed them of the impact on upwards of 18 potential businesses. The revenue to the City from these businesses could reach $900,000.00 to $1,000,000.00.
Mr. Nelson recognized that it was not the City that would decide the bypass route, but rather UDOT would decide. He was concerned about safety and wished to preserve the North Fields. He felt the Potter Road route would be the best option. He was present to ensure the City was aware of the impending project. He was concerned about the impact to the planned project including a hotel. He wanted the City to be aware of the economic impact to the City. He had more details if anyone wished to

reach out to him to discuss further.

Christen Thompson asked if there would be a separated bike lane on the intended major collector on Daniel Road. City Engineer Russ Funk responded that there would be shoulder that could double as a bike lane.

Catherine More asked if there was a noise ordinance for the music at the park as the music was very loud on three nights a week. She had to close her windows and doors and could still hear the music. Mr. Brower responded that the band at the park the previous night had concluded by 8:00 p.m. He agreed to reach out to Ms. More to further discuss. Mayor Franco added that a noise ordinance would not apply to a City event.

Jami Hewlett expressed appreciation for Dave Nelson's comments because she did not know what was going on. She stated that she was really confused when a zone was passed that the Planning Commission did not know what was allowed and why they didn't know it was an option there. She questioned the sewer capacity with the increased density. She felt the City was going to bulldoze historic homes and build townhomes. She questioned if anyone knew what was going on when the zone changes took place downtown. She said she had to go through UDOT to get a driveway approved for her home on Midway Lane. There were so many homes being funneled onto a highway and she thought that Planning should have put in a frontage road. She questioned putting a road through the North Fields and proposed expanding Highway 40 as much as needed. She said adding more roads did not mean less traffic. Ms. Hewlett asked if there was a way to look at the proposed incoming density with the coming zone changes and how traffic would flow. Someone had died the previous week because of the dangerous conditions. She did not know of anywhere that did not have a frontage road. She thought it was really surprising that nobody knew about this and asked why nobody knew what was going on, especially UDOT. She said UDOT was going to willy-nilly put a road through a field and take out six businesses, and Harvest Village. She felt the City was putting the cart before the horse and said they were deciding things before making decisions. Even with the tattoo in the Work Meeting. The Council had said they were going to change the C-2 zone and she didn't even know where that was. She didn't know where the lack of communication was and wanted to figure it out. She said that she knew Scott Phillips had a private meeting with UDOT and said that maybe he informed UDOT of the density going in without a plan. She said she also knew the City was bound by the General Plan to put in 14 acres of park per 1,000 people.

Additional public comments received by email are attached to the end of these meeting minutes.

IX. GENERAL BUSINESS ITEMS:

1. Annual Ethical Behavior Policy and Annual Ethical Behavior Pledge Form (Sara Nagel, Finance Manager, Trina Cooke, City Recorder) - *5 min*

Finance Director Sara Nagel described the Fraud Risk Assessment that the City was required to conduct annually. One of the boxes the City needed to check was an Ethical Behavior Pledge signed by the Mayor, Council, and Employees. She explained that this agenda item did not need an approval. It was not required in the State Code but provided additional points for the City on the Fraud Risk Assessment for the State Auditor's office. Council discussion followed.

X. ACTION ITEMS: (Council can discuss; table; continue; or approve items)

1. Ordinance 2025-05 Text Amendment: Body Art Facilities (Jacob Roberts, Planner) - *10 min*

Jacob Roberts reviewed the Staff Report as attached to the meeting materials and stated that staff recommended the approval of the proposed ordinance to permit body art facilities in certain areas of the City. Council Member Cheatwood was concerned about potential unintended consequences unforeseen by the Council.

Mayor Franco opened the discussion for public comment.

Julie Franklin, mother of the tattoo artist that was seeking the zone change, took offense to some of the Council comments that implied that her daughter's profession was of ill-repute and should only be permitted in industrial areas. She felt the City's prohibition was in violation of the State Code. She stated that permanent cosmetic makeup was defined the same as tattooing body art in the State Code. She urged the Council to follow the recommendation of the Planning Commission and vote that night. This was her daughter's sixth month paying for a lease she had gotten into before realizing tattoo businesses were prohibited in Heber. She said her daughter, Oakley, was an artist and made good money for her art.

Planning Commissioner Tori Broughton wished to speak as a citizen, not representing the Planning Commission. She wanted to address some of the concerns expressed by the Council. She felt that pushing body art facilities to the industrial area was what instilled a sense of seediness. She was concerned that the City would be inadvertently rewarding the businesses that had been offering cosmetic tattoo services illegally. She said tattoo parlors did not cause unsafe environments for kids.

Oakley Franklin was the tattoo artist asking for Council to permit her tattoo business on Main Street. She read from Heber City ordinance 2012-14 that had prohibited tattoo studios in all zones in 2012. She did not tattoo faces, necks, or hands in her studio. She explained that her clients usually came to her to get meaningful and personal tattoos. She said the industry in general would not give gang tattoos. She was not concerned about offensive tattoos. She was a realism artist that did tattoos of peoples pets or family members. A system had been developed to put a loved ones ashes in a tattoo to keep them with you. The State prohibited tattoos on miners. She felt the

majority of tattoo clients were seeking something beautiful.

Jami Hewlett said she did not know why the Council was preventing these people from getting a business license. Tattoo parlors were everywhere. She read the State Code that listed the sexually oriented businesses and asked why it had been included in the Staff Report.

The public comment period was closed at 8:44 p.m.

Council Member Barney clarified that she had not intended to imply that a tattoo parlor was in any way seedy. She had family members with tattoos who did not feel that the C-3 zone was the appropriate location for tattoo parlors. She was concerned that the community be protected from others that did not have the good intentions that Ms. Franklin had. Council Member Johnston felt the discussion was much ado about nothing and felt that the Council should approve the ordinance as presented based on the information and recommendation forwarded by the Planning Commission. Discussion continued.

Motion: Council Member Barney moved to approve Ordinance 2025-05 for the proposed text amendment intended to permit body art facilities in all industrial, business, medical park, C-4, C-2, and C-3 zones, as written.
Second: Council Member Johnston made the second
Discussion: Council Member Cheatwood asked for the motion to be amended to include language in the ordinance indicating the City would require the tattoo artists to be licensed.
Amended Motion: Council Member Barney amended her motion to include that the City Code could require all body artists to be licensed by the applicable agencies to acquire a business license through the City.
The second stood.

Voting Yes: Council Members Phillips, Ostergaard, Cheatwood, Barney, and Johnston.
Voting No: None.
The **Motion Passed Unanimously, 5-0.**

2. Ordinance 2025-13 Text Amendment to Chapter 18.110 Telecommunications (Jamie Baron, Planning Manager) - *30 min*

Planning Manager Jamie Baron shared the information as included in the meeting materials. He explained the lack of adequate cell service in areas of Heber and the applicant's request to increase the existing cell tower height and to permit mono-poles throughout the City to provide better cell phone coverage for users. He reviewed the proposed code modifications outlined in the attached materials. Applicants Rock Shutter and Larson Quick were present to answer questions and further explained why the taller mono-poles were needed to provide better service. Council discussion followed.

Mayor Franco opened the discussion for public comment at 9:46 p.m.

Mike Hewlett asked what the contractors stood to make from the towers. He felt satellite and internet-based phones would make the towers irrelevant in the near future. He thought that everyone was going to want to have the service that satellite phones would provide all the time.

Jami Hewlett said she was not notified and she asked why Jamie Baron would notify residents at Jordanelle if the poles weren't going there. She said she did not know exactly what was going on and read the proposed monopole heights for each zone. She did not feel anyone had been notified properly. She claimed that people were not concerned about health problems, they were concerned about the look and feel of Heber. She claimed a lot of people were concerned. She thought there was a lawsuit ongoing about this. She felt people were trying to hide things from the public. She said there was actually a lawsuit happening that was costing the City a lot of money because the City was required to be very transparent and it did not seem to her that there was transparency. She wanted to know who was notified because she had a business downtown and was not notified, and the person next to Wigglish was not notified.

Laurie Gagan felt there was still some confusion and asked why the towers couldn't be put in the mountains. She did not feel there was enough information to make a decision. She felt there was money in it for the guy that was speaking. She did not think the community wanted to see flag poles. She felt Ms. Hewlett had made a good comment. She thought some of the community was informed. She asked if the height was raised, would the City limit the number of poles and how many there would be. She commented on the ugly tower over Chick's Café. She said she was worried about the landscape of Heber.

The public comment period ended at 9:56 p.m.

Planning Manager Jamie Baron said that the ordinance proposed would permit one pole per mile but the location of each would be dependent on the provider and negotiations with the City. Mayor Franco read the proposed permitted height per zone as included in Staff Report.

Motion: Council Member Barney moved to extend the meeting to 10:30 p.m. and to move any remaining agenda items to the next agenda.
Second: Council Member Cheatwood made the second.
Voting Yes: Council Members Phillips, Ostergaard, Cheatwood, Barney, and Johnston.
Voting No: None.
The **Motion Passed Unanimously, 5-0.**

Rock Shutter addressed Mr. Hewlett's question about tower longevity and relevance in the future. He had been in the industry for over 25 years and the cell providers were

spending billions of dollars every year. He did not think the towers would ever become obsolete but might work hand in hand with satellite and terrestrial systems. Council discussion continued.

Motion: Council Member Barney moved to continue the agenda item discussion to the next meeting on June 17, 2025.
Second: Council Member Cheatwood made the second.
Voting Yes: Council Members Phillips, Ostergaard, Cheatwood, Barney, and Johnston.
Voting No: None.
The **Motion Passed Unanimously, 5-0.**

3. Views on Main MDA (Master Development Agreement) (Tony Kohler, Community Development Director) - *45 min*

Mayor Franco provided a summary of the development agreement, and requested changes, as outlined in the attached Staff Report. Community Development Director Tony Kohler added that Staff would prefer that the design elevations be removed. Council further discussed the design elevations.

Mayor Franco opened the discussion for public comment. With no one from the public coming forward to comment, the public comment period was closed.

Motion: Council Member Phillips moved to approve the Views on Main with the findings and conditions as presented in the conclusion of the Staff Report, removing the design elevations.
Second: Council Member Johnston made the second.

Discussion: Council Member Cheatwood had a few additional concerns
Council Member Ostergaard felt the Council should let the code and the zone guide the design elevations and to allow staff to navigate the process. Council Member Cheatwood asked if the Council would be amenable to establishing design criteria for the pool and outdoor areas.
Voting Yes: Council Members Phillips, Ostergaard, and Johnston.
Voting No: Council Members Cheatwood and Barney.
The **Motion Passed 3-2.**

4. Ordinance 2025-07 Zoning Map Amendment: 1874 South Daniels Road (Jacob Roberts, Planner) - *10 min*

Motion to approve included in agenda item five.

5. Contract Award for Parking and Street Striping (Russ Funk, City Engineer)

Motion: Council Member Barney moved to approve agenda item five for the contract award and street striping in the amount of $137,225.45 for Donerite Lines. And to approve agenda item four, Ordinance 2025-07, Zoning Map Amendment, for 1874 South Daniels Road.
Second: Council Member Cheatwood made the second.

Voting Yes: Council Members Phillips, Ostergaard, Cheatwood, Barney, and Johnston.
Voting No: None.
The **Motion Passed Unanimously, 5-0.**

XI. COMMUNICATION:

1. Joint Meeting with Wasatch County (Matt Brower, City Manager)

Mayor Franco asked City Manager Matt Brower to send the communication items via email.

XII. CLOSED MEETING: (As Needed)

There was no Closed Meeting.

XIII. ADJOURNMENT:

Motion: Council Member Phillips made the motion to adjourn.
Second: Council Member Cheatwood seconded the motion.
The meeting adjourned at 10:30 p.m.

_____
Trina Cooke, City Recorder

DRAFT

Heber City Council Staff Report

MEETING DATE: 7/1/2025

SUBJECT: Richard and Boni Losee Family Estate Right to Burial Amended Agreement

RESPONSIBLE: J. Mark Smedley

DEPARTMENT: Administrative

STRATEGIC RELEVANCE:

SUMMARY

Richard and Boni Losee ("Losees") signed the *Richard and Boni Losee Family Estate Right to Burial Agreement* on March 19, 2021. Heber City Corporation ("City") is a party to this Agreement.

In this Agreement, Losees were granted permission to acquire a grouping of multiple burial lots, with the rights of burial, as a *Family Estate*, on the Heber City Cemetery property.

The project timeline in said March 2021 Agreement originally showed March 1, 2024, as the commencement date for construction of the project, with construction to be completed by November 30, 2024.

The Losees were unable to meet those original dates and that time line, and requested an amendment to the *Richard and Boni Losee Family Estate Right to Burial Agreement* to extend the dates of construction commencement and completion for two years, with a new commencement date of March 1, 2026, and a new completion date of November 30, 2026.

While it appears that a proposed agreement was prepared to request the new dates, and approved by the Council, it is unclear whether such an agreement was ever executed.

Notwithstanding, the Losee Family requests an amendment to the *Agreement,* to again extend the dates of construction commencement and completion for two years, with a new commencement date of **March 1, 2028**, and a new completion date of **November 30, 2028.** As partial consideration for this second extension request, the Losee Family agrees to pay the City **$17,850.00**, representing one-half of the $35,700.00 payment the Family was required to pay at time of the original contract execution. The Family desires to wait until the new Cemetery Administration building and Cremation Garden development is completed, at which time they may wish to slightly modify and improve their

design.

The project timeline in the Agreement shows construction commencing on March 1, 2024, and completion by November 30, 2024. If approved, that timeline would be extended to a commencement date of March 1, 2028, and a completion date of November 30, 2028.

RECOMMENDATION

The City Council Approves the Proposed Amendment to the *Richard and Boni Losee Family Estate Right to Burial Agreement*.

BACKGROUND

Losees recently received a copy of the new *Cemetery Administration Building and Cremation Garden Design*.

The new facilities will be built in the cemetery near the Losee Family Estate's location.

Losees wish to be informed about the progress of the new development, including how near the road will be to the Losee Family Estate.

In light of the new development, and for other reasons related to their own timing and feasibility options, Losees are respectfully requesting to amend the Agreement with the new construction and completion dates referenced above.

DISCUSSION

The **only** proposed changes to the *Richard and Boni Losee Family Estate Right to Burial Agreement* are as follows:

1. Date and title changes on Page 1, including adding the word "Amended" to the title, and putting a blank day of July, 2025, for the proposed signing date.

2. Redlined changes to the Recitals Section beginning on Page (1) outline the new requested commencement date of **March 1, 2028**, and a new completion date of **November 30, 2028.**

3. The Lossee Family's commitment to pay additional consideration of **$17,850.00** for the City agreeing to extend the commencement and completion dates on page (6): In Paragraph 16, changing those dates to March 1, 2028, for the commence construction date, and November 30, 2028, for the completion date.

4. A special Acknowledgment Provision under Section III a., wherein the Parties agree that this Agreement is conditioned upon and subject to the City potentially adjusting or shifting the planned plot for the Losee Family Estate, of approximately 4,756 square feet or 119 burial spots. That area might be moved a bit south or southwest, from the cemetery administration building plot, to line up adjacent to, but not encroach upon, the plot. Any changes will ultimately be consistent with Heber City's upcoming Cemetery Masterplan.

Other than these minor changes, this Agreement is consistent with the original March 19th, 2021 Agreement.

FISCAL IMPACT

The City could receive **$17,850.00** additional revenue in consideration for extending the commencement and completion dates for the Losee Family Project.

No direct negative impact, liability or risk to Heber City.

CONCLUSION

See above.

ALTERNATIVES

1. Approve as proposed
2. Approve as amended
3. Continue
4. Deny

POTENTIAL MOTIONS

Alternative 1 - Approval - Staff Recommended Option

I move to **approve** the item as presented, with the findings and conditions as presented in the conclusion above.

Alternative 2 - Approve as Amended

I move to **approve** the item as amended, as follows.

Alternative 3 - Continue
I move to **continue** the item to another meeting on [DATE], with direction to the applicant and/or Staff on information and / or changes needed to render a decision, as follows:

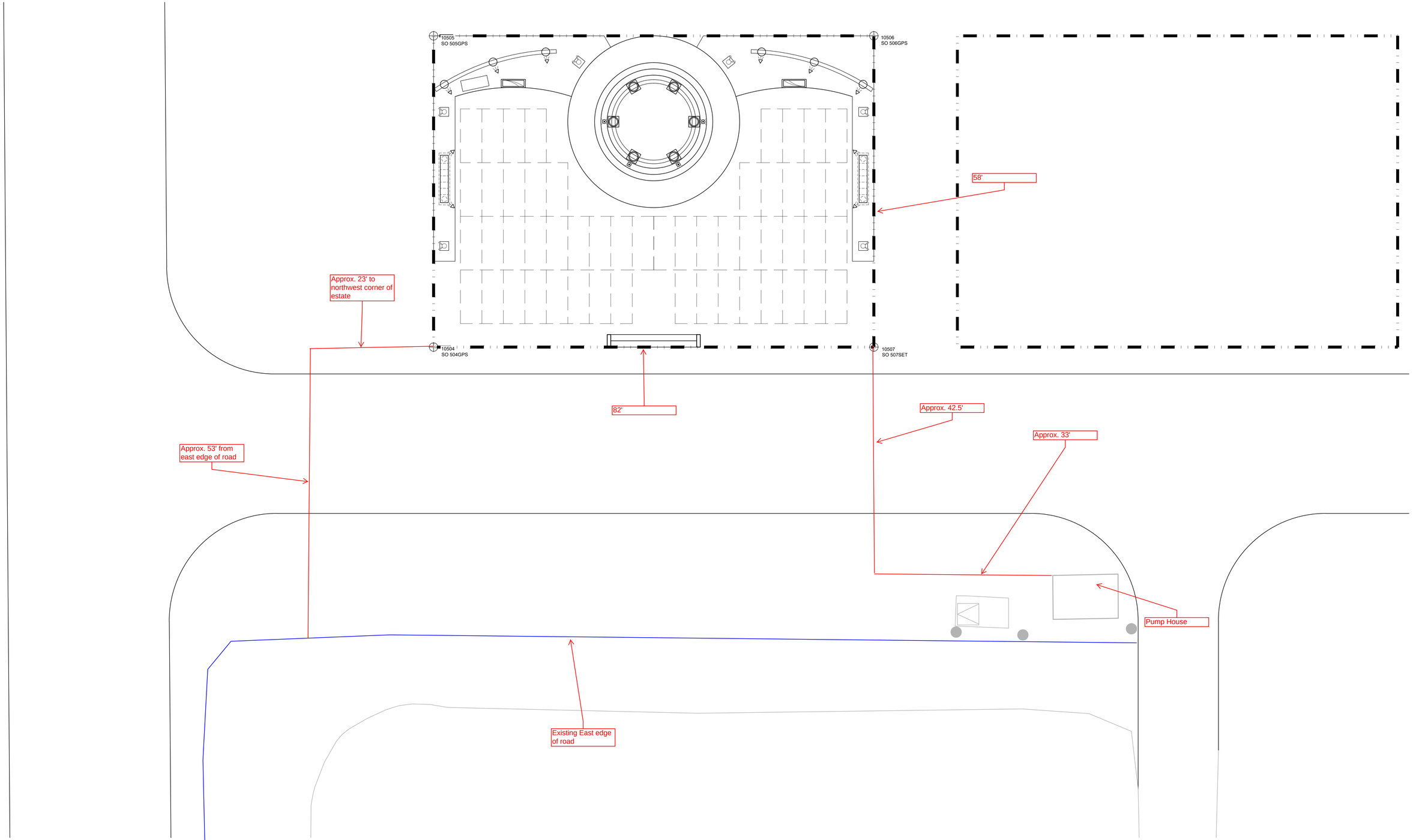
Alternative 4 - Denial
I move to **deny** the item with the following findings.

ACCOUNTABILITY

Department: Administrative
Staff member: J. Mark Smedley, Asst. City Manager

EXHIBITS

1. Losee Estate Moved North with Survey points JMS Exhibit A
2. Losee Cemetery Agreement March 2021 with Exhibit B
3. LoseeFamilyEstateBurialAgreement-amendment for May 2023 2025 July (003) CLEAN



NORTH

SCALE: 1/8" = 1'-0"

May 30, 2023

LOSEE FAMILY ESTATE CONCEPT

BONI AND RICHARD LOSEE

EDA
LAND PLANNING, P.C.
Landscape Architecture
Planning - Urban Design
772 East 3300 South, Suite 110
Salt Lake City, Utah 84106
Ph. 801-924-2296 Fax. 801-924-2297

RICHARD AND BONI LOSEE FAMLY ESTATE RIGHT TO BURIAL AGREEMENT

THIS AGREEMENT, is entered into this 19th day of March, 2021.

*********PARTIES*********

"Losee Family" "Family":	**NAME:**	**The Boni Z. Losee Trust**
	ADDRESS:	RR# Box B7 Sundance, UT 84604
	Email:	richard@cirquelodge.com
"Heber City" "City":	**NAME:**	**Heber City Corporation**
	ADDRESS:	75 North Main Street, Heber City, UT 84032
	Email:	mbrower@heberut.gov

*********RECITALS*********

WHEREAS, The Losee Family and Heber City, ("the Family and City") desire to enter into an agreement whereby the Family is granted permission to acquire a grouping of multiple burial plots, with the rights of burial, as a Family Estate, on the Heber City Cemetery property, as set forth herein;

NOW, THEREFORE, in consideration of the premises and other valuable consideration, the Family and the City (collectively the "Parties") agree as follows:

******TERMS AND CONDITIONS*******

I. DEFINITIONS.

1. "Family" and "City," as used in this Agreement, shall also refer to the heirs, executors, administrators, successors, and/or assigns of Family and City respectively.

2. "Contract Documents" means the documents used to describe the plat or legal descriptions attached hereto as Exhibits and relevant City Documents or Ordinances which are on file with the City.

3. "Failure to Perform" or "Fail to Perform," as used in this Agreement, shall mean the nonperformance in a timely manner by a party to this Agreement of any material obligation, in whole or in part, required of such party by the terms of this Agreement. The occurrence of such failure to perform shall give the other party or parties the right to pursue any and all remedies available at law, in equity, and/or otherwise available pursuant to the terms of this Agreement.

II. PURPOSE OF AGREEMENT.

The parties hereto expressly acknowledge that the purpose of this Agreement is to set forth the terms and conditions of the establishment of a family burial estate within the Heber City Cemetery. The rights conferred upon the Family by the City shall be limited to burial.

III. THE FAMILY ESTATE PROPERTY.

The City, hereby grants to the Family, a specific grouping of multiple burial plots, with the rights of burial, some conjoining and adjacent, but all located in an area designated by specific boundaries, together, as a family estate, on the Heber City Cemetery property. The Parcel of land known as the Losee Family Estate ("Estate", or sometimes referred to as "Project") located at and within the Heber City Cemetery, Wasatch County Utah, is more fully described on ***Exhibit "A"*** attached and made part hereof.

IV. TERM.

Subject to all other provisions of this Agreement regarding termination reserved herein, the term of this Agreement shall be perpetual, and shall commence on the date of execution by City, unless terminated in accordance with the provisions hereof.

V. TRANSFER.

Except as expressly provided herein, no burial plots within the Estate may be transferred or sold. The Family may allow anyone to be buried in the Estate plots, but may not sell or transfer for compensation or consideration, at a value that is greater than the City's then current Cemetery Fee Schedule, any plots located within the Estate, once the Estate is established and designated. The Family shall be given credit for the amount deposited for burial plots they have reserved, and the value, in effect as January 31, 2021, of long-term burial plots they have paid for and have already used (which remains will be reinterred in the new Estate), including those that are still available in the same location at the Heber City Cemetery as of the execution date of this Agreement. The credit will be made only after the Family plots have been transferred to the City.

VI. MARKERS and IMPROVEMENTS.

The Losee Family Estate will occupy approximately 4,756 square feet (equivalent to 119 burial spaces) hereinafter referred to as the "estate area," as set forth and described in the "site plan" attached hereto and made a part hereof as ***Exhibit "B"***. The estate area will consist of various elements including the following:

1. Granite Pavilion. A large granite pavilion will be located in the top center of the estate area, and will consist of a circular granite walk area enclosing the pavilion, three granite steps upon which the pavilion is built, and a six columned pavilion with a dome structure on top. The lettering on top of the pavilion must refer to the Losee family in perpetuity.
2. Winged Columns. Two sets of matching winged columns with family names will be erected on either side of the pavilion, located at the top left and top right of the estate area. Each set of winged columns will have three connected columns, which will match the columns used on the granite pavilion.

3. Statue. Within the pavilion, a statue will be erected, which will depict a clothed female figure holding a baby or small child.

4. Miscellaneous auxiliary features, including specifically, but not necessarily limited to, columbariums/niches, cremation pedestals, and benches.

5. The elements and features may be completed in two phases. The first phase will include construction of the granite pavilion, the columns matching the pavilion with a curved granite beam on top (also referred to as "wings"), the cremation pedestals, and the benches. The planned second phase will include construction of the two (2) column variants which hold the urns on either side (also referred to as the family columbariums/niches).

All headstones will be flat and horizontal to the ground level, but cremation repositories may be vertical or semi-vertical. Each burial plot shall be limited to one headstone. Only one vertical family monument shall be allowed inside the Family Estate. Only human remains or cremations will be allowed to be buried or stored in the Family Estate. The total number of burials, lawn or cremation, in the Family Estate cannot exceed 119. It is anticipated that there will be 52 ground burials and 67 cremation burials. Each ground burial shall be limited to a single corpse, or two infants or two small children, or two cremation burials. The locations for the 67 cremation internments shall be limited to the identified benches, cremation pedestals, and columbarium/niches as set forth in the site plan. A full description of the estate area is set forth in ***Exhibit "B"***.

Requests from the Family for minor changes to said monuments, landscaping or improvements, may be administered by the Cemetery Director, pursuant and subject to his approval. However, if in the Director's sole discretion, any such Family requests or proposed improvements would materially alter or change that which is represented in the Exhibits of the Agreement, or are different from what the Director expects, at the Director's request, such proposed improvements shall be subject to independent approval of the City Council, which shall not be unreasonably withheld.

VII. SURVEY.

The entire Family Estate area shall be surveyed to determine the full number of graves, and additional burial plots, cremation burials, and other areas that will provide land area

for the Estate's burial plots, improvements, open space and landscaping. The City shall undertake the survey upon full payment of twenty five percent (25%) of the initial purchase price. The Family shall pay the costs of said survey within thirty (30) days of invoicing. A copy of the survey will be included with Exhibit A of this agreement and shared with the Family.

VIII. PAYMENT FOR THE RIGHT TO BURY WITHIN THE FAMILY ESTATE.

1. *Price of Family Estate and Initial Payment.* The Family shall pay all costs, and bear the responsibilities associated with the construction and implementation of all the monuments, physical facilities and improvements of the Estate, and shall pay a purchase price for the right to bury within, and use the Family Estate. Said price shall consist of the burial plots themselves, and in addition, shall include the extended entire square foot area of the Family Estate, including area for open space, and landscaping and improvements. The overall per square foot price of the entire Family Estate shall be the same amount charged per square foot for burial plots. The total price for the approximately 4,756 square feet to be used as the Losee Family Estate, including the anticipated 52 ground burial sites and 67 cremation niches, is $142,800. Twenty five percent (25%) of the total purchase price, or $35,700, is due at time of contract execution.

2. *Requirements Prior to Commencing Phases.* Prior to initiating construction on either Phase 1 (one) or the planned Phase 2 (two) of the estate Project, the Family will deliver all of the fully paid for granite improvements to the Staging Area, and under no circumstances shall the granite improvements be removed from the Staging Area until they are installed in the proper location on the Family Estate.

3. *Rights Conferred Upon Full Payment.* Before initiating any construction on the Project, the entire outstanding amount due to the City shall be paid in full. Additionally, no burials shall be permitted by the City until the outstanding amount due to the City has been paid in full.

4. *Right to Burial Prior to Project Construction.* The Family shall have the right to use five (5) of the burial plots for burials prior to the commencement and completion of Phase 1 of the Project, provided the following items are fully completed:

a) Full payment of the price for the establishment of the Losee Family Estate.

b) Completion of the survey;

c) Lawn burial area is fully improved, including but not limited to grading, irrigation installation, and sod installation.

d) Five (5) burial sites cannot be located on or adjacent to Construction Area.

5. *Location of Cremation Niches.* Use of the approximate 67 cremation burial niches are limited to the cremation pedestals and benches included in phase one (1) and the two (2) column variants which hold the urns on either side (also referred to as the family columbariums/niches) included in phase 2.

6. *Construction Area.* All construction of the Family Estate, including but not limited to said improvements and monuments, walkways, roadways and access points, shall take place within a limited geographical area referred to as a "Construction Area."

7. *Staging Area.* Additional to, apart and separate from the Construction Area, there shall be a "Staging Area," for the preparation, staging and storage of construction materials, tools and equipment.

8. *Cemetery Director Approval of Areas.* Both the Construction and Staging Areas shall be determined, defined and designated by the Cemetery Director.

9. *Construction Hours.* Hours of construction shall be between 7:30 a.m. and 8:00 p.m.

10. *Construction Access.* Access to the Construction and Staging Areas shall be designated and authorized by the Cemetery Director, in consultation with a Losee Family representative.

11. *Construction Cost and Damage Responsibility.* Except for circumstances of willful or gross negligence on the part of the City or its agents, the Family shall bear the costs of all construction, and any and all damages that may occur to the project, including but not limited to damage to any improvements, monuments, open space, or landscaping as a result of the construction. The Family shall defend and indemnify the City pursuant to Provision X of this Agreement.

12. *Maintenance of the improvements of the Family Estate.* The Family shall perform, be responsible for and bear all costs of all routine maintenance of the monuments, improvements, open space, and physical facilities of the Family Estate, subject to the approval of

the Cemetery Director. The City will be responsible for maintaining all landscaping, plantings, live foliage, trees, hedges, lawns and turf.

13, *Public Access.* The public shall have access to the Family Estate at all times and without restriction, except for times of Family burial services.

14. *Project Timeline.* The Family shall commence construction of phase one (1) of the Family Estate Project on or before the March 1, 2024. Once construction of a phase of the Family Estate begins, the Family shall complete said phase of the Project within one (1) construction season. For the purposes of this Agreement, a construction season is defined as beginning on March 1st, and terminating on November 30th, unless reasonable arrangements to extend the time are approved in writing by the City.

15. *Failure to Pay Costs and Termination.* Failure on the part of the Family to pay the cost of the Family Estate within thirty (30) days of written notice from the City, shall initiate a late fee penalty of eighteen (18%) per annum of the entire amount due. Failure to pay the balance due within one hundred and twenty (120) days of the said written notice from the City, shall constitute a default of this Agreement, and the City may, in its sole discretion, terminate the Agreement, enter into another Agreement, or extend any other proposed amendment to this Agreement. In the event the City determines to terminate the Agreement, the City shall be released of any and all obligations or responsibilities to the Family that may have been imposed by this Agreement.

16. *Failure to Commence Construction.* Failure on the part of Family to commence construction on Phase 1 by March 1, 2024, shall constitute a default of this Agreement, and the City may, in its sole discretion, terminate the Agreement, enter into another Agreement, or extend any other proposed amendment to this Agreement. In the event the City determines to terminate the Agreement, the City shall retain 25% ($35,700) of the total purchase price and refund any amount paid in excess of this amount.

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1. In the event that the Family desires or is required by the City to relocate the Cemetery Pump House as a result of the Estate design, the Family shall bear all costs for said relocation, including but not limited to any associated costs for engineering, surveying, reinstallation, re-piping and re-wiring, and Pump House aesthetics design, subject to approval by

the Cemetery Director.

2. In the event the City relocates the Cemetery Pump House prior to construction of the Losee Family Estate, the City shall bear all such costs. Should the City decide to upsize pipe capacity, or upgrade the wiring, or upgrade the aesthetics design, as a result of the relocation of the Pump House, regardless of who is responsible for such relocation, the City shall pay all upgrading costs.

3. Regardless of whether the City or the Family relocates the Pump House, the City's Cemetery Director shall be the relocation project administrator. As such, the Director shall determine and administer all aspects of the relocation, including but not limited to the scope, manner, process and location.

X. INDEMNIFICATION AND HOLD HARMLESS.

The Parties expressly agree to defend, protect, indemnify and hold each other, their officers, agents and employees free and harmless from and against any and all claims, demands, damages, expenses, losses or liability of any kind or nature whatsoever which the other Party, its officers, agents or employees may sustain or incur or which may be imposed upon them for injury to or death of persons or damages to property arising out of or resulting from the negligent acts or negligent omissions of the other Party, its officers, agents, employees or guests in their use or misuse of the Family Estate. The Parties agree to defend at their own cost, expense and risk all claims or legal actions that may be instituted against the other Party, which arise out of its negligent acts or omissions. The Family agrees to pay any settlement entered into by the City in satisfaction of a claim for which the Family has the obligation to indemnify, provided that the City obtains the Family's written consent to such settlement in advance.

XI. HEBER CITY ORDINANCES and INTERNMENT POLICIES AND PROCEDURES.

The Family hereby acknowledges and agrees to the applicability of the Heber City Municipal Ordinances and State regulations to this Agreement, and the right of the City to implement and govern the Project pursuant to the City and Cemetery internment policies and procedures. The Family hereby acknowledges notice of the terms, conditions and requirements presently contained therein and agrees, so far as said ordinances apply to persons such as the

Family herein, to comply with such ordinances as are now in effect or as they may be amended during the term of this Agreement or any renewal.

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The Family shall be responsible for obtaining all required permits, licenses and certificates which may be required in connection with the Family Estate and Cemetery, and improvement and use of the Family Estate.

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The Family shall not assign this Agreement, nor its right to bury in the Family Estate without prior written approval of the City. In no event and under no conditions shall any assignment pursuant to this provision, or any provision contained in this Agreement herein trigger a new agreement.

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The City shall have the right to adopt and enforce reasonable local and state rules and regulations with respect to the use of the property consisting of the Family Estate.

XV. FORCE MAJEURE.

If either party hereto shall be delayed or prevented from the performance of any act required hereunder by reason or act of God, flood, hurricane, tornado, earthquake, strikes, lockouts, which are beyond the control of the party obligated (financial inability excepted), performance of such act shall be excused for the period of the delay(s), and said period of the performance of any such act shall be extended for a period equivalent to the period of the triggering delay(s).

XVI. DESTRUCTION OF PREMISES.

Should the vertical improvements to the Family Estate be damaged or destroyed in whole or in part, by fire, earthquake or any other casualty, or other act of God, at any time during the term of this Agreement so that the same cannot be repaired within a reasonable time pursuant to the circumstances to substantially the same condition they were in immediately prior

to the happening of such casualty, then either the City or the Family may terminate this Agreement.. Said termination shall be effected by a written notice to the other Party, pursuant to Provision XXI. In no event shall the City be liable to the Family for any damages resulting to the Family Estate from the happening of such act of God or other casualty, or from the repair of the plots or the Family Estate, nor shall the City be responsible to the Family to repair any such damages.

In the event the Family cannot bear the costs of, or refuses to repair such damages, the City, in its sole discretion, reserves the right, with written notice pursuant to Provision XXI, to repair or remediate the damage as it desires or deems appropriate, without obligation or responsibility to the Family.

In the event damage to vertical improvements causes a threat to public safety, the City, in is sole discretion, reserves the right to take immediate steps to remediate the threat at its own discretion, without obligation or responsibility to the Family.

XVII. COSTS OF SUSTAINING AN ACTION FOR BREACH OR DEFAULT.

In the event either the City or the Family commences legal action against the other claiming a breach or default of this Agreement, the prevailing party in such litigation shall be entitled to recover from the other reasonable attorney fees and all costs connected with said litigation.

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If any term, covenant, condition or provision of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the provisions hereof shall remain in full force and effect and shall in no way be affected, impaired or invalidated thereby.

XIX. AMENDMENTS TO BE IN WRITING.

This Agreement sets forth all of the agreements and understandings of the parties and is not subject to modification except in writing, duly executed by the legally authorized representatives of each of the parties.

XX. WAIVER OF RIGHTS.

The failure of the City to insist upon strict enforcement of any of the terms, conditions and covenants herein shall not be deemed a waiver of any rights or remedies that the City may have and shall not be deemed a waiver of any subsequent breach or default by the Family of the terms, conditions and covenants herein contained.

XXI. NOTICES.

All notices given or to be given, by either party to the other shall be given in writing and shall be addressed or delivered to the parties at the addresses hereinafter set forth or at such other addresses as the parties may by written notice hereafter designate. Notices to the City and the Family shall be addressed as follows:

To:	HEBER CITY City Cemetery Manager c/o the City Recorder	To: Family Richard and Boni Losee
Address:	75 North Main Street, Heber City, UT 84032	RR3 Box B7 Sundance, UT 84604
Email:	tcook@heberut.gov	richard@cirquelodge.com

With a copy to:

Heber City
Manager
75 North Main, Heber City, Utah
84032
mbrower@heberut@.gov

Heber City Attorney
75 North Main, Heber City, Utah 84032
msmedley@heberut.gov

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be duly executed, with all the formalities required by law on the respective dates set forth opposite their signatures to be effective the day and year first above written.

HEBER CITY, a Municipal Corporation:

APPROVED:

By: _____
Kelleen L. Potter, Heber City Mayor

3/24/2021
Date

FAMILY: The Boni Z Losee Trust

By: _____
Boni Z. Losee and Richard S. Losee, Trustees

March 19, 2021
Date

HEBER CITY CORPORATE Seal WASATCH COUNTY, UTAH

ATTEST:

_____
City Recorder

Date 3/24/2021

APPROVED AS TO FORM:

_____
City Attorney

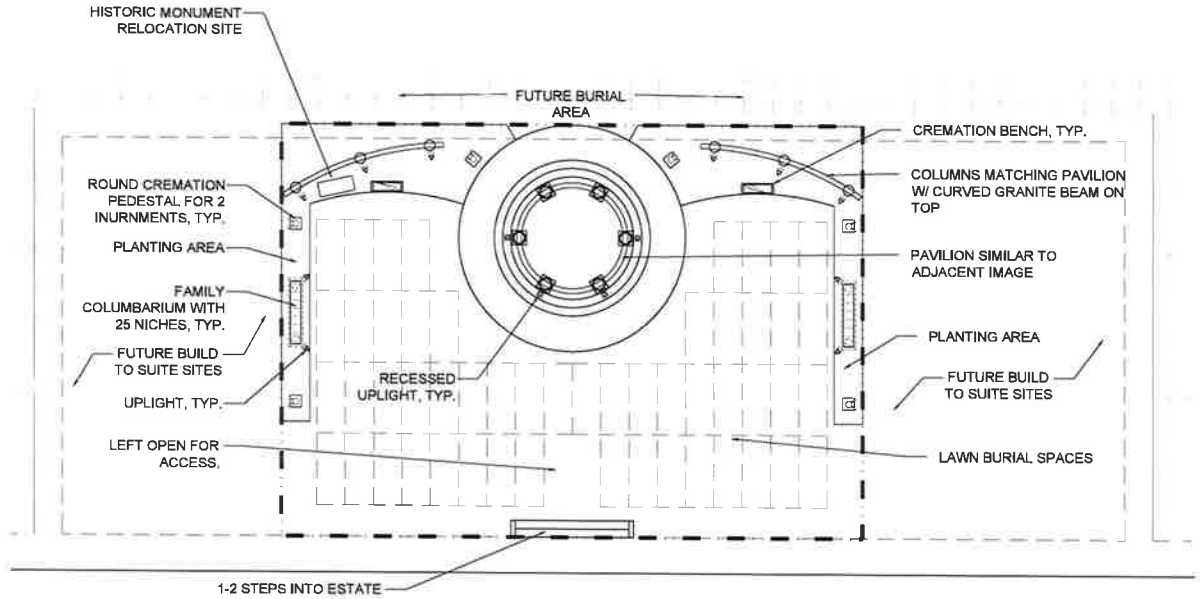
March 23, 2021
Date

EXHIBIT

"A"

EXHIBIT

"B"



PROPOSED CEMETERY ROAD



GRANITE PAVILION



STATUE WITHIN PAVILION



CREMATION PEDESTAL WITH OTHER VARIOUS CREMATION ITEMS



CREMATION BENCH - THERE ARE OTHER STYLES AVAILABLE

NOTES:

1. APPROXIMATELY 52 LAWN BURIAL SPACES AND APPROXIMATELY 67 CREMATION SPACES FOR A TOTAL OF 119 INTERMENTS.
   (2) 25 NICHE FAMILY COLUMBARIA = 50 INURNMENTS TOTAL
   (6) CREMATION PEDESTALS FOR 2 INURNMENTS EA. = 12 INURNMENTS TOTAL
   (2) CREMATION BENCHES = 5 INURNMENTS TOTAL
2. SITE = 4,756 SF, WHICH IS EQUIVALENT TO 119 SPACES.
3. WITH THE CITY'S FUTURE APPROVAL, WE WOULD LIKE TO RESERVE THE RIGHT TO MAKE SLIGHT MODIFICATIONS TO THE SITE PLAN AS FUTURE NEEDS MAY CHANGE OVER THE YEARS.

NORTH

SCALE: 1/8" = 1'-0"

Mar. 11, 2021

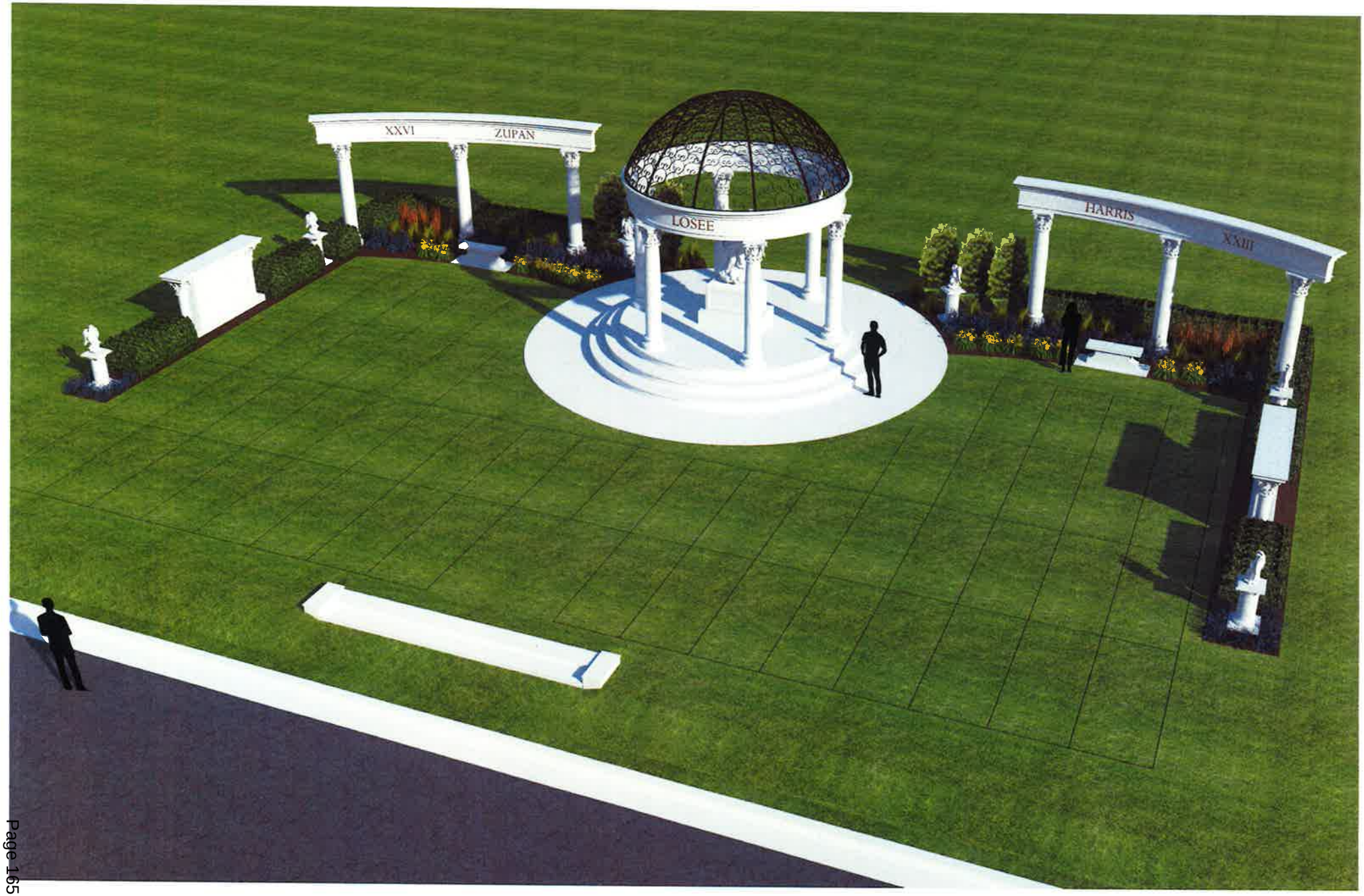
LOSEE FAMILY ESTATE CONCEPT

BONI AND RICHARD LOSEE

EDA LAND PLANNING, P.C.
Landscape Architecture
Planning - Urban Design


XXVI
ZUPAN
LOSEE
HARRIS
XXIII


XXVI
ZUPAN
LOSEE
HARRIS
XXIII


XXVI
ZUPAN
LOSEE
HARRIS
XXIII


ZUPAN
XXVI
LOSEE
HARRIS
XXIII

RICHARD AND BONI LOSEE FAMLY ESTATE RIGHT TO BURIAL AMENDED AGREEMENT

July 2025

THIS AMENDED GREEMENT, is entered into this _____ day of July, 2025.

*********PARTIES*********

"Losee Family" "Family":	**NAME:**	**The Boni Z. Losee Trust**
	ADDRESS:	RR# Box B7 Sundance, UT 84604
	Email:	richard@cirquelodge.com
"Heber City" "City":	**NAME:**	**Heber City Corporation**
	ADDRESS:	75 North Main Street, Heber City, UT 84032
	Email:	mbrower@heberut.gov

*********RECITALS*********

WHEREAS, The Losee Family and Heber City, ("the Family and City") entered into the *Richard and Boni Losee Family Estate Right to Burial Agreement* on March 19, 2021.

In said Agreement, Losees were granted permission to acquire a grouping of multiple burial lots, with the rights of burial, as a *Family Estate*, on the Heber City Cemetery property.

The project timeline in the Agreement originally showed ***March 1, 2024,*** as the commencement date for construction of the project, with construction to be completed by ***November 30, 2024***.

The Losees were unable to meet those original dates and that time line, and requested an amendment to the *Richard and Boni Losee Family Estate Right to Burial Agreement* to extend the dates of construction commencement and completion for two years, with a new commencement date of March 1, 2026, and a new completion date of November 30, 2026.

The proposed agreement to extend the completion time was prepared requesting the new dates, and approved by the Council.

Notwithstanding, the Losee Family requests another amendment to the *Richard and Boni Losee Family Estate Right to Burial Agreement* to again extend the dates of construction commencement and completion for two years, with a new commencement date of **March 1, 2028**, and a new completion date of **November 30, 2028.** As partial consideration for this second extension request, the Losee Family agrees to pay the City **$17,850.00**, representing one half of the $35,700.00 payment the Family was required to pay at time of the original contract execution. The Family desires to wait until the new Cemetery Administration building and Cremation Garden development is completed, at which time they may wish to slightly modify and improve their design.

NOW, THEREFORE, in consideration of the premises and other valuable consideration, the Family and the City (collectively the "Parties") agree to amend the original March 19, 2021, as follows:

********TERMS AND CONDITIONS*********

I. DEFINITIONS.

1. "Family" and "City," as used in this Agreement, shall also refer to the heirs, executors, administrators, successors, and/or assigns of Family and City respectively.

2. "Contract Documents" means the documents used to describe the plat or legal descriptions attached hereto as Exhibits and relevant City Documents or Ordinances which are on file with the City.

3. "Failure to Perform" or "Fail to Perform," as used in this Agreement, shall mean the nonperformance in a timely manner by a party to this Agreement of any material obligation, in whole or in part, required of such party by the terms of this Agreement. The

occurrence of such failure to perform shall give the other party or parties the right to pursue any and all remedies available at law, in equity, and/or otherwise available pursuant to the terms of this Agreement.

II. PURPOSE OF AGREEMENT.

The parties hereto expressly acknowledge that the purpose of this Agreement is to set forth the terms and conditions of the establishment of a family burial estate within the Heber City Cemetery. The rights conferred upon the Family by the City shall be limited to burial.

III. THE FAMILY ESTATE PROPERTY.

The City, hereby grants to the Family, a specific grouping of multiple burial plots, with the rights of burial, some conjoining and adjacent, but all located in an area designated by specific boundaries, together, as a family estate, on the Heber City Cemetery property. The Parcel of land known as the Losee Family Estate ("Estate", or sometimes referred to as "Project") located at and within the Heber City Cemetery, Wasatch County Utah, is more fully described on ***Exhibit "A"*** attached and made part hereof.

a. Acknowledgment Note: All Parties specifically acknowledge and agree that this Agreement is subject to and conditioned upon any required or desired adjustment and alignment, or realignment by the City of the plot location of The Losee Family Estate of approximately 4,756 square feet (equivalent to 119 burial spaces) hereinafter referred to as the "Estate Area," potentially to the south/southwest of the southern boundary line and southwest corner of the plot line of the Cemetery Administration Building and Complex, consistent and in accordance with the forthcoming Heber City Cemetery Masterplan.

IV. TERM.

Subject to all other provisions of this Agreement regarding termination reserved herein, the term of this Agreement shall be perpetual, and shall commence on the date of execution by City, unless terminated in accordance with the provisions hereof.

V. TRANSFER.

Except as expressly provided herein, no burial plots within the Estate may be

transferred or sold. The Family may allow anyone to be buried in the Estate plots, but may not sell or transfer for compensation or consideration, at a value that is greater than the City's then current Cemetery Fee Schedule, any plots located within the Estate, once the Estate is established and designated. The Family shall be given credit for the amount deposited for burial plots they have reserved, and the value, in effect as January 31, 2021, of long-term burial plots they have paid for and have already used (which remains will be reinterred in the new Estate), including those that are still available in the same location at the Heber City Cemetery as of the execution date of this Agreement. The credit will be made only after the Family plots have been transferred to the City.

VI. MARKERS and IMPROVEMENTS.

The Losee Family Estate will occupy approximately 4,756 square feet (equivalent to 119 burial spaces) hereinafter referred to as the "Estate Area," as set forth and described in the "site plan" attached hereto and made a part hereof as ***Exhibit "B"***. The estate area will consist of various elements including the following:

1. Granite Pavilion. A large granite pavilion will be located in the top center of the estate area, and will consist of a circular granite walk area enclosing the pavilion, three granite steps upon which the pavilion is built, and a six columned pavilion with a dome structure on top. The lettering on top of the pavilion must refer to the Losee family in perpetuity.
2. Winged Columns. Two sets of matching winged columns with family names will be erected on either side of the pavilion, located at the top left and top right of the estate area. Each set of winged columns will have three connected columns, which will match the columns used on the granite pavilion.
3. Statue. Within the pavilion, a statue will be erected, which will depict a clothed female figure holding a baby or small child.
4. Miscellaneous auxiliary features, including specifically, but not necessarily limited to, columbariums/niches, cremation pedestals, and benches.
5. The elements and features may be completed in two phases. The first phase will include construction of the granite pavilion, the columns matching the pavilion with a curved granite beam on top (also referred to as "wings"), the cremation pedestals,

and the benches. The planned second phase will include construction of the two (2) column variants which hold the urns on either side (also referred to as the family columbariums/niches).

All headstones will be flat and horizontal to the ground level, but cremation repositories may be vertical or semi-vertical. Each burial plot shall be limited to one headstone. Only one vertical family monument shall be allowed inside the Family Estate. Only human remains or cremations will be allowed to be buried or stored in the Family Estate. The total number of burials, lawn or cremation, in the Family Estate cannot exceed 119. It is anticipated that there will be 52 ground burials and 67 cremation burials. Each ground burial shall be limited to a single corpse, or two infants or two small children, or two cremation burials. The locations for the 67 cremation internments shall be limited to the identified benches, cremation pedestals, and columbarium/niches as set forth in the site plan.

Requests from the Family for minor changes to said monuments, landscaping or improvements, may be administered by the Cemetery Director, pursuant and subject to his approval. However, if in the Director's sole discretion, any such Family requests or proposed improvements would materially alter or change that which is represented in the Exhibits of the Agreement, or are different from what the Director expects, at the Director's request, such proposed improvements shall be subject to independent approval of the City Council, which shall not be unreasonably withheld.

VII. SURVEY.

The entire Family Estate area shall be surveyed to determine the full number of graves, and additional burial plots, cremation burials, and other areas that will provide land area for the Estate's burial plots, improvements, open space and landscaping. The City shall undertake the survey upon full payment of twenty five percent (25%) of the initial purchase price. The Family shall pay the costs of said survey within thirty (30) days of invoicing. A copy of the survey will be included with ***Exhibit A*** of this Agreement and shared with the Family.

VIII. PAYMENT FOR THE RIGHT TO BURY WITHIN THE FAMILY ESTATE.

1. *Price of Family Estate and Initial Payment*. The Family shall pay all costs, and bear the responsibilities associated with the construction and implementation of all the

monuments, physical facilities and improvements of the Estate, and shall pay a purchase price for the right to bury within, and use the Family Estate. Said price shall consist of the burial plots themselves, and in addition, shall include the extended entire square foot area of the Family Estate, including area for open space, and landscaping and improvements. The overall per square foot price of the entire Family Estate shall be the same amount charged per square foot for burial plots. The total price for the approximately 4,756 square feet to be used as the Losee Family Estate, including the anticipated 52 ground burial sites and 67 cremation niches, is $142,800. As partial consideration for this second extension request, upon execution of this Amended Agreement the Family shall pay an additional **$17,850.00**, representing one half of the $35,700.00 payment the Family was required to pay at time of the original contract execution.

2. *Requirements Prior to Commencing Phases*. Prior to initiating construction on either Phase 1 (one) or the planned Phase 2 (two) of the estate Project, the Family will deliver all of the fully paid for granite improvements to the Staging Area, and under no circumstances shall the granite improvements be removed from the Staging Area until they are installed in the proper location on the Family Estate.

3. *Rights Conferred Upon Full Payment*. Before initiating any construction on the Project, the entire outstanding amount due to the City shall be paid in full. Additionally, no burials shall be permitted by the City until the outstanding amount due to the City has been paid in full.

4. *Right to Burial Prior to Project Construction*. The Family shall have the right to use five (5) of the burial plots for burials prior to the commencement and completion of Phase 1 of the Project, provided the following items are fully completed:

a) Full payment of the price for the establishment of the Losee Family Estate.

b) Completion of the survey;

c) Lawn burial area is fully improved, including but not limited to grading, irrigation installation, and sod installation.

d) Five (5) burial sites cannot be located on or adjacent to Construction Area.

5. *Location of Cremation Niches*. Use of the approximate 67 cremation burial niches are limited to the cremation pedestals and benches included in phase one (1) and

the two (2) column variants which hold the urns on either side (also referred to as the family columbariums/niches) included in phase 2.

6. *Construction Area*. All construction of the Family Estate, including but not limited to said improvements and monuments, walkways, roadways and access points, shall take place within a limited geographical area referred to as a "Construction Area."

7. *Staging Area*. Additional to, apart and separate from the Construction Area, there shall be a "Staging Area," for the preparation, staging and storage of construction materials, tools and equipment.

8. *Cemetery Director Approval of Areas*. Both the Construction and Staging Areas shall be determined, defined and designated by the Cemetery Director.

9. *Construction Hours*. Hours of construction shall be between 7:30 a.m. and 8:00 p.m.

10. *Construction Access*. Access to the Construction and Staging Areas shall be designated and authorized by the Cemetery Director, in consultation with a Losee Family representative.

11. *Construction Cost and Damage Responsibility*. Except for circumstances of willful or gross negligence on the part of the City or its agents, the Family shall bear the costs of all construction, and any and all damages that may occur to the project, including but not limited to damage to any improvements, monuments, open space, or landscaping as a result of the construction. The Family shall defend and indemnify the City pursuant to Provision X of this Agreement.

12. *Maintenance of the improvements of the Family Estate*. The Family shall perform, be responsible for and bear all costs of all routine maintenance of the monuments, improvements, open space, and physical facilities of the Family Estate, subject to the approval of the Cemetery Director. The City will be responsible for maintaining all landscaping, plantings, live foliage, trees, hedges, lawns and turf.

13, *Public Access*. The public shall have access to the Family Estate at all times and without restriction, except for times of Family burial services.

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(1) construction season. For the purposes of this Agreement, a construction season is defined as beginning on **March 1st,** and terminating on **November 30th**, unless reasonable arrangements to extend the time are approved in writing by the City.

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1. In the event that the Family desires or is required by the City to relocate the Cemetery Pump House as a result of the Estate design, the Family shall bear all costs for said relocation, including but not limited to any associated costs for engineering, surveying, reinstallation, re-piping and re-wiring, and Pump House aesthetics design, subject to approval by the Cemetery Director.

2. In the event the City relocates the Cemetery Pump House prior to construction of the Losee Family Estate, the City shall bear all such costs. Should the City decide to upsize pipe capacity, or upgrade the wiring, or upgrade the aesthetics design, as a result of the relocation of the Pump House, regardless of who is responsible for such relocation, the City shall pay all upgrading costs.

3. Regardless of whether the City or the Family relocates the Pump House, the City's Cemetery Director shall be the relocation project administrator. As such, the Director shall determine and administer all aspects of the relocation, including but not limited to the scope, manner, process and location.

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improvement and use of the Family Estate.

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The Family shall not assign this Agreement, nor its right to bury in the Family Estate without prior written approval of the City. In no event and under no conditions shall any assignment pursuant to this provision, or any provision contained in this Agreement herein trigger a new agreement.

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The City shall have the right to adopt and enforce reasonable local and state rules and regulations with respect to the use of the property consisting of the Family Estate.

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If either party hereto shall be delayed or prevented from the performance of any act required hereunder by reason or act of God, flood, hurricane, tornado, earthquake, strikes, lockouts, which are beyond the control of the party obligated (financial inability excepted), performance of such act shall be excused for the period of the delay(s), and said period of the performance of any such act shall be extended for a period equivalent to the period of the triggering delay(s).

XVI. DESTRUCTION OF PREMISES.

Should the vertical improvements to the Family Estate be damaged or destroyed in whole or in part, by fire, earthquake or any other casualty, or other act of God, at any time during the term of this Agreement so that the same cannot be repaired within a reasonable time pursuant to the circumstances to substantially the same condition they were in immediately prior to the happening of such casualty, then either the City or the Family may terminate this Agreement. Said termination shall be effected by a written notice to the other Party, pursuant to Provision XXI. In no event shall the City be liable to the Family for any damages resulting to the Family Estate from the happening of such act of God or other casualty, or from the repair of the plots or the Family Estate, nor shall the City be responsible to the Family to repair any such damages.

In the event the Family cannot bear the costs of, or refuses to repair such damages, the City, in its sole discretion, reserves the right, with written notice pursuant to Provision XXI, to repair or remediate the damage as it desires or deems appropriate, without obligation or responsibility to the Family.

In the event damage to vertical improvements causes a threat to public safety, the City, in is sole discretion, reserves the right to take immediate steps to remediate the threat at its own discretion, without obligation or responsibility to the Family.

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In the event either the City or the Family commences legal action against the other claiming a breach or default of this Agreement, the prevailing party in such litigation shall be entitled to recover from the other reasonable attorney fees and all costs connected with said litigation.

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To:	HEBER CITY	To: Family
	City Cemetery Manager c/o the City Recorder	Richard and Boni Losee
Address:	75 North Main Street, Heber City, UT 84032	RR3 Box B7 Sundance, UT 84604
Email:	tcook@heberut.gov	richard@cirquelodge.com

With a copy to: Heber City
Manager
75 North Main, Heber City, Utah
84032
mbrower@heberut@.gov

Heber City Attorney
75 North Main, Heber City, Utah 84032
msmedley@heberut.gov

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be duly executed, with all the formalities required by law on the respective dates set forth opposite their signatures to be effective the day and year first above written.

HEBER CITY, a Municipal Corporation: FAMILY: The Boni Losee Trust

APPROVED:

By: _____
Heidi Franco, Heber City Mayor

_____
Date

By: _____
Boni Z. Losee, Trustee

_____
Date

By: _____
Richard S. Losee, Trustee

_____
Date

ATTEST:

_____
City Recorder

_____
Date

APPROVED AS TO FORM:

_____
Heber City Attorney

_____
Date

Exhibit A.

Heber City Survey of the full number of graves, and additional burial plots, cremation burials, and other areas that will provide land area for the Estate's burial plots, improvements, open space and landscaping.

Exhibit B.

“Estate Area,”

Heber City Council Staff Report

MEETING DATE: 7/1/2025

SUBJECT: Resolution 2025-11 Nine-step pay scale and policy adjustment for Heber City Public Employees

RESPONSIBLE: Cherie Ashe

DEPARTMENT: Human Resources

STRATEGIC RELEVANCE: Necessary Administrative Item

SUMMARY

Adjustments to the policy governing pay increases for Heber City Public employees include a Nine-Step pay plan as per the FY 26 adopted Budget. Section 13 of the Policy & Procedures Employee Handbook would require amendment, including Section 13.2 Compensation through 13.8 Salary Range Adjustment

RECOMMENDATION

The City Council approves Resolution 2025-11 to institute a new nine-step policy that reflects adjustments to pay advancements based on hire date and/or promotion date, similar to those for Public Safety sworn officers, as adopted in 2024 following probationary release and a one-year performance review from date of hire in the same position.

BACKGROUND

In March 2024, Police Officers instituted a nine-step pay plan that connects years of service, merit pay, and performance reviews based on the hire or promotion date. In the past, employees were evaluated in December for potential merit increases in early January. The Nine-Step plan would recognize the anniversary date of hire rather than an arbitrary end of the calendar year for all employees, making the date more relevant for measuring goals and accomplishments. The City Council requested staff to introduce a similar nine-step pay plan for all other public employees, including non-sworn Police Officers. This nine-step pay plan would eliminate the current practice of six years to middle and twelve years to the maximum top of pay grade. Instead, annually, a non-Police Heber City employee would be eligible for a 5% merit increase in base rate pay until reaching the Maximum Top of Grade.
The primary difference between the Police nine-step and the remainder of the City staff is:
1. City employees do not receive 'Letters of Caution'. Depending on the severity of the mistake, this

would be a 'Verbal Warning' that may impact the overall performance rating.
2. City employees have a probationary period of six months instead of sworn Police Officers at one year, which makes Staff eligibie for Step 3 potentially within twelve months.
3. City employees would not reset their anniversary of hire date based on a revised review following any discipline. City employees would either be considered for an annual review on either the date of the most recent promotion or their original hire date.

DISCUSSION

Section 13.7 Merit Pay Salary Adjustment
A. Regular, full-time public employees shall be eligible for consideration for merit pay increases as follows:
To the second (2nd) step of the salary schedule, after completion of the probation period,
To the third (3rd) and each subsequent step after completion of a minimum of one (1) year of service at each step.
After completion of probation, Step 2 is automatic and not meritorious.
Each step after step 2 is considered meritorious.
B. Each step increase is performed on an employee’s anniversary date. The employee’s anniversary date is determined by;
One year from the employee's Probationary Release date;
One year from a promotion,
If adopted, the rates of pay for the current year would need to be reconciled to current years of service and satisfactory performance.
Eligibility for the full meritorious Step increase shall be determined by:
1. Average or above average evaluation during the last rating period, and
2. Recommendation of a wage increase in the performance evaluation, and
3. No disciplinary action higher than a verbal warning during the rating period.
C. Merit pay increases shall be granted upon approval of the employee’s Department Head for continued meritorious and efficient service and continued improvement by the employee in the effective performance of the duties of his/her position.
D. Notwithstanding any other provision in this Section, the City Council may vote to reduce or suspend the meritorious increases if the City Council determines that budget constraints or other factors warrant reducing or suspending the meritorious increases should a fiscal or other emergency arise.

FISCAL IMPACT

Police and all other Heber City departments: Public Works - Water, Roads, Sewer, Parks & Cemetery Trails;
Airport; Community Development, Planning, Building; Engineering; Finance, City Treasurer, HR; City Recorder; Administration. Incrementally progressing through the pay scale benefits employees, especially in Heber City, where the cost of living is among the highest in the state.

CONCLUSION

I believe this change would benefit the City in the following areas.
1. Retention of employees with rates of pay comparable to those of surrounding organizations.
2. Encourages employees to meet or exceed expectations of their job duties in order to receive merit increases.
3. Recognizes the employee experience and rewards them appropriately.
4. If an employee experiences disciplinary action, it incentivizes them to continue to improve in order to obtain the increase at a later date.
5. Offers flexibility to the department head when awarding meritorious service as a motivation for employees.

ALTERNATIVES

1. Approve as proposed
2. Approve as amended
3. Continue
4. Deny

POTENTIAL MOTIONS

Alternative 1 - Approval - Staff Recommended Option

I move to **approve** the item as presented, with the findings and conditions as presented in the conclusion above.

Alternative 2 - Approve as Amended

I move to **approve** the item as amended, as follows.

Alternative 3 - Continue
I move to **continue** the item to another meeting on [DATE], with direction to the applicant and/or Staff on information and / or changes needed to render a decision, as follows:
Alternative 4 - Denial
I move to **deny** the item with the following findings.

ACCOUNTABILITY

Department: Human Resources
Staff member: Cherie Ashe, Human Resources Manager

EXHIBITS

1. 2025-11Resolution Comp Step Program
2. New pay steps Heber City Police
3. Policy 9 Step
4. PayPlan

75 N Main Street
Heber City, UT 84032

Phone: 435-657-0757
Fax: 435-657-2543

heberut.gov

RESOLUTION NO. 2025-11

A RESOLUTION ADOPTING UPDATES TO THE HEBER CITY PERSONNEL POLICY

WHEREAS, the Heber City Personnel Policy establishes policies and procedures for City employees;

WHEREAS, The Personnel Policy Committee suggests adopting a nine step pay plan similar to that of Public Safety adopted in March 2024;

WHEREAS, the proposed changes to the Personnel Policy section 13.2 Compensation include nine steps;

WHEREAS, the City Council finds that the proposed changes to the Personnel Policy are beneficial to the employees and City and update, clarify and streamline pay scale advancement procedures for public safety personnel; and non sworn Police Officers and Heber City Staff.

NOW THEREFORE, BE IT RESOLVED by the City Council of Heber City, Utah, that the Heber City Council adopts the nine-step pay plan included in the budget.

This Resolution shall take effect and be in force beginning the fiscal year 2026 and after its adoption and publication.

ADOPTED AND PASSED by the City Council of Heber City, Utah, this day of July, 2025. This Resolution shall become effective upon adoption and passage by the City Council.

HEBER CITY
A Utah Municipal Corporation

_____
Heidi Franco, Mayor

ATTEST:

_____
Trina Cooke, City Recorder

(city seal)

4887-4231-2063, v. 1

EXHIBIT "A"

13.40 City Staff Merit Pay Salary Adjustment

A. Regular, full-time employees shall be eligible for consideration for merit pay increases as follows:
    1. To the second (2nd) step of the salary schedule after completion of one (1) year of service in the first step.
    2. To the third (3rd) and each subsequent step after completion of a minimum of one (1)year of service at each step.
    3. After completion of probation, Step 2 is automatic and not meritorious. Each step after step 2 is considered meritorious.
B. Each step increase is performed on an employee's anniversary date. The employee's anniversary date is determined by;
    1. One year from the employees start date;
    2. One year from a promotion

C. Eligibility for the full meritorious increase shall be determined by:
    1. Average or above average evaluation during the last rating period, and
    2. Recommendation of a wage increase in the performance evaluation, and
    3. No disciplinary action higher than a Verbal Warning during the rating period.

D. An employee who has received disqualifying disciplinary action during the preceding year shall not be eligible for a salary adjustment at their annual evaluation for a step increase. A written appraisal may be performed by the supervisor no less than 120 days after the disciplinary action which shows a significant improvement in performance.
    1. The next step increase will be considered at the new one (1) year anniversary.
    2. The Supervisor shall receive permission from the Department Head prior to the evaluation being completed to receive approval to perform said evaluation. The evaluation may be denied based upon the sole determination from the Department Head that discipline was egregious enough that the evaluation should not be performed.
    3. It is the responsibility of the department and the employee to track anniversary dates and employee evaluation dates. Only by exception of the City Manager will back pay also known as 'Retro pay' occur if the evaluation was scheduled late, or completed incorrectly that result in the employees step increase being delayed.

    An employee that does not have disqualifying disciplinary action but who, based upon a review of the supervisor's evaluation, is not performing at the level of a standard employee may be recommended for a partial increase. This increase shall be determined and recommended by the department head.

    An employee who has received a partial increase will be able to obtain the top step of the pay range in future annual evaluations. This would be done in 5% increments each year, based upon merit and this policy until the top of the pay range has been met.

E. In such cases as may occur wherein an employee shall demonstrate exceptional sustained ability and proficiency in performance of his/her assigned duties, said employee may be given a special merit advancement to the next higher step without regard to the minimum length of service provisions contained in this Section upon recommendation of the Department Head and the approval of the City Manager.

F. Merit pay increases shall be granted upon approval of the employee's Department Head for continued meritorious and efficient service and continued improvement by the employee in the effective performance of the duties of his/her position.

G. Notwithstanding any other provision in this Section, the City Council may vote to reduce or suspend the meritorious increases if the City Council determines that budget constraints or other factors warrant reducing or suspending the meritorious increases. The Council may increase future meritorious increases to offset any decreases due to a reduction or suspension.

		MONTHLY SALARY									*HOURLY SALARY*										old scale
DEPARTMENT	**JOB TITLE**	**1/MIN**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9/MAX**	**1/MIN**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9/MAX**		
HCPD	Police Officer	$5,327	$5,593	$5,873	$6,165	$6,472	$6,795	$7,134	$7,491	$7,757	30.73	32.28	33.88	35.57	37.34	39.20	41.16	43.22	44.75		43.01
HCPD	Senior Police Officer	$5,593	$5,873	$6,165	$6,472	$6,795	$7,134	$7,491	$7,757	$8,145	32.27	33.88	35.57	37.34	39.20	41.16	43.22	44.75	46.99	5% Incentive	46.76
HCPD	Master Officer	$5,873	$6,165	$6,472	$6,795	$7,134	$7,491	$7,757	$8,145	$8,551	33.88	35.57	37.34	39.20	41.16	43.22	44.75	46.99	49.33	5% Incentive	49.11
HCPD	Sergeant	$6,460	$6,783	$7,195	$7,474	$7,849	$8,240	$8,533	$8,960	$9,509	37.27	39.13	41.51	43.12	45.28	47.54	49.23	51.69	54.86	10% seperation	54.00
HCPD	Master Sergeant	$6,783	$7,105	$7,460	$7,833	$8,225	$8,635	$9,067	$9,521	$9,998	39.13	40.99	43.04	45.19	47.45	49.82	52.31	54.93	57.68	5% incentive	56.67
HCPD	Police Lieutenant	$7,722	$8,108	$8,514	$8,940	$9,388	$9,857	$10,350	$10,868	$11,412	44.55	46.78	49.12	51.58	54.16	56.87	59.71	62.70	65.84	15% seperation	65.51
HCPD	Police First Lieutenant	$8,108	$8,514	$8,940	$9,388	$9,857	$10,350	$10,868	$11,412	$11,983	46.78	49.12	51.58	54.16	56.87	59.71	62.70	65.84	69.13	5% Increase	
HCPD	Police Deputy Chief	$8,337	$8,755	$9,193	$9,654	$10,138	$10,646	$11,180	$11,740	$12,329	48.10	50.51	53.04	55.70	58.49	61.42	64.50	67.73	71.18	10% Seperation	71.13
HCPD	Office Manager	$4,505	$4,730	$4,966	$5,214	$5,474	$5,748	$6,036	$6,337		25.99	27.29	28.65	30.08	31.58	33.16	34.82	36.56			36.39
HCPD	Adminstrative Assistant	$3,678	$3,861	$4,054	$4,255	$4,467	$4,692	$4,935	$5,177		21.22	22.28	23.39	24.55	25.77	27.07	28.47	29.87			29.71

PayScale/Salary Adjustment – 9-Step Progression Policy

A. Eligibility for Step Increases

Regular, full-time employees of Heber City are eligible for consideration for step-based merit increases in accordance with the following guidelines:

1. Advancement to Step 2 occurs upon successful completion of the probationary period service in Step 1.
2. Advancement to Step 3 and each subsequent step requires a minimum of one (1) year of service at the current step.
3. Following successful completion of the probationary period, advancement to Step 2 is automatic. Progression beyond Step 2 is contingent upon satisfactory performance.
4. The City Manager retains the discretion to recommend step increases outside of the standard progression based on performance or operational needs.

B. Anniversary Date and Timing of Increases

Step increases are processed on the employee's anniversary date, defined as:

1. One year from the employee's original hire date;
2. One year from the date of a promotion; or

C. Criteria for Merit Step Increases

Employees must meet the following criteria to qualify for a full merit-based step increase:

1. Achieve an average or above-average rating on their most recent performance evaluation;
2. Receive a recommendation for a wage increase in the evaluation; and
3. Have no disciplinary action exceeding a verbal warning during the rating period.

D. Impact of Disciplinary Actions on Step Increases

Employees who have received disqualifying disciplinary action (above a verbal warning) within the preceding 12 months are ineligible for a step increase at the time of their annual evaluation. However:

1. If significant improvement is demonstrated, a written performance appraisal may be conducted no sooner than 120 days after the disciplinary action.

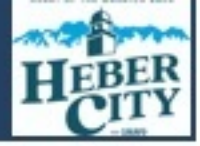
2. The the subsequent step increase will be evaluated based on one (1) year of satisfactory performance from the date of hire or promotion date. Heber City will not retro pay any potential increase.
3. The Department Head must authorize the evaluation before it is conducted and may deny it if the prior discipline was deemed severe.
4. The department and the employee are responsible for tracking anniversary and evaluation dates. The City does not typically provide retroactive pay for evaluations that are delayed or improperly administered.

If an employee is not subject to disqualifying discipline but is not performing fully satisfactorily, the supervisor may recommend a partial step increase. The Department Head has the authority to determine and approve such partial increases.
Employees receiving partial increases remain eligible for future progression to the top step through subsequent merit-based evaluations, with annual increases applied in 5% increments, subject to this policy.

E. Special Merit Advancement
Employees who demonstrate exceptional and sustained performance may be eligible for a special merit advancement to the next step in the salary schedule without regard to the standard time-in-step requirement. Such advancement requires a recommendation from the Department Head and approval by the City Manager.

F. Budgetary Considerations
The City Council reserves the right to reduce or suspend step increases based on budgetary constraints or other relevant considerations. If step increases are suspended, the Council may authorize future increases to offset the missed progression, at its discretion.

Heber City
Proposed Pay Plan



Annual Pay Rates

Competitive Objective → 0.0% 2.8% ← COLA

JOB TITLE	Job Value	Pay Range									
		Minimum	2	3	4	Midpoint	6	7	8	Maximum	Range
City Manager	#####	$187,347	$197,344	$207,241	$217,572	$228,458	$239,879	$250,000	$250,000	$250,000	33%
Community Development Director	#####	$131,384	$138,583	$145,512	$152,788	$160,427	$168,448	$176,871	$185,714	$195,000	48%
Public Works Director	#####	$142,136	$149,243	$156,705	$164,540	$172,768	$181,406	$190,476	$200,000	$210,000	48%
Finance Director	#####	$120,288	$126,303	$132,618	$139,249	$146,211	$153,522	$161,198	$169,258	$177,721	48%
City Prosecutor/Assistant City Manager	#####	$118,385	$124,228	$130,451	$136,953	$143,801	$150,991	$158,540	$166,467	$169,444	42%
Planning Manager	#####	$102,833	$107,284	$112,564	$118,192	$124,102	$130,307	$136,822	$143,664	$150,847	48%
~~Parks & Cemetery Director~~	#####	~~$84,466~~	~~$88,864~~	~~$100,887~~	~~$100,887~~	~~$111,447~~	~~$120,468~~	~~$126,478~~	~~$132,487~~	~~$100,444~~	~~48%~~
Airport Manager	#####	$84,888	$89,848	$95,452	$98,166	$103,075	$108,228	$113,648	$119,322	$125,288	48%
Program Compliance Administrator	#####	$81,766	$85,854	$90,147	$94,654	$99,387	$104,356	$109,574	$115,052	$120,805	48%
Fleet Manager	#####	$81,786	$85,791	$90,888	$94,584	$99,314	$104,279	$109,493	$114,968	$120,716	48%
Human Resource Manager	#####	$81,138	$85,186	$89,446	$93,918	$98,614	$103,544	$108,722	$114,158	$119,866	48%
Senior Accountant	#####	$76,411	$80,231	$84,243	$88,455	$92,878	$97,521	$102,398	$107,517	$112,893	48%
IT Administrator	#####	$73,721	$77,407	$81,278	$85,342	$89,609	$94,089	$98,794	$103,733	$108,920	48%
~~Parks Superintendent~~	#####	~~$73,447~~	~~$75,888~~	~~$79,848~~	~~$88,883~~	~~$88,838~~	~~$93,434~~	~~$97,845~~	~~$104,888~~	~~$105,888~~	~~48%~~
Parks, Cemetery, Trails & Open Space Foreman	#####	$71,376	$74,944	$78,692	$82,626	$86,757	$91,095	$95,650	$100,433	$105,454	48%
Technology Foreman	#####	$71,237	$74,799	$78,539	$82,466	$86,589	$90,918	$95,464	$100,238	$105,249	48%
Sewer System Foreman	#####	$71,237	$74,799	$78,539	$82,466	$86,589	$90,918	$95,464	$100,238	$105,249	48%
Water System Foreman	#####	$71,237	$74,799	$78,539	$82,466	$86,589	$90,918	$95,464	$100,238	$105,249	48%
City Recorder	#####	$69,349	$73,446	$77,118	$80,974	$85,023	$89,274	$93,738	$98,425	$103,346	48%
Planner II	#####	$67,377	$71,376	$74,945	$78,692	$82,627	$86,758	$91,096	$95,651	$100,433	48%
Shop Mechanic	#####	$67,858	$71,251	$74,813	$78,554	$82,482	$86,606	$90,936	$95,483	$100,257	48%
Lead Sewer System Operator	#####	$66,366	$70,314	$73,829	$77,521	$81,397	$85,467	$89,740	$94,227	$98,939	48%
Lead Water System Operator	#####	$66,366	$70,314	$73,829	$77,521	$81,397	$85,467	$89,740	$94,227	$98,939	48%
Lead Roads, Water, PI	#####	$66,366	$70,314	$73,829	$77,521	$81,397	$85,467	$89,740	$94,227	$98,939	48%
Lead Technology Operator	#####	$66,366	$70,314	$73,829	$77,521	$81,397	$85,467	$89,740	$94,227	$98,939	48%
Facility Maintenance Foreman	S.65	$60,225	$63,237	$66,398	$69,718	$73,204	$76,864	$80,708	$84,743	$88,980	48%
Lead Parks Operator	#####	$57,836	$70,451	$73,973	$77,672	$81,555	$85,633	$89,915	$94,411	$99,131	48%
Lead Cemetery Operator	#####	$67,836	$70,451	$73,973	$77,672	$81,555	$85,633	$89,915	$94,411	$99,131	48%
Planner I	S.65	$62,829	$65,124	$68,380	$71,799	$75,389	$79,159	$83,117	$87,273	$91,636	48%
City Treasurer	S.65	$61,283	$64,278	$67,485	$70,857	$74,400	$78,120	$82,026	$86,127	$90,434	48%
Public Works Office Manager	S.58	$59,258	$62,215	$65,323	$68,589	$72,019	$75,620	$79,401	$83,371	$87,539	48%
Utility Maintenance Operator III	S.57	$58,478	$61,402	$64,472	$67,695	$71,080	$74,634	$78,366	$82,284	$86,398	48%
Police Executive Admin/Office Manager	S.55	$58,335	$61,315	$64,388	$67,599	$70,979	$74,528	$78,255	$82,167	$86,276	48%
Animal Control Supervisor	S.54	$55,823	$58,614	$61,545	$64,622	$67,853	$71,246	$74,808	$78,549	$82,476	48%
Utility Maintenance Operator II	S.52	$55,362	$58,130	$61,036	$64,088	$67,292	$70,657	$74,190	$77,899	$81,794	48%
Parks & Cemetery Foreman	S.50	$54,834	$57,635	$60,521	$63,547	$66,725	$70,061	$73,564	$77,242	$81,104	48%
Reserve Officer	J.51	$53,843	$55,782	$58,487	$61,411	$64,481	$67,705	$71,091	$74,645	$78,378	48%
Lead Parks/Cemetery Worker	J.49	$52,588	$55,238	$58,000	$60,900	$63,945	$67,143	$70,500	$74,025	$77,726	48%
Arborist/Sprayer	J.50	$52,787	$55,345	$58,110	$61,015	$64,066	$67,269	$70,633	$74,164	$77,875	48%
Utility Maintenance Operator I	J.47	$52,322	$54,938	$57,685	$60,569	$63,597	$66,777	$70,116	$73,622	$77,303	48%
Airport Office Administrator	J.45	$51,588	$54,083	$56,788	$59,627	$62,608	$65,739	$69,026	$72,477	$76,101	48%
Executive Assistant	J.45	$51,488	$53,978	$56,677	$59,511	$62,487	$65,611	$68,892	$72,336	$75,953	48%
Accounting Technician II	J.48	$51,281	$53,761	$56,449	$59,271	$62,235	$65,347	$68,614	$72,045	$75,647	48%
Court Administrative Supervisor	J.44	$50,385	$53,534	$56,211	$59,021	$61,972	$65,071	$68,325	$71,741	$75,328	48%
Deputy City Recorder	S.51	$50,517	$53,043	$55,695	$58,480	$61,404	$64,474	$67,698	$71,083	$74,637	48%
Animal Control Officer II	S.51	$49,451	$51,923	$54,519	$57,245	$60,108	$63,113	$66,269	$69,582	$73,061	48%
Accounting Technician I	S.47	$49,328	$51,795	$54,385	$57,104	$59,959	$62,957	$66,105	$69,410	$72,881	48%
Administrative Assistant/Certified Permit Tech	S.44	$48,884	$51,328	$53,894	$56,589	$59,418	$62,389	$65,509	$68,784	$72,224	48%
Business License Administrator	S.48	$48,349	$50,795	$53,272	$55,936	$58,732	$61,669	$64,752	$67,990	$71,390	48%
Parks & Cemetery Administrative Assistant/Event Services	S.42	$47,199	$49,436	$51,971	$54,569	$57,298	$60,163	$63,171	$66,329	$69,646	48%
Planning Administrative Assistant	S.42	$47,199	$49,436	$51,971	$54,569	$57,298	$60,163	$63,171	$66,329	$69,646	48%
Police Administrative Assistant	S.42	$46,886	$49,147	$51,684	$54,184	$56,893	$59,738	$62,725	$65,861	$69,154	48%
Parks/Cemetery Maintenance Worker II	S.41	$46,789	$49,122	$51,578	$54,157	$56,865	$59,708	$62,693	$65,828	$69,119	48%
Facility Maintenance Technician	S.41	$46,758	$49,186	$51,562	$54,140	$56,847	$59,689	$62,673	$65,807	$69,097	48%
Justice Court Clerk II	S.41	$46,448	$48,778	$51,203	$53,763	$56,450	$59,288	$62,244	$65,357	$68,625	48%
Public Works Administrative Assistant	S.43	$46,389	$48,782	$51,157	$53,694	$56,378	$59,197	$62,157	$65,265	$68,528	48%
Animal Control Officer I	S.43	$46,379	$48,691	$51,126	$53,682	$56,366	$59,185	$62,144	$65,251	$68,514	48%
Accounts Payable Specialist	S.45	$46,265	$48,579	$51,007	$53,558	$56,236	$59,047	$62,000	$65,100	$68,355	48%
Building Administrative Assistant/Permit Technician	S.40	$45,537	$47,814	$50,205	$52,715	$55,351	$58,118	$61,024	$64,075	$67,279	48%
Engineer Technician	K.54	$49,781	$45,886	$48,181	$50,590	$53,119	$55,775	$58,564	$61,492	$64,567	48%
Prosecutor's Assistant	K.53	$49,674	$45,858	$48,158	$50,558	$53,086	$55,740	$58,527	$61,453	$64,526	48%
Justice Court Clerk I	K.37	$43,486	$45,668	$47,949	$50,348	$52,857	$55,500	$58,275	$61,189	$64,248	48%
Police Secretary	K.44	$42,438	$44,629	$46,854	$49,197	$51,656	$54,239	$56,951	$59,799	$62,789	48%
Parks/Cemetery Maintenance Worker I	K.39	$42,366	$44,484	$46,709	$49,044	$51,496	$54,071	$56,774	$59,643	$62,584	48%
Animal Shelter Technician	K.37	$41,434	$43,585	$45,681	$47,965	$50,363	$52,881	$55,525	$58,301	$61,216	48%

HEBER CITY COUNCIL STAFF REPORT

MEETING DATE: 7/1/2025

SUBJECT: **Mayor's Nomination for POSTT Committee – Carl T. Ni**

RESPONSIBLE: Mayor Heidi Franco

STRATEGIC RELEVANCE: Necessary Administrative Item

RECOMMENDATION:

Mayor Franco is nominating Carl T. Nielson for the POSTT Committee. One other POSTT Committee member notified the Mayor as to their moving out of Heber City this year. Carl has many skills and commitment to Heber City that will work well on the POSTT Committee. The Mayor discussed the attendance requirement, and POSTT activities with Carl. He has already attended a POSTT Committee June meeting. Carl Nielson's resume is attached in the agenda materials.

Carl T. Nielson

(435) 557-0296 | carl.t.nielson@gmail.com

EDUCATION

Brigham Young University – Marriott School of Business Provo, UT
Bachelor of Science in Entrepreneurial Management and a minor in Media Arts Apr 2025

- GPA 3.87 / 4.00
- *Academic Scholarship*, *Sterling Scholar Scholarship*
- Creators club member, Creators Book Club member
- Relevant Coursework: Principles of Finance, Principles of Accounting, Marketing Management, Econ Principles & Problems, Spreadsheets & Bus Analysis, Intro to Mgt Info Systems, Intro Global Supply Chain Mgt, Intro to Global Supply Chain International, Intro Business Analytics, Entrepreneurship Analytics, Entrepreneurial Innovation
- *Phi Eta Sigma* member (top 20% of my class)

Wasatch High School – Graduate 2018 Heber City, UT

- Graduate with High Honors, Sterling Scholar
- Student Government *Student Body President,* Improv Club *President,* lead roles in school and community musicals

EXPERIENCE

KW Park City Keller Williams Realty Park City, UT
Realtor November 2024 – Current

Blue Raven Solar Orem, UT
Sales Development Representative May 2024 – Current

Sunergy Solar Destin, FL
Sales Representative (Closer) Mar 2023 – Jan 2024

- Closing ratio of 91% in first 6 weeks

Timberline Pest Control Utah County, UT
Sales Representative Apr 2021 – August 2021

LEADERSHIP & SERVICE

Mobi Provo, UT
Co- Founder Oct 2023 – Nov 2024

- Designed and validated a patent pending accessible cooking station for wheelchair users
- Showcased at Utah Valley Parade of Homes
- Accepted into iHUB – Utah's innovation incubator
- Validation and Traction grants recipient through the Rollins Center

The Church of Jesus Christ of Latter-day Saints Warsaw, Poland
Volunteer Representative Sep 2018 – Oct 2020

- Engaged in religious discussions and frequent community service
- Taught free weekly English lectures
- Learned advanced Polish

AWARDS, SKILLS & INTERESTS

- Active Real Estate License
- *Eagle Scout*, Boy Scouts of America
- *1st Place/Scholarship Winner*, Sterling Scholar Competition in Speech, Theater Arts, and Forensics
- Jeffery R. and Patricia T. Holland Scholarship Winner
- I am an experienced videographer, video editor and content creator

Heber City Council Staff Report

MEETING DATE: 7/1/2025
SUBJECT: Statewide Stage 1 Firework Restrictions
RESPONSIBLE: Clint Neerings
DEPARTMENT: Administrative
STRATEGIC RELEVANCE:

SUMMARY

RECOMMENDATION

BACKGROUND

DISCUSSION

FISCAL IMPACT

CONCLUSION

ALTERNATIVES

1. Approve as proposed
2. Approve as amended

75 N Main Street
Heber City, UT 84032
Phone: 435-657-0757
Fax: 435-657-2543
heberut.gov

3. Continue
4. Deny

POTENTIAL MOTIONS

Alternative 1 - Approval - Staff Recommended Option

I move to **approve** the item as presented, with the findings and conditions as presented in the conclusion above.

Alternative 2 - Approve as Amended

I move to **approve** the item as amended, as follows.

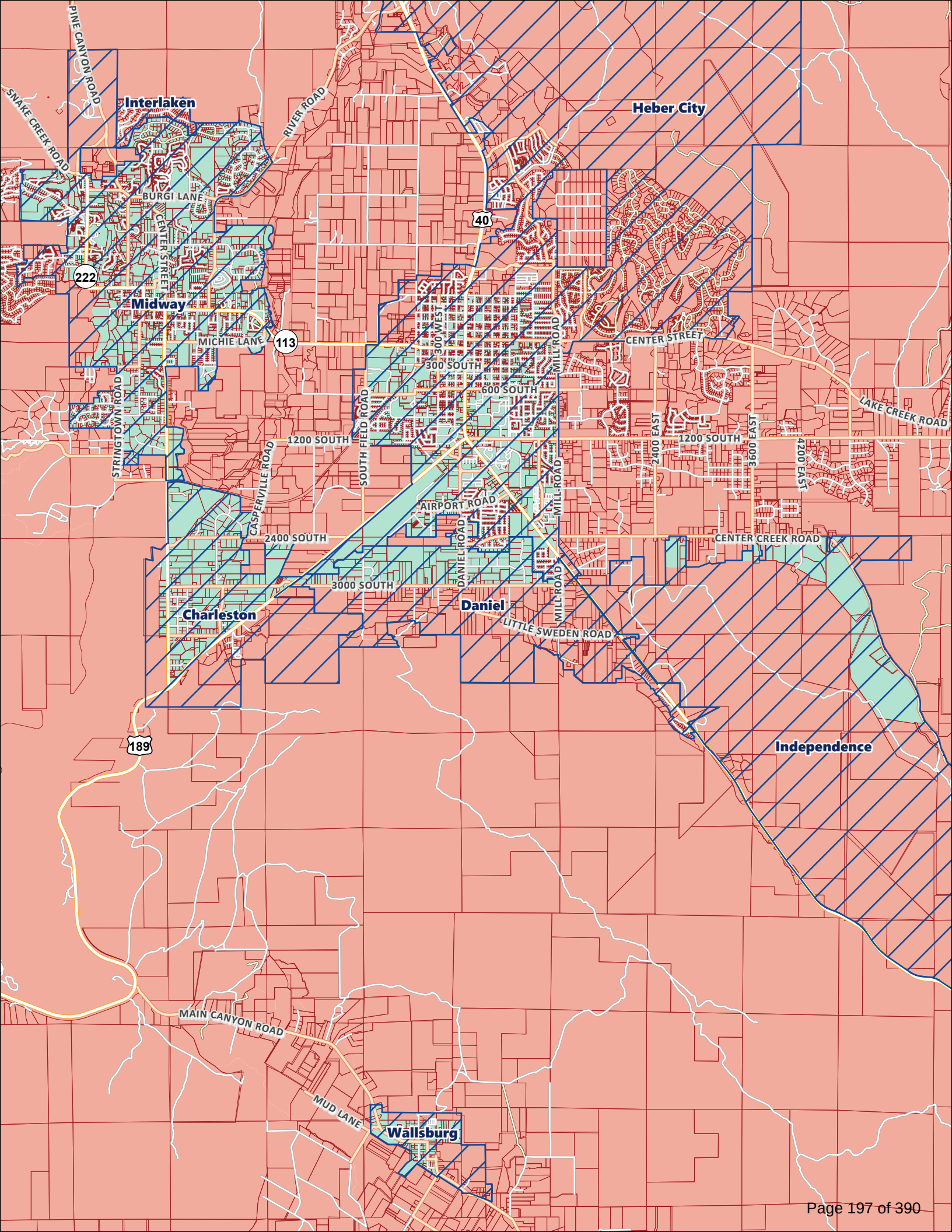
Alternative 3 - Continue
I move to **continue** the item to another meeting on [DATE], with direction to the applicant and/or Staff on information and / or changes needed to render a decision, as follows:
Alternative 4 - Denial
I move to **deny** the item with the following findings.

ACCOUNTABILITY

Department: Administrative
Staff member:

EXHIBITS

1. Working map
2. 2025 Statewide State Stage 1 Restrictions - signed
3. Working map


Interlaken
Heber City
Midway
Charleston
Daniel
Wallsburg
Independence
PINE CANYON ROAD
SNAKE CREEK ROAD
RIVER ROAD
BURGI LANE
CENTER STREET
MICHIE LANE
STRINGTOWN ROAD
CASPERVILLE ROAD
1200 SOUTH
SOUTH FIELD ROAD
300 WEST
300 SOUTH
600 SOUTH
MILL ROAD
AIRPORT ROAD
DANIEL ROAD
2400 SOUTH
3000 SOUTH
LITTLE SWEDEN ROAD
CENTER STREET
2400 EAST
3600 EAST
4200 EAST
LAKE CREEK ROAD
CENTER CREEK ROAD
MAIN CANYON ROAD
MUD LANE
40
113
222
189

SPENCER J. COX
Governor

DEIDRE M. HENDERSON
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

JOEL FERRY
Executive Director

Division of Forestry, Fire and State Lands
JAMIE BARNES
State Forester/Director

ORDER # UTCLO2504

Fire Restriction Order (Stage 1)

Due to current and forecasted weather conditions coupled with the record dry vegetation conditions and extreme fire danger throughout Utah, the State Forester has determined that measures must be taken to prevent the ignition of forest and rangeland fires. Therefore, pursuant to Utah State Law, Section 65A-8-212, the following acts (also known as "Stage 1 Fire Restrictions) are prohibited in the areas described below until rescinded by the Utah State Forester:

1. No open fires of any kind except within established facilities in improved campgrounds or day-use areas on **public lands**. -OR- in permanently constructed fire pits at **permanent private dwellings** served by pressurized running water.
2. Smoking, except within an enclosed vehicle, trailer or building, a developed recreation site or while stopped in an area that is paved or free from dry vegetation.
3. Cutting, welding or grinding metal in areas of dry vegetation.
4. Operating a motorcycle, chainsaw, ATV, or other small internal combustion engine without an approved and working spark arrestor.
5. Discharging or using fireworks, tracer ammunition or other pyrotechnics devices including exploding targets.

*The fire restriction NECLO2502 will be unchanged and will remain in effect until rescinded.

The following persons are exempted from the above prohibitions:

1. Persons with a permit or waiver issued by the Division, specifically authorizing a specified act at a specific location. A waiver does not relieve the permittee of liability if a fire does occur.
2. Any on-duty firefighter in the performance of an official duty.

Area Description: All state lands –AND– all unincorporated private lands within the state of Utah.

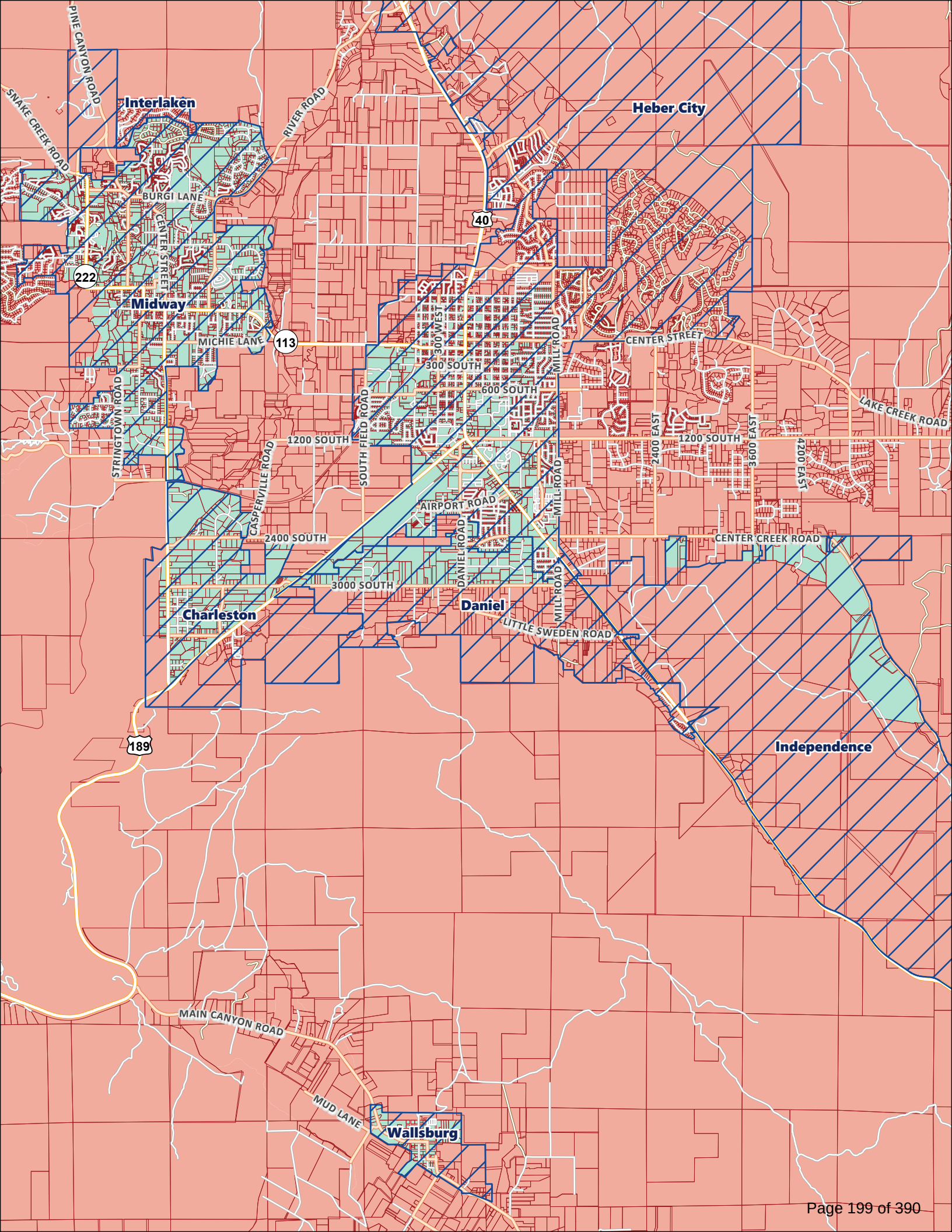
This order does not affect private lands within incorporated towns or city limits.

Any of the above acts is a violation of state law and is punishable by up to 6 months in jail and a fine of up to $1,000. These restrictions will be enforced by county law enforcement.

Effective Date: **12:01 a.m., 28th day of June, 2025**

Brett Ostler
Brett Ostler (Jun 26, 2025 13:47 MDT)
Brett Ostler, State Fire Management Officer

Jamie Barnes
Jamie Barnes (Jun 26, 2025 14:00 MDT)
Jamie Barnes, State Forester


Interlaken
Heber City
Midway
Charleston
Daniel
Independence
Wallsburg
PINE CANYON ROAD
SNAKE CREEK ROAD
RIVER ROAD
BURGI LANE
CENTER STREET
MICHIE LANE
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CENTER STREET
LAKE CREEK ROAD
2400 EAST
3600 EAST
4200 EAST
AIRPORT ROAD
DANIEL ROAD
2400 SOUTH
CENTER CREEK ROAD
3000 SOUTH
LITTLE SWEDEN ROAD
MAIN CANYON ROAD
MUD LANE
222
40
113
189

Heber City Council Staff Report

MEETING DATE: 7/1/2025
SUBJECT: Ordinance 2025-16 Updating Heber City's Purchasing Policy
RESPONSIBLE: Wendy Anderson
DEPARTMENT: Administrative
STRATEGIC RELEVANCE: Necessary Administrative Action

SUMMARY

Staff proposes updates to Heber City Municipal Code § 3.14 Purchasing Policy to raise outdated purchasing thresholds that no longer reflect current market conditions. Due to significant inflation in recent years, many routine purchases now exceed the existing limits, triggering unnecessary administrative steps. The revised thresholds maintain the same approval structure while modernizing dollar amounts for efficiency. The update is consistent with the City's recently increased $10,000 fixed asset capitalization limit.

RECOMMENDATION

Staff recommends adoption of the attached ordinance amending the purchasing policy to update procurement thresholds for inflation and operational efficiency.

BACKGROUND

The City's current purchasing thresholds were last updated on September 6, 2022 (Resolution 2022-19). Since that time, inflation has significantly increased the cost of equipment, supplies, and services, causing many routine purchases to exceed existing approval or bidding limits. This has resulted in inefficiencies, delays, and disproportionate administrative burden for low- and mid-value transactions.

Additionally, on November 19, 2025, the Heber City Council approved an increase to the City's capitalization threshold from $5,000 to $10,000. Aligning purchasing thresholds with this new policy also ensures consistency in procurement, accounting, and audit practices.

75 N Main Street
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Fax: 435-657-2543
heberut.gov

DISCUSSION

Thresholds and Authorizations

The ordinance updates threshold amounts across the following sections:

- **§ 3.14.050 – Approval of Purchases**
- **§ 3.14.060 – Exemptions**
- **§ 3.14.070 – Purchases Not Requiring Sealed Bids**
- **§ 3.14.080 – Purchases Requiring Sealed Bids**
- **§ 3.14.135 – Disposal or Lease of Public Property**

Comparison of Original and Proposed Purchasing Thresholds

Category	Original Threshold	Proposed Threshold	Authorization*
Purchase Orders			
All purchases		≥ $10,000	Purchase Order Required
Approval of Purchases			
General Purchase Approval	< $4,000	< $10,000	Any Authorized Staff
Unbudgeted Purchases	≥ $5,000	≥ $10,000	City Council
General Purchase Approval	$5,000 - $30,000	$10,000 – $50,000	Department Head
General Purchase Approval	$30,001–$50,000	$50,001–$75,000	City Manager
General Purchase Approval	> $50,000	> $75,000	City Council
Public Works Approval	$50,001–$100,000	$75,001–$150,000	City Manager
Public Works Approval	> $100,000	> $150,000	City Council
Informal Quote Requirements			
No Quotes Required	< $4,000	< $10,000	
Two Quotes Required	$4,000–$8,000	$10,000–$15,000	Department Head
Three Quotes Required	$8,001–$50,000	$15,001–$75,000	City Manager
Three Quotes + Informal Solicitation (PW)	$50,001–$100,000	$75,001–$150,000	City Manager
Contract Requirements			
Professional Services	Any Amount	≥ $25,000	Contract Required
General Contracts	< $50,000 (project or annual amt)	< $75,000 (project or annual amt)	Negotiated with at least two qualified parties and awarded by City Manager

General Contracts	≥ $50,000 (project or annual amt)	≥ $75,000 (project or annual amt)	Negotiated with at least two qualified parties and awarded by City Council
"As Needed" Contracts	< $200,000	< $250,000	No City Council approval needed
Public Works Contracts		≤ $150,000	City Manager
Public Works Contracts	> $100,000	> $150,000	City Council
Sealed Bids Requirements			
General Sealed Bid	> $50,000	> $75,000	City Council
Public Works Sealed Bid	> $100,000	> $150,000	City Council
Other			
Surplus Disposal	> $5,000	> $10,000	City Council
Change Orders	All change orders	All change orders	City Manager
Changers	≥ $10,000 or 10% of approved contract	≥ $15,000 or 10% of approved contract	City Council
Sole Sourced Procurement	> $50,000	> $75,000	Ten-day public notice required before City Council approval

*The authorization level listed for each dollar threshold is the highest approval required; all subordinate approvals implied by lower thresholds (e.g., Department Head, City Manager) are presumed to have been obtained before the request advances to the higher approving authority.

These adjustments preserve existing approval roles and competitive processes but make them more functional in today's economy.

Volunteer and Employee Gift Card Policy

The current policy allows up to $50 per year in gift cards for volunteers. However, gift cards are considered cash-equivalent under IRS regulations and may be treated as taxable compensation. Staff recommends replacing this with a policy that limits volunteer recognition to non-cash, tangible items (e.g., City-branded merchandise). This ensures compliance and reduces audit risk while still honoring community contributions.

FISCAL IMPACT

There is no direct fiscal impact. The changes do not increase spending authority but make purchasing practices more responsive to real-world costs. Staff efficiency is also expected to improve by reducing unnecessary escalations for routine purchases.

CONCLUSION

The proposed updates modernize Heber City's purchasing policy to account for inflationary cost increases and operational realities. The adjustments preserve transparency, maintain internal

controls, and support more efficient public procurement. Staff recommends adoption of the ordinance as presented.

ALTERNATIVES

1. Approve as proposed
2. Approve as amended
3. Continue
4. Deny

POTENTIAL MOTIONS

Alternative 1 - Approval - Staff Recommended Option

I move to **approve** the item as presented, with the findings and conditions as presented in the conclusion above and allow Staff to make immaterial changes and corrections, as needed, before updating code online.

Alternative 2 - Approve as Amended

I move to **approve** the item as amended, as follows.

Alternative 3 - Continue
I move to **continue** the item to another meeting on [DATE], with direction to the applicant and/or Staff on information and / or changes needed to render a decision, as follows:
Alternative 4 - Denial
I move to **deny** the item with the following findings.

ACCOUNTABILITY

Department: Administrative
Staff member: Sara Nagel, Finance Manager

EXHIBITS

1. Ordinace 2025-16 Updating Heber City's Purchasing Policy
2. Purchasing_Threshold_Comparison_Table
3. 3.14 Updated Purchasing Policy Code_Redline
4. 3.14 Updated Purchasing Policy Code_Clean Copy

ORDINANCE NO. 2025-15

AN ORDINANCE AMENDING CHAPTER 3.14 OF THE HEBER CITY MUNICIPAL CODE – PURCHASING POLICY

WHEREAS, the Heber City Council last updated the City's Purchasing Policy on September 6, 2022; and
WHEREAS, on November 19, 2024, the Heber City Council adopted a resolution increasing the City's fixed asset capitalization threshold from $5,000 to $10,000; and
WHEREAS, the City recognizes that inflation has significantly increased the cost of goods, services, and capital equipment since the last policy update, making existing purchasing thresholds outdated and restrictive; and
WHEREAS, it is the intent of the City Council to ensure fiscal responsibility while allowing staff to operate efficiently under purchasing guidelines that reflect current economic conditions; and
WHEREAS, the City Council desires to revise Chapter 3.14 of the Heber City Municipal Code to adjust purchasing thresholds across all sections in a manner consistent with the updated capitalization threshold and inflationary pressures;

NOW THEREFORE, BE IT ORDAINED by the City Council of Heber City, Utah, that Chapter 3.14 of the Heber City Municipal Code is hereby amended as shown in Exhibit A, attached hereto and incorporated by reference.

This Ordinance shall take effect on July 1, 2025.

PASSED, APPROVED and ORDERED TO BE PUBLISHED BY THE HEBER CITY COUNCIL this _____ day of _____ 2025.

	AYE	NAY
Council Member Yvon Barney	_____	_____
Council Member Aaron Cheatwood	_____	_____
Council Member Michael Johnston	_____	_____
Council Member Sid Ostergaard	_____	_____
Council Member D. Scott Phillips	_____	_____

APPROVED:

_____
Mayor Heidi Franco

ATTEST:

_____ Date: _____
RECORDER

Comparison of Original and Proposed Purchasing Thresholds

Category	Original Threshold	Proposed Threshold	Authorization*
Purchase Orders			
All purchases		≥ $10,000	Purchase Order Required
Approval of Purchases			
General Purchase Approval	< $4,000	< $10,000	Any Authorized Staff
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Informal Quote Requirements			
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Contract Requirements			
Professional Services	Any Amount	≥ $25,000	Contract Required
General Contracts	< $50,000 (project or annual amt)	< $75,000 (project or annual amt)	Negotiated with at least two qualified parties and awarded by City Manager or Department Head
General Contracts	≥ $50,000 (project or annual amt)	≥ $75,000 (project or annual amt)	Negotiated with at least two qualified parties and awarded by City Council
“As Needed” Contracts	< $200,000	< $250,000	No City Council approval needed
Public Works Contracts		≤ $150,000	City Manager
Public Works Contracts	> $100,000	> $150,000	City Council
Sealed Bids Requirements			
General Sealed Bid	> $50,000	> $75,000	City Council
Public Works Sealed Bid	> $100,000	> $150,000	City Council
Other			
Surplus Disposal	> $5,000	> $10,000	City Council
Change Orders	All change orders	All change orders	Department Head or City Manager
Changers	≥ $10,000 or 10% of approved contract	≥ 10% of approved contract $15,000 Min	City Council
Sole Sourced Procurement	> $50,000	> $75,000	Ten-day public notice required before City Council approval

*****The authorization level listed for each dollar threshold is the highest approval required; all subordinate approvals implied by lower thresholds (e.g., Department Head, City Manager) are presumed to have been obtained before the request advances to the higher approving authority.

3.14.010 Purpose

The underlying purpose of this chapter is:

A. To ensure that purchases and services contracted for the city are in the best interest of the public and to ensure fair and equitable treatment of all persons who wish to or do conduct business with the city.
B. To provide for the greatest possible economy in procurement activities for the city.
C. To foster effective broad-based competition within the free enterprise system to ensure that the city will receive the best possible service or product at the lowest possible price.
D. To provide a systematic and uniform method of purchasing goods and services for the city.

3.14.020 Definitions

“As needed” shall refer to miscellaneous professional or public works related tasks on an ongoing basis for a period of time and for rates identified in the contract.

“Business” means any corporation, partnership, individual, sole proprietorship, joint stock company, joint venture, or any other private legal entity.

“Change order” means a written order signed by the city manager or department head, directing the contractor to suspend work or make changes, which the appropriate clauses of the contract authorize the city manager to order without the consent of the contractor or any written alteration in specifications, delivery point, rate of delivery, period of performance, price, quantity, or other provisions of any contract accomplished by mutual action of the parties to the contract.

“City” means Heber City and all other reporting entities controlled by or financially dependent upon the city council.

“City manager” means the city manager of Heber City.

“Contract” means a written agreement between the City and a vendor, consultant, or contractor for the delivery or disposal of supplies, services, or construction, typically involving defined terms, deliverables, and legal obligations. A contract is distinct from a purchase order and may be used when the scope, complexity, or duration of the procurement requires more formal documentation than a purchase order alone.
~~“Contract” means a written agreement for the delivery or disposal of supplies, services, or construction.~~

“Invitation for bids” means all documents, whether attached or incorporated by reference, used for soliciting bids.

“Invitation to negotiate” means a written solicitation for sealed offers to select one or more vendors with which to commence negotiations for the procurement of unique commodities or services described in the solicitation. The outcome of this process is selection of the response that represents the best value to the city.

“Person” means any business, individual, union, committee, club, other organization, or group of individuals.

“Procurement” means buying, purchasing, renting, leasing, leasing with an option to purchase, or otherwise acquiring any supplies, services, or construction.

“Professional services contract” means a contract for services performed by an independent contractor in a professional capacity who produces a service predominantly of an intangible nature. These include, but are not limited to, the services of an attorney, physician, engineer, accountant, architectural consultant, dentist, artist, appraiser or photographer.

“Public utilities equipment and supplies” means equipment and materials purchased by the public works department ~~or parks/cemetery department~~ that are used in the regular course of supplying public utilities or park and trail amenities, and includes but is not limited to such items as piping, irrigation equipment, meters, conduit, terminations, transformers, cable, wire, hoses, pad mounted equipment, and general construction materials.

“Public utilities equipment and supplies” does not include any purchase that includes, in whole or in part, labor (not including freight or delivery), services, vehicles or machinery.

“Public works project” means the construction of a street, road, curb and gutter, sidewalk, a public park, trail, or other recreational facility; a pipeline, culvert, dam, canal, or other system or facility for water, sewage, storm water, or flood control; or any other public infrastructure, system, or improvement constructed, owned, operated, or maintained by the City.

“Purchase” means the acquisition of goods (supplies, equipment, etc.) in a single transaction such that payment is made prior to receiving or upon receipt of the goods.

“Purchase description” means the words used in a solicitation to describe the supplies or services to be acquired, and includes specifications attached to or made a part of the solicitation.

"Purchase Order" means a written or electronic authorization that commits funds and authorizes a vendor to provide specified goods or services at an agreed price. A purchase order may serve as a formal contract between the City and the vendor and must be issued prior to the acquisition of goods or services, except in cases explicitly exempted by this policy.

"Request for proposals" means all documents, whether attached or incorporated by reference, used for soliciting proposals.

"Sealed bids" means written proposals from persons or entities offering to contract with or to sell to the city which are received in sealed envelopes to be opened after the deadline for receipt of bids as defined in an invitation to bid.

"Sole source" means goods or service for which there is only one source for the procurement item. Circumstances under which there is only one source for a procurement item may include:

(1) where the most important consideration in obtaining a procurement item is the compatibility of equipment, technology, software, accessories, replacement parts, or service;

(2) where a procurement item is needed for trial use or testing;

(3) where transitional costs are unreasonable or cost prohibitive; or

(4) where reasonably equivalent goods or services are not available from any other source.

"Unbudgeted Purchase" means any expenditure or contractual obligation for goods, services, or capital items that has not been authorized through the adopted annual budget or an approved budget amendment."

3.14.030 General Policy

A. All city purchases and contracts for goods and services shall be subject to this chapter unless specifically exempted.
B. No contract or purchase shall be so arranged, fragmented or divided with the purpose or intent to circumvent this chapter.
C. No purchase shall be contracted for, or made, unless sufficient funds have been budgeted in the years in which the funds are to be expended.
D. Reasonable attempts shall be made to publicize anticipated purchases or contracts to known vendors, contractors and suppliers.

E. When it is advantageous to the city, annual or other recurring contracts for services and supplies regularly purchased should be approved.
F. All purchases and contracts must be approved by the city manager unless otherwise specified in this chapter.
G. All contracts for services shall be approved as to form by the city attorney.
H. In the event there are conflicts with any provision of this policy, and relevant provisions of State Code, such State Code provisions shall govern.

3.14.040 Authority Of City Manager

The city manager or a person designated by the city manager shall be responsible for the following:

A. Ensure that all purchases for services comply with this chapter.
B. Review and approve all purchases of the city.
C. Establish necessary additional procedures for the efficient and economical management of the contracting and purchasing functions authorized by this chapter. Such procedures shall be in writing and on file in the city recorder's office as a public record.
D. Maintain accurate and sufficient records concerning all city purchases and contracts for services.
E. Maintain a list of contractors for public improvements and personal services who have made themselves known to the city and are interested in soliciting city business.
F. Make recommendations to the city council concerning amendments to this chapter.
G. In the absence of the city manager, the mayor shall be designated and authorized to fulfill the duties of the city manager with respect to any contract, purchase, or payment that requires immediate action or execution. The mayor shall promptly notify the city manager of any actions taken by the mayor.

3.14.050 Approval Of Purchases

A. All purchasing approvals and change orders must comply with the thresholds and authority levels set forth in Appendix A. Procurement methods include purchase orders, contracts, or check requests, as applicable. Only authorized personnel may initiate purchases, and all purchases shall be documented through the City's financial system. Definitions for contract, purchase, and related terms are consolidated in Section 3.14.020.

~~The following approvals are required for all purchases unless otherwise exempted in this chapter:~~

~~A. Any contract, purchase, purchase order, check request, or service request for nonprofessional services and supplies or building improvements in the total amount of $5,000 or less may be made or approved by the city manager, department head, or an employee or supervisor authorized by the city manager or department head to make such purchase, purchase order, check request, or service request.~~

~~B. Any contract, purchase, purchase order, check request, or service request for nonprofessional services, supplies, or building improvements in the total amount of more than $5,000 but less than $30,000 must be made or approved by the city manager or department head.~~

~~C. Any contract, purchase, purchase order, check request, or service request for nonprofessional services and supplies or building improvements in the total amount of more than $30,000 but less than $50,000 must be made or approved by the city manager.~~

~~D. Any contract, purchase, purchase order, check request, or service request for public utilities equipment and supplies, or public works projects, in the total amount of more than $50,000 but less than $100,000 must be made or approved by both the department head and the city manager.~~

~~E. Gift cards may only be purchased for individuals who volunteer for the City and must be approved by the City Manager. Gift cards are to be gifted in limited circumstances and shall not exceed $50 annually to any single individual. Documentation for any gift card purchase must include approval from the City Manager, purpose of gift, recipient name, date of gift, and total amount gifted. Employees may not receive gift cards as they are a taxable benefit subject to IRS audit.~~

B. ~~F.~~ The city manager may establish additional policies and controls which are consistent with the approval mechanism set forth in this chapter.

~~G. The following contracts and purchases must be approved by the city council:~~

~~1. Any contract or purchase in the amount of $50,000 or more, which is not related to public works projects or public utilities equipment and supplies.~~

~~a. Any contract or purchase of public works projects or public utilities equipment and supplies in the amount of $100,000 or more.~~

C. ~~b.~~ An invoice or check request received pursuant to a Council approved contract does not require further Council approval.

D. ~~c.~~ A purchase order shall be issued in the amount of the approved contract, unless otherwise directed by City Manager or designee.

~~d. A contract is required when a purchase is made that exceeds $50,000 or more, which is not related to public works projects or public utilities equipment and supplies. For public works projects or public utilities equipment and supplies a contract is required when the purchase exceeds $100,000.~~

E. ~~2.~~All Unbudgeted Purchases require approval with the thresholds and authority levels set forth in Appendix A ~~Any contract, purchase or payment over $5,000, dealing with public utilities and supplies, or public works projects,~~ which ~~is not anticipated in the current budget and is~~are not funded by development fees (including connection fees or impact fees) or paid for by third parties.

F. ~~3. All~~Any "change order~~s~~" ~~that's the greater of $10,000 or 10% of a previously approved contract amount. All other change orders to be approved by the City Manager or designee.~~ require approval with the thresholds and authority levels set forth in Appendix A. The sole exceptions shall be 1) where the project is developer funded; and 2) in circumstances where waiting for the City Council approval will create potential claim for damages against the City. In such cases, the City Manager shall submit the approved authorization to the City Council for ratification at its next regularly scheduled meeting. ~~All change orders will be reported monthly to the newspaper of local circulation in the area at least 10 days before the public meeting to approve the purchase or contract by the city council.~~

G. In the event that there is only one service provider, no competitive bidding is required.

H. ~~H.~~ All disbursements~~warrants~~ generated by the city will be reported monthly to the City Council.

I. ~~I.~~ Credit cards issued in the city's name may be made available for use by specific city employees. Credit cards may be used for purchasing where there is some benefit to the city such as convenience, the ability to make recurring payments where required, or cash back to the city through a loyalty program. Heber City's current Credit Card Policy is incorporated and made a part of this Agreement by reference hereto. Purchases using credit cards shall be subject to all the required limitations, requirements, and approvals of this chapter. Each credit card statement shall be reviewed monthly by at least two persons, which shall include at least the city manager or city finance officer, and a department head, to protect against misuse or fraud.

3.14.060 Exemptions

The following transactions are exempt from the competitive bidding requirements of this chapter. The city manager shall determine ~~whether or not~~whether a particular contract or purchase is exempt under the following criteria:

A. When the provisions of this chapter would prevent the city from complying with the terms and conditions of any grant, gift, or bequest that is otherwise consistent with law.
B. When any purchase or encumbrance is made with state or federal funds and the applicable state or federal laws or regulations are in conflict with this chapter to the extent that following the provisions of this chapter would jeopardize the use of those state or federal funds, such conflicting provisions of this chapter shall not apply and the city officials making such purchases shall follow the procedure required by the state or federal laws or regulations.
C. Emergency contracts which require prompt execution of the contract because of an imminent threat to the safety or welfare of the public, or public or private property; circumstances which place the city or its officers and agents in a position of serious legal liability; or circumstances which are likely to cause the city to suffer financial harm or loss, the gravity of which clearly outweighs the benefits of competitive bidding in the usual manner. The city manager or mayor shall notify the city council of any emergency contract which would have normally required their approval at the next regularly scheduled city council meeting.
D. Projects which are acquired, expanded, or improved under the Local Building Authority Act.
E. Purchases from vendors or suppliers who are the sole source of the goods or services under procurement. If any sole source procurement exceeds the thresholds in Appendix A~~$50,000~~, notice of the sole source procurement shall be published in a newspaper of general circulation in the state or a newspaper of local circulation in the area at least 10 days before the public meeting to approve the purchase or contract by the city council. In the event that there is only one service provider, no competitive bidding is required.
F. Purchases from state or local surplus property agencies or entities or purchases from entities under state-awarded ~~equipment~~ contracts. Additionally, the City shall have the power to enter into joint purchase agreements with any or all other public agencies within the state for the purchase of any commodity or service, whenever it is determined by the City Council to be in the best interest of the City, regardless of whether such agency or agencies are associated with state entities.
G. Professional Service Contracts. All professional services must comply with the thresholds and authority levels set forth in Appendix A. The selection of professional service contracts shall be based on an evaluation of the services needed, the abilities of the contractors, the uniqueness of the service and the general performance of the contractor. When selecting the most qualified consultants to perform professional services, the city shall not consider pricing information until after the qualifications of all consultants being considered have been evaluated~~solicit or use pricing policies and~~

~~proposals or other pricing information to determine a consultant's compensation until after the most qualified consultant(s) has been selected~~. When soliciting professional services, the City will indicate in the notice whether negotiations will commence with the firm deemed most qualified or the City will prequalify firms prior to soliciting price quotes. ~~All professional services require a contract at any dollar amount. Small purchases of professional services, valued at a project or annual amount not to exceed $50,000, may be negotiated with a minimum of two qualified persons or firms and may be accepted and awarded by the City Manager or designee. Proposals which exceed $50,000 must be approved and awarded by the City Council.~~ Contracts for ongoing "As Needed" services approved by City Council do not require Council approval for individual tasks or projects performed under the contract provided an individual task value does not exceed threshold levels set forth in Appendix A.~~$200,000; Any contract involving an independent auditor, regardless of contract amount, requires City Council approval.~~

3.14.070 Purchases Not Requiring Sealed Bids

A. Purchases below the sealed bid threshold do not require formal bidding. Informal quotes may be required based on thresholds in Appendix A. Purchases using state cooperative contracts, approved emergency methods, or other exemptions outlined in Section 3.14.060 are excluded.

~~Purchases and expenditures of less than $4,000 shall not require bids or quotes of any type, but are otherwise subject to the general policies of this chapter. These purchases and e~~Expenditures that do not require formal quotes are intended to include materials, supplies and services regularly purchased and consumed by the city such as office supplies, janitorial supplies, postage, food and beverages.

B. Purchases shall not be artificially divided so as to constitute a purchase or expenditure under this section.

~~C. All purchases and expenditures of more than $4,000 but less than $8,000 shall require a minimum of two documented price quotes unless the purchase or expenditure is exempt from the competitive bidding requirement of this chapter or requires a sealed bid.~~

~~D. All purchases and expenditures of more than $8,000 but less than $50,000 shall require a minimum of three documented price quotes unless the purchase or expenditure is exempt from the competitive bidding requirement of this chapter or requires a sealed bid.~~ ~~EC~~. ~~All purchases of public utilities equipment and supplies, or public works projects, and expenditures of more than $50,000 but less than $100,000 shall require the use of an~~

~~informal written solicitation and a minimum of three or more documented price quotes unless the purchase or expenditure is exempt from the competitive bidding requirement of this chapter or the purchase expenditure requires a sealed bid.~~ The city manager may approve a purchase or expenditure without the required price quotes if the city manager determines that there are not two additional vendors or suppliers of such items.

~~F. Purchases made through the cooperative purchasing contracts administered by the State Division of Purchasing, or any other public agencies of the state, shall not require bids or quotes of any type.~~

3.14.080 Purchases Requiring Sealed Bids

~~A. Unless specifically exempt from the competitive bidding requirements of this chapter, whenever the total price of a contract for services, supplies or building improvements is estimated to be $50,000 or more, or the total price of a contract for a public works project or public utilities equipment and supplies is estimated to be $100,000 or more, an invitation for bids or a request for proposals shall be issued prior to acquisition.~~

~~B~~A. Bid Specifications. Specifications for public contracts shall not expressly or implicitly require any product by any brand name or make, nor the product of any particular manufacturer or seller, unless the product is specified in the City standard drawings and specifications or is exempt by these regulations or by the directive of city council.

~~C~~B. Advertising Requirements. An advertisement for bids is to be published for two consecutive weeks in a newspaper of general circulation in the city or be posted on a public project advertising website, which is accessible to a large number of potential biddersand in as many additional issues and publications as the city manager may determine, at least five days prior to the opening of bids; and, at the discretion of the City, may be; delivered to known responsible prospective bidders, including those whose names are on a bidders' list or who have made a written request that their names be added to the bidders' list~~; posted on an electronic bid page which is accessible to large numbers of potential bidders~~.

~~D~~C. All advertisements for bids shall state:

1. The date and time after which bids will not be accepted;

2. The date that prequalification applications must be filed, and the class or classes of work for which bidders must be prequalified if prequalification is a requirement;

3. The character of the work to be done or the materials or things to be purchased;

4. The office where the specifications for the work, material or things may be seen;

5. The name and title of the person designated for receipt of bids;

6. The type and amount of bid security if required;

7. The date, time and place that the bids will be publicly opened.

3.14.090 Requirements For Bids

All bids made to the city shall be:

A. In writing;

B. Filed with the department soliciting bids~~city recorder~~, unless specifically stated otherwise in the bid requests;

C. Opened publicly by the city manager, department head or other designated person at the time designated in the advertisement and filed for public inspection;

D. Have the appropriate bid security attached, if required by the specifications for the project.

3.14.100 Award Of Contract

A. After bids are opened, and a determination made that a contract be awarded, the award shall be made to the lowest responsible bidder. “Lowest responsible bidder” shall mean the lowest bidder who has substantially complied with all prescribed requirements, has submitted the bid in good faith, has a history of fully performing work at the bid price, and who has not been disqualified as set forth herein. If two (2) or more of the bids received are for the same total amount or list price, quality and service being equal, the City Manager or designee may negotiate with the bidders and obtain the best bid possible and/or give a preference to a bona fide local bidder

B. The successful bidder shall promptly execute a formal contract and, if required, deliver a performance and payment bond to the city in a sum equal to the contract price, together with proof of appropriate insurance. Upon execution of the contract, bond, and insurance, bid security shall be returned. Failure to execute the contract, bond, or insurance shall be cause to forfeit the bid security.

C. Local Bid Preference: For purchases under $50,000 in total, local bidders will be allowed to match the low bid submitted by non-local providers as follows:

1. When a quotation or bid for supplies, equipment, services, or materials from a non-local provider (from outside Wasatch County) submitted in response to a quote invitation or bid request is the low bid price AND there is a local bidder whose bid or quote is within five (5) percent of the lowest bid of the non-local bidder(s), at the option of the city, the purchase may be awarded to the local bidder provided he/she agrees to meet the low quote or bid of the lowest non-local bidder within two business days after notification.

2. In the event that more than one local bidder (within the boundaries of Wasatch County) shall notify Heber City of his/her willingness to meet the low quote or bid of the lowest non-local bidder, the purchase shall be awarded to the willing local bidder who was the lowest local bidder originally. If there are two or more equally low local bidders, then the local bidder to which the purchase is awarded shall be the local bidder whose original bid was first received by the City

3.14.110 Rejection Of Bids

The city manager or the city council may reject any bid not in compliance with all prescribed requirements, and reject all bids if rejection of all bids is determined to be in the best interest of the city.

3.14.120 Disqualification Of Bidders

The city manager, upon investigation, may disqualify a bidder if:

A. The bidder does not have sufficient financial ability to perform the contract;

B. The bidder does not have equipment available to perform the contract;

C. The bidder does not have key personnel available, of sufficient experience, to perform the contract;

D. The person has previously breached contractual obligations with public or private agencies; or

E. The bidder fails to comply with the requests of an investigation by the city manager.

3.14.130 Prequalification Of Bidders

The city may require prequalification of bidders.

A. Upon establishment of the applicant’s qualifications, the city manager or department head shall issue a qualification statement. The statement shall inform the applicant of the project for which the qualification is valid, as well as any other conditions which may be imposed on the qualification. It shall advise the applicant to notify the city manager or department head promptly if there has been any substantial change of conditions or

circumstances which would make any statement contained in the prequalification application no longer applicable or untrue.

B. If the city manager or department head does not qualify an applicant, written notice to the applicant is required stating the reasons the prequalification was denied and informing the applicant of the right to appeal the decision within five business days after receipt of the notice. Appeals shall be made to the city council. The city manager or department head may, upon discovering that a prequalified party is no longer qualified, revoke prequalification by sending notification of the revocation to the party subject to the revocation. The notice shall state the reason(s) for revocation, and that the revocation will be effective immediately.

3.14.135 Disposal Or Lease Of Public Property

A. No public property having an estimated value in excess of $250~~one hundred dollars ($100.00)~~ shall be disposed of or released to anyone other than the City or other government entity, unless such property has been declared surplus by the City Manager or designee.

B. Whenever public property is surplus, unused, obsolete, unsuitable or otherwise no longer needed, the department head having control of such property shall notify the City Manager or designee. The City Manager or designee may notify other City departments of the availability of such property. The City Manager or designee shall supervise any transfer of such property to any other department. If no use can be made or can be expected to be made within the reasonably foreseeable future, the property shall be disposed of in accordance with this section.

C. The City Manager or designee shall prepare a listing of all City-owned property which s/he feels is no longer needed by the City and which can be declared surplus. After an item has been declared surplus, the property may be disposed of or leased. If an item has an estimated salvage value over ~~five thousand dollars ($5,000)~~$10,000, the City Council shall approve its disposal. All disposals, leases and/or subleases of public property shall be made, in accordance with law, under the direction of the City Manager or designee.

D. Except as otherwise required by State law, boundary line agreements and deeds conveying unneeded portions of rights-of-way or easements may be executed without declaring the property surplus.

E. Before disposing of a significant parcel of real property, the City shall comply with the provisions of Utah Code Ann. 10-8-2(4) and any ongoing or future amendments thereto. For purposes of this section, a significant parcel of real property is defined to be any parcel one acre or greater, or any parcel with a structure or structures upon it where the value of

such improved real property is greater than $250,000.00. Reasonable notice shall constitute posting the property thirty (30) days prior and publishing notice in a newspaper of local circulation fourteen (14) days prior to a public hearing concerning the disposition.

3.14.140 Appeal Procedures

Any supplier, vendor, or contractor subject to an adverse procurement decision by the city, in violation of this chapter, may appeal that decision to the city council.

A. The complainant shall promptly file a written appeal letter, with the city recorder, within five working days from the time the alleged incident occurred. The letter of appeal shall state all relevant facts of the matter and the remedy sought.

B. Upon receipt of the notice of appeal, the city recorder shall forward to the city council the appeal notice, investigation of the matter and any other relevant information.

C. The city council shall conduct a hearing on the matter and provide the complainant an opportunity to be heard. A written decision shall be sent to the complainant.

3.14.150 Accounts Payable

The city's finance director will be responsible for establishing a system and process for the accurate and timely processing of all disbursements of city funds with emphasis on taking advantage of discounts when available and avoidance of late charges.

3.14.160 Cancellation And Rejection Of Bids

A. An invitation for bids, a request for proposals, or other solicitation may be canceled, or any or all bids or proposals may be rejected, in whole or in part, as may be specified in the solicitation, when it is in the best interest of the city; the reasons for cancellation or rejection shall be made part of the contract file.

B. Bids, proposals, and contracts which create a conflict of interest under the Municipal Officers' and Employees' Ethics Act shall be rejected unless a legally required conflict disclosure has been made by the official or employee subject to the conflict.

3.14.170 Cost-Plus-A-Percentage-Of-Cost Profits Contracts

Subject to the limitations of this section, any type of contract which will promote the best interests of the city may be used; provided, that the use of a cost-plus-a-percentage-of-cost profit contract is prohibited unless specifically approved by the city council under special circumstances which clearly justify the use of such contracts because the scope of work or the nature of the work is to be closely supervised by the city and the city council

so finds in writing. A cost-reimbursement contract may be used only when a determination is made in writing that such contract is likely to be less costly to the city than any other type or that it is impracticable to obtain the supplies, services, or construction required except under such a contract.

3.14.175 Consideration Of Procurement Alternatives

When it's deemed in the best interests of the City to use bidding alternatives that involve a greater level of sophistication than traditional bids or proposals, such as design-build or invitation to negotiate, or other similar alternatives that would provide the City the greatest value at the lowest cost, these alternatives should be available to, and considered and used by the City. The concept being that the City retains the ability to solicit the presentation of new ideas for proposals for initiating, fashioning and completing projects~~,~~ not previously used or implemented. Use of such bidding alternatives requires City Council approval.

3.14.180 Required Contract Clauses

All contracts for work entered into by the city shall whenever practicable, contain clauses permitting or requiring the following:

A. The unilateral right of the city to order, in writing, changes in the work within the scope of the contract and changes in the time of performance of the contract that do not alter the scope of the contract work.

B. Variations occurring between estimated quantities of work in a contract and actual quantities.

C. Suspension of work ordered by the city.

D. Requirements for performance bonds and labor and material payment bonds as required by law for construction projects.

E. Other provisions required for compliance with federal or state law. All contract specifications shall seek to promote overall economy and best use for the purposes intended and encourage competition in satisfying the needs of the city and shall not be unduly restrictive. Where practicable and reasonable, and within the scope of this chapter, Utah products, contracts and contractors, in the discretion of the City may be given preference as permitted by Utah law.

3.14.190 Final Action On Appeals

The decision of the city council with respect to any appeal shall be the final action of the city with respect to that appeal.

3.14.200 Conflicts Prohibited

No person involved in making procurement decisions may have personal investments or derive any income from any business entity, which may create a conflict between their private interests and their public duties. In the event of a conflict, the conflicted person shall recuse themselves from the particular procurement decision or decisions creating the conflict by notifying the city manager (or, in the event the city manager is the conflicted party, by notifying the mayor) of the conflict, and shall not participate in that particular decision or decisions.

3.14.300 Penalties

It is unlawful:

A. ~~1.~~ For any bidder or prospective bidder, or any employee or officer thereof, in restraint of freedom of competition or otherwise, by agreement with any other person, bidder, or prospective bidder, to bid a fixed price, or to "rotate" bidding practices among competitors.

B. ~~2.~~ For any person to offer or to give to any elected official, officer or employee of the City or any member of his immediate family, any gift, whether in the form of money, services, loan, travel, entertainment, hospitality, promise, or other form, under circumstances in which it could reasonably be intended to influence him/her or could reasonably be expected to influence him/her in his/her duties concerning the award of any contract or order of purchase, or for any elected official, officer or employee to directly or indirectly solicit or directly or indirectly accept any such gift for such purpose.

C. ~~3.~~ For any elected official, officer or employee to disclose, in advance of the opening of the bids, the content of any bid invited through the formal competitive bidding procedure.

D. ~~4.~~ For any elected official, officer or employee to actively participate in the awarding of a contract from which s/he will directly benefit, without fully disclosing any interest s/he has therein.

E. ~~5.~~ For any elected official, officer or employee or other person to appropriate for personal or private use any item of public property.

F. ~~6.~~ To purchase supplies or equipment for the personal use of any elected official, officer or employee unless the item or items are required parts of a worker's equipment and are necessary to the successful performance of the duties of such official, officer or employee. Other personal purchases shall not be permitted and will be cause for disciplinary action.

~~B.~~ The following contracts are, in the discretion of the City Manager, voidable:

A. ~~1.~~ Contracts which result from a conflict of interest under this Chapter or other applicable law.

B. ~~2.~~ Contracts awarded to a person or firm that tried to influence the award of such contract by offering something of material value to any elected official, officer or employee.

C. ~~C.~~ A violation of this section by a City employee shall be cause for disciplinary action. A violation of this section by an elected official shall be malfeasance in office.

3.14.400 Volunteer and Employee Recognition

A. Volunteers may be recognized with non-cash, tangible items (e.g., City-branded merchandise), subject to a value limit of $50 annually per individual. Gift cards or other cash-equivalent items are not permitted. Recognition items must be approved by the City Manager. Documentation shall include the type of item, purpose of recognition, recipient name, date of issuance, and total value. Employees may not receive volunteer recognition items.

Appendix A – Purchasing Threshold Table

Category	Proposed Threshold	Authorization*
Purchase Orders		
All purchases	≥ $10,000	Purchase Order Required
Approval of Purchases		
General Purchase Approval	< $10,000	Any Authorized Staff
Unbudgeted Purchases	≥ $10,000	City Council
General Purchase Approval	$10,000 – $50,000	Department Head
General Purchase Approval	$50,001–$75,000	City Manager
General Purchase Approval	> $75,000	City Council
Public Works Approval	$75,001–$150,000	City Manager
Public Works Approval	> $150,000	City Council
Informal Quote Requirements		
No Quotes Required	< $10,000	
Two Quotes Required	$10,000–$15,000	Department Head
Three Quotes Required	$15,001–$75,000	City Manager
Three Quotes + Informal Solicitation (PW)	$75,001–$150,000	City Manager
Contract Requirements		
Professional Services	≥ $25,000	Contract Required
General Contracts	< $75,000 (project or annual amt)	Negotiated with at least two qualified parties and & awarded by City Manager or Department Head
General Contracts	≥ $75,000 (project or annual amt)	Negotiated with at least two qualified parties and awarded by City Council
“As Needed” Contracts	< $250,000	No City Council approval needed
Public Works Contracts	≤ $150,000	City Manager
Public Works Contracts	> $150,000	City Council
Sealed Bids Requirements		
General Sealed Bid	> $75,000	City Council
Public Works Sealed Bid	> $150,000	City Council
Other		
Surplus Disposal	> $10,000	City Council
Change Orders	All change orders	Department Head or City Manager
Change Orders	> 10% of approved contract. $15,000 Min	City Council
Sole Sourced Procurement	> $75,000	Ten-day public notice required before City Council approval

*The authorization level listed for each dollar threshold is the highest approval required; all subordinate approvals implied by lower thresholds (e.g., Department Head, City Manager) are presumed to have been obtained before the request advances to the higher approving authority.

3.14.010 Purpose

The underlying purpose of this chapter is:

A. To ensure that purchases and services contracted for the city are in the best interest of the public and to ensure fair and equitable treatment of all persons who wish to or do conduct business with the city.
B. To provide for the greatest possible economy in procurement activities for the city.
C. To foster effective broad-based competition within the free enterprise system to ensure that the city will receive the best possible service or product at the lowest possible price.
D. To provide a systematic and uniform method of purchasing goods and services for the city.

3.14.020 Definitions

“As needed” shall refer to miscellaneous professional or public works related tasks on an ongoing basis for a period of time and for rates identified in the contract.

“Business” means any corporation, partnership, individual, sole proprietorship, joint stock company, joint venture, or any other private legal entity.

“Change order” means a written order signed by the city manager or department head, directing the contractor to suspend work or make changes, which the appropriate clauses of the contract authorize the city manager to order without the consent of the contractor or any written alteration in specifications, delivery point, rate of delivery, period of performance, price, quantity, or other provisions of any contract accomplished by mutual action of the parties to the contract.

“City” means Heber City and all other reporting entities controlled by or financially dependent upon the city council.

“City manager” means the city manager of Heber City.

“Contract” means a written agreement between the City and a vendor, consultant, or contractor for the delivery or disposal of supplies, services, or construction, typically involving defined terms, deliverables, and legal obligations. A contract is distinct from a purchase order and may be used when the scope, complexity, or duration of the procurement requires more formal documentation than a purchase order alone.
“Invitation for bids” means all documents, whether attached or incorporated by reference, used for soliciting bids.

“Invitation to negotiate” means a written solicitation for sealed offers to select one or more vendors with which to commence negotiations for the procurement of unique

commodities or services described in the solicitation. The outcome of this process is selection of the response that represents the best value to the city.

“Person” means any business, individual, union, committee, club, other organization, or group of individuals.

“Procurement” means buying, purchasing, renting, leasing, leasing with an option to purchase, or otherwise acquiring any supplies, services, or construction.

“Professional services contract” means a contract for services performed by an independent contractor in a professional capacity who produces a service predominantly of an intangible nature. These include, but are not limited to, the services of an attorney, physician, engineer, accountant, architectural consultant, dentist, artist, appraiser or photographer.

“Public utilities equipment and supplies” means equipment and materials purchased by the public works department that are used in the regular course of supplying public utilities or park and trail amenities, and includes but is not limited to such items as piping, irrigation equipment, meters, conduit, terminations, transformers, cable, wire, hoses, pad mounted equipment, and general construction materials.

“Public utilities equipment and supplies” does not include any purchase that includes, in whole or in part, labor (not including freight or delivery), services, vehicles or machinery.

“Public works project” means the construction of a street, road, curb and gutter, sidewalk, a public park, trail, or other recreational facility; a pipeline, culvert, dam, canal, or other system or facility for water, sewage, storm water, or flood control; or any other public infrastructure, system, or improvement constructed, owned, operated, or maintained by the City.

“Purchase” means the acquisition of goods (supplies, equipment, etc.) in a single transaction such that payment is made prior to receiving or upon receipt of the goods.

“Purchase description” means the words used in a solicitation to describe the supplies or services to be acquired, and include specifications attached to or made a part of the solicitation.

“Purchase Order” means a written or electronic authorization that commits funds and authorizes a vendor to provide specified goods or services at an agreed price. A purchase order may serve as a formal contract between the City and the vendor and must be issued prior to the acquisition of goods or services, except in cases explicitly exempted by this policy.

“Request for proposals” means all documents, whether attached or incorporated by reference, used for soliciting proposals.

“Sealed bids” means written proposals from persons or entities offering to contract with or to sell to the city which are received in sealed envelopes to be opened after the deadline for receipt of bids as defined in an invitation to bid.

“Sole source” means goods or service for which there is only one source for the procurement item. Circumstances under which there is only one source for a procurement item may include:

(1) where the most important consideration in obtaining a procurement item is the compatibility of equipment, technology, software, accessories, replacement parts, or service;

(2) where a procurement item is needed for trial use or testing;

(3) where transitional costs are unreasonable or cost prohibitive; or

(4) where reasonably equivalent goods or services are not available from any other source.

“Unbudgeted Purchase” means any expenditure or contractual obligation for goods, services, or capital items that has not been authorized through the adopted annual budget or an approved budget amendment.”

3.14.030 General Policy

A. All city purchases and contracts for goods and services shall be subject to this chapter unless specifically exempted.
B. No contract or purchase shall be so arranged, fragmented or divided with the purpose or intent to circumvent this chapter.
C. No purchase shall be contracted for, or made, unless sufficient funds have been budgeted in the years in which the funds are to be expended.
D. Reasonable attempts shall be made to publicize anticipated purchases or contracts to known vendors, contractors and suppliers.
E. When it is advantageous to the city, annual or other recurring contracts for services and supplies regularly purchased should be approved.
F. All purchases and contracts must be approved by the city manager unless otherwise specified in this chapter.
G. All contracts for services shall be approved as to form by the city attorney.
H. In the event there are conflicts with any provision of this policy, and relevant provisions of State Code, such State Code provisions shall govern.

3.14.040 Authority Of City Manager

The city manager or a person designated by the city manager shall be responsible for the following:

A. Ensure that all purchases for services comply with this chapter.
B. Review and approve all purchases of the city.
C. Establish necessary additional procedures for the efficient and economical management of the contracting and purchasing functions authorized by this chapter. Such procedures shall be in writing and on file in the city recorder's office as a public record.
D. Maintain accurate and sufficient records concerning all city purchases and contracts for services.
E. Maintain a list of contractors for public improvements and personal services who have made themselves known to the city and are interested in soliciting city business.
F. Make recommendations to the city council concerning amendments to this chapter.
G. In the absence of the city manager, the mayor shall be designated and authorized to fulfill the duties of the city manager with respect to any contract, purchase, or payment that requires immediate action or execution. The mayor shall promptly notify the city manager of any actions taken by the mayor.

3.14.050 Approval Of Purchases

A. All purchasing approvals and change orders must comply with the thresholds and authority levels set forth in Appendix A. Procurement methods include purchase orders, contracts, or check requests, as applicable. Only authorized personnel may initiate purchases, and all purchases shall be documented through the City's financial system. Definitions for contract, purchase, and related terms are consolidated in Section 3.14.020.
B. The city manager may establish additional policies and controls which are consistent with the approval mechanism set forth in this chapter.
C. An invoice or check request received pursuant to a Council approved contract does not require further Council approval.
D. A purchase order shall be issued in the amount of the approved contract, unless otherwise directed by City Manager or designee.
E. All Unbudgeted Purchases require approval with the thresholds and authority levels set forth in Appendix A which are not funded by development fees (including connection fees or impact fees) or paid for by third parties.
F. All "change orders" require approval with the thresholds and authority levels set forth in Appendix A. The sole exceptions shall be 1) where the project is developer funded;

and 2) in circumstances where waiting for the City Council approval will create potential claim for damages against the City. In such cases, the City Manager shall submit the approved authorization to the City Council for ratification at its next regularly scheduled meeting.

G. In the event that there is only one service provider, no competitive bidding is required.
H. All disbursements generated by the city will be reported monthly to the City Council.
I. Credit cards issued in the city's name may be made available for use by specific city employees. Credit cards may be used for purchasing where there is some benefit to the city such as convenience, the ability to make recurring payments where required, or cash back to the city through a loyalty program. Heber City's current Credit Card Policy is incorporated and made a part of this Agreement by reference hereto. Purchases using credit cards shall be subject to all the required limitations, requirements, and approvals of this chapter. Each credit card statement shall be reviewed monthly by at least two persons, which shall include at least the city manager or city finance officer, and a department head, to protect against misuse or fraud.

3.14.060 Exemptions

The following transactions are exempt from the competitive bidding requirements of this chapter. The city manager shall determine whether a particular contract or purchase is exempt under the following criteria:

A. When the provisions of this chapter would prevent the city from complying with the terms and conditions of any grant, gift, or bequest that is otherwise consistent with law.
B. When any purchase or encumbrance is made with state or federal funds and the applicable state or federal laws or regulations are in conflict with this chapter to the extent that following the provisions of this chapter would jeopardize the use of those state or federal funds, such conflicting provisions of this chapter shall not apply and the city officials making such purchases shall follow the procedure required by the state or federal laws or regulations.
C. Emergency contracts which require prompt execution of the contract because of an imminent threat to the safety or welfare of the public, or public or private property; circumstances which place the city or its officers and agents in a position of serious legal liability; or circumstances which are likely to cause the city to suffer financial harm or loss, the gravity of which clearly outweighs the benefits of competitive bidding in the usual manner. The city manager or mayor shall notify the city council of any emergency contract which would have normally required their approval at the next regularly scheduled city council meeting.
D. Projects which are acquired, expanded, or improved under the Local Building Authority Act.

E. Purchases from vendors or suppliers who are the sole source of the goods or services under procurement. If any sole source procurement exceeds the thresholds in Appendix A, notice of the sole source procurement shall be published in a newspaper of general circulation in the state or a newspaper of local circulation in the area at least 10 days before the public meeting to approve the purchase or contract by the city council. In the event that there is only one service provider, no competitive bidding is required.
F. Purchases from state or local surplus property agencies or entities or purchases from entities under state-awarded contracts. Additionally, the City shall have the power to enter into joint purchase agreements with any or all other public agencies within the state for the purchase of any commodity or service, whenever it is determined by the City Council to be in the best interest of the City, regardless of whether such agency or agencies are associated with state entities.
G. Professional Service Contracts. All professional services must comply with the thresholds and authority levels set forth in Appendix A. The selection of professional service contracts shall be based on an evaluation of the services needed, the abilities of the contractors, the uniqueness of the service and the general performance of the contractor. When selecting the most qualified consultants to perform professional services, the city shall not consider pricing information until after the qualifications of all consultants being considered have been evaluated. When soliciting professional services, the City will indicate in the notice whether negotiations will commence with the firm deemed most qualified or the City will prequalify firms prior to soliciting price quotes. Contracts for ongoing "As Needed" services approved by City Council do not require Council approval for individual tasks or projects performed under the contract provided an individual task value does not exceed threshold levels set forth in Appendix A.

3.14.070 Purchases Not Requiring Sealed Bids

A. Purchases below the sealed bid threshold do not require formal bidding. Informal quotes may be required based on thresholds in Appendix A. Purchases using state cooperative contracts, approved emergency methods, or other exemptions outlined in Section 3.14.060 are excluded.

Expenditures that do not require formal quotes are intended to include materials, supplies and services regularly purchased and consumed by the city such as office supplies, janitorial supplies, postage, food and beverages.

B. Purchases shall not be artificially divided so as to constitute a purchase or expenditure under this section.

C. The city manager may approve a purchase or expenditure without the required price quotes if the city manager determines that there are not two additional vendors or suppliers of such items.

3.14.080 Purchases Requiring Sealed Bids

A. Bid Specifications. Specifications for public contracts shall not expressly or implicitly require any product by any brand name or make, nor the product of any particular manufacturer or seller, unless the product is specified in the City standard drawings and specifications or is exempt by these regulations or by the directive of city council.

B. Advertising Requirements. An advertisement for bids is to be published for two consecutive weeks in a newspaper of general circulation in the city or be posted on a public project advertising website, which is accessible to a large number of potential bidders, at least five days prior to the opening of bids; and, at the discretion of the City, may be; delivered to known responsible prospective bidders, including those whose names are on a bidders' list or who have made a written request that their names be added to the bidders' list.

C. All advertisements for bids shall state:

1. The date and time after which bids will not be accepted;

2. The date that prequalification applications must be filed, and the class or classes of work for which bidders must be prequalified if prequalification is a requirement;

3. The character of the work to be done or the materials or things to be purchased;

4. The office where the specifications for the work, material or things may be seen;

5. The name and title of the person designated for receipt of bids;

6. The type and amount of bid security if required;

7. The date, time and place that the bids will be publicly opened.

3.14.090 Requirements For Bids

All bids made to the city shall be:

A. In writing;

B. Filed with the department soliciting bids, unless specifically stated otherwise in the bid requests;

C. Opened publicly by the city manager, department head or other designated person at the time designated in the advertisement and filed for public inspection;

D. Have the appropriate bid security attached, if required by the specifications for the project.

3.14.100 Award Of Contract

A. After bids are opened, and a determination made that a contract be awarded, the award shall be made to the lowest responsible bidder. “Lowest responsible bidder” shall mean the lowest bidder who has substantially complied with all prescribed requirements, has submitted the bid in good faith, has a history of fully performing work at the bid price, and who has not been disqualified as set forth herein. If two (2) or more of the bids received are for the same total amount or list price, quality and service being equal, the City Manager or designee may negotiate with the bidders and obtain the best bid possible and/or give a preference to a bona fide local bidder

B. The successful bidder shall promptly execute a formal contract and, if required, deliver a performance and payment bond to the city in a sum equal to the contract price, together with proof of appropriate insurance. Upon execution of the contract, bond, and insurance, bid security shall be returned. Failure to execute the contract, bond, or insurance shall be cause to forfeit the bid security.

C. Local Bid Preference: For purchases under $50,000 in total, local bidders will be allowed to match the low bid submitted by non-local providers as follows:

1. When a quotation or bid for supplies, equipment, services, or materials from a non-local provider (from outside Wasatch County) submitted in response to a quote invitation or bid request is the low bid price AND there is a local bidder whose bid or quote is within five (5) percent of the lowest bid of the non-local bidder(s), at the option of the city, the purchase may be awarded to the local bidder provided he/she agrees to meet the low quote or bid of the lowest non-local bidder within two business days after notification.

2. In the event that more than one local bidder (within the boundaries of Wasatch County) shall notify Heber City of his/her willingness to meet the low quote or bid of the lowest non-local bidder, the purchase shall be awarded to the willing local bidder who was the lowest local bidder originally. If there are two or more equally low local bidders, then the local bidder to which the purchase is awarded shall be the local bidder whose original bid was first received by the City

3.14.110 Rejection Of Bids

The city manager or the city council may reject any bid not in compliance with all prescribed requirements and reject all bids if rejection of all bids is determined to be in the best interest of the city.

3.14.120 Disqualification Of Bidders

The city manager, upon investigation, may disqualify a bidder if:

A. The bidder does not have sufficient financial ability to perform the contract;

B. The bidder does not have equipment available to perform the contract;

C. The bidder does not have key personnel available, of sufficient experience, to perform the contract;

D. The person has previously breached contractual obligations with public or private agencies; or

E. The bidder fails to comply with the requests of an investigation by the city manager.

3.14.130 Prequalification Of Bidders

The city may require prequalification of bidders.

A. Upon establishment of the applicant's qualifications, the city manager or department head shall issue a qualification statement. The statement shall inform the applicant of the project for which the qualification is valid, as well as any other conditions which may be imposed on the qualification. It shall advise the applicant to notify the city manager or department head promptly if there has been any substantial change of conditions or circumstances which would make any statement contained in the prequalification application no longer applicable or untrue.

B. If the city manager or department head does not qualify an applicant, written notice to the applicant is required stating the reasons the prequalification was denied and informing the applicant of the right to appeal the decision within five business days after receipt of the notice. Appeals shall be made to the city council. The city manager or department head may, upon discovering that a prequalified party is no longer qualified, revoke prequalification by sending notification of the revocation to the party subject to the revocation. The notice shall state the reason(s) for revocation, and that the revocation will be effective immediately.

3.14.135 Disposal Or Lease Of Public Property

A. No public property having an estimated value in excess of $250 shall be disposed of or released to anyone other than the City or other government entity, unless such property has been declared surplus by the City Manager or designee.

B. Whenever public property is surplus, unused, obsolete, unsuitable or otherwise no longer needed, the department head having control of such property shall notify the City Manager or designee. The City Manager or designee may notify other City departments of the availability of such property. The City Manager or designee shall supervise any transfer of such property to any other department. If no use can be made or can be expected to be made within the reasonably foreseeable future, the property shall be disposed of in accordance with this section.

C. The City Manager or designee shall prepare a listing of all City-owned property which s/he feels is no longer needed by the City and which can be declared surplus. After an item has been declared surplus, the property may be disposed of or leased. If an item has an estimated salvage value over $10,000, the City Council shall approve its disposal. All disposals, leases and/or subleases of public property shall be made, in accordance with law, under the direction of the City Manager or designee.

D. Except as otherwise required by State law, boundary line agreements and deeds conveying unneeded portions of rights-of-way or easements may be executed without declaring the property surplus.

E. Before disposing of a significant parcel of real property, the City shall comply with the provisions of Utah Code Ann. 10-8-2(4) and any ongoing or future amendments thereto. For purposes of this section, a significant parcel of real property is defined to be any parcel one acre or greater, or any parcel with a structure or structures upon it where the value of such improved real property is greater than $250,000.00. Reasonable notice shall constitute posting the property thirty (30) days prior and publishing notice in a newspaper of local circulation fourteen (14) days prior to a public hearing concerning the disposition.

3.14.140 Appeal Procedures

Any supplier, vendor, or contractor subject to an adverse procurement decision by the city, in violation of this chapter, may appeal that decision to the city council.

A. The complainant shall promptly file a written appeal letter, with the city recorder, within five working days from the time the alleged incident occurred. The letter of appeal shall state all relevant facts of the matter and the remedy sought.

B. Upon receipt of the notice of appeal, the city recorder shall forward to the city council the appeal notice, investigation of the matter and any other relevant information.

C. The city council shall conduct a hearing on the matter and provide the complainant an opportunity to be heard. A written decision shall be sent to the complainant.

3.14.150 Accounts Payable

The city's finance director will be responsible for establishing a system and process for the accurate and timely processing of all disbursements of city funds with emphasis on taking advantage of discounts when available and avoidance of late charges.

3.14.160 Cancellation And Rejection Of Bids

A. An invitation for bids, a request for proposals, or other solicitation may be canceled, or any or all bids or proposals may be rejected, in whole or in part, as may be specified in the solicitation, when it is in the best interest of the city; the reasons for cancellation or rejection shall be made part of the contract file.

B. Bids, proposals, and contracts which create a conflict of interest under the Municipal Officers' and Employees' Ethics Act shall be rejected unless a legally required conflict disclosure has been made by the official or employee subject to the conflict.

3.14.170 Cost-Plus-A-Percentage-Of-Cost Profits Contracts

Subject to the limitations of this section, any type of contract which will promote the best interests of the city may be used; provided, that the use of a cost-plus-a-percentage-of-cost profit contract is prohibited unless specifically approved by the city council under special circumstances which clearly justify the use of such contracts because the scope of work or the nature of the work is to be closely supervised by the city and the city council so finds in writing. A cost-reimbursement contract may be used only when a determination is made in writing that such contract is likely to be less costly to the city than any other type or that it is impracticable to obtain the supplies, services, or construction required except under such a contract.

3.14.175 Consideration Of Procurement Alternatives

When it's deemed in the best interests of the City to use bidding alternatives that involve a greater level of sophistication than traditional bids or proposals, such as design-build or invitation to negotiate, or other similar alternatives that would provide the City the greatest value at the lowest cost, these alternatives should be available to, and considered and used by the City. The concept being that the City retains the ability to solicit the presentation of new ideas for proposals for initiating, fashioning and completing projects

not previously used or implemented. Use of such bidding alternatives requires City Council approval.

3.14.180 Required Contract Clauses

All contracts for work entered into by the city shall whenever practicable, contain clauses permitting or requiring the following:

A. The unilateral right of the city to order, in writing, changes in the work within the scope of the contract and changes in the time of performance of the contract that do not alter the scope of the contract work.
B. Variations occurring between estimated quantities of work in a contract and actual quantities.
C. Suspension of work ordered by the city.
D. Requirements for performance bonds and labor and material payment bonds as required by law for construction projects.
E. Other provisions required for compliance with federal or state law. All contract specifications shall seek to promote overall economy and best use for the purposes intended and encourage competition in satisfying the needs of the city and shall not be unduly restrictive. Where practicable and reasonable, and within the scope of this chapter, Utah products, contracts and contractors, in the discretion of the City may be given preference as permitted by Utah law.

3.14.190 Final Action On Appeals

The decision of the city council with respect to any appeal shall be the final action of the city with respect to that appeal.

3.14.200 Conflicts Prohibited

No person involved in making procurement decisions may have personal investments or derive any income from any business entity, which may create a conflict between their private interests and their public duties. In the event of a conflict, the conflicted person shall recuse themselves from the particular procurement decision or decisions creating the conflict by notifying the city manager (or, in the event the city manager is the conflicted party, by notifying the mayor) of the conflict, and shall not participate in that particular decision or decisions.

3.14.300 Penalties

It is unlawful:

A. For any bidder or prospective bidder, or any employee or officer thereof, in restraint of freedom of competition or otherwise, by agreement with any other person, bidder, or

prospective bidder, to bid a fixed price, or to "rotate" bidding practices among competitors.

B. For any person to offer or to give to any elected official, officer or employee of the City or any member of his immediate family, any gift, whether in the form of money, services, loan, travel, entertainment, hospitality, promise, or other form, under circumstances in which it could reasonably be intended to influence him/her or could reasonably be expected to influence him/her in his/her duties concerning the award of any contract or order of purchase, or for any elected official, officer or employee to directly or indirectly solicit or directly or indirectly accept any such gift for such purpose.
C. For any elected official, officer or employee to disclose, in advance of the opening of the bids, the content of any bid invited through the formal competitive bidding procedure.
D. For any elected official, officer or employee to actively participate in the awarding of a contract from which s/he will directly benefit, without fully disclosing any interest s/he has therein.
E. For any elected official, officer or employee or other person to appropriate for personal or private use any item of public property.
F. To purchase supplies or equipment for the personal use of any elected official, officer or employee unless the item or items are required parts of a worker's equipment and are necessary to the successful performance of the duties of such official, officer or employee. Other personal purchases shall not be permitted and will be cause for disciplinary action.

The following contracts are, in the discretion of the City Manager, voidable:

A. Contracts which result from a conflict of interest under this Chapter or other applicable law.
B. Contracts awarded to a person or firm that tried to influence the award of such contract by offering something of material value to any elected official, officer or employee.
C. A violation of this section by a City employee shall be cause for disciplinary action. A violation of this section by an elected official shall be malfeasance in office.

3.14.400 Volunteer and Employee Recognition

A. Volunteers may be recognized with non-cash, tangible items (e.g., City-branded merchandise), subject to a value limit of $50 annually per individual. Gift cards or other cash-equivalent items are not permitted. Recognition items must be approved by the

City Manager. Documentation shall include the type of item, purpose of recognition, recipient name, date of issuance, and total value. Employees may not receive volunteer recognition items.

Appendix A – Purchasing Threshold Table

Category	Proposed Threshold	Authorization*
Purchase Orders		
All purchases	≥ $10,000	Purchase Order Required
Approval of Purchases		
General Purchase Approval	< $10,000	Any Authorized Staff
Unbudgeted Purchases	≥ $10,000	City Council
General Purchase Approval	$10,000 – $50,000	Department Head
General Purchase Approval	$50,001–$75,000	City Manager
General Purchase Approval	> $75,000	City Council
Public Works Approval	$75,001–$150,000	City Manager
Public Works Approval	> $150,000	City Council
Informal Quote Requirements		
No Quotes Required	< $10,000	
Two Quotes Required	$10,000–$15,000	Department Head
Three Quotes Required	$15,001–$75,000	City Manager
Three Quotes + Informal Solicitation (PW)	$75,001–$150,000	City Manager
Contract Requirements		
Professional Services	≥ $25,000	Contract Required
General Contracts	< $75,000 (project or annual amt)	Negotiated with at least two qualified parties and awarded by City Manager or Department Head
General Contracts	≥ $75,000 (project or annual amt)	Negotiated with at least two qualified parties and awarded by City Council
“As Needed” Contracts	< $250,000	No City Council approval needed
Public Works Contracts	≤ $150,000	City Manager
Public Works Contracts	> $150,000	City Council
Sealed Bids Requirements		
General Sealed Bid	> $75,000	City Council
Public Works Sealed Bid	> $150,000	City Council
Other		
Surplus Disposal	> $10,000	City Council
Change Orders	All change orders	Department Head or City Manager
Change Orders	≥ 10% of approved contract. $15,000 Min	City Council
Sole Sourced Procurement	> $75,000	Ten-day public notice required before City Council approval

*The authorization level listed for each dollar threshold is the highest approval required; all subordinate approvals implied by lower thresholds (e.g., Department Head, City Manager) are presumed to have been obtained before the request advances to the higher approving authority.

Heber City Council Staff Report

MEETING DATE:	7/1/2025
SUBJECT:	Quiet Zone Study Results & Council Direction
RESPONSIBLE:	Russ Funk, Clint Allen
DEPARTMENT:	Engineering
STRATEGIC RELEVANCE:	Community and Economic Development Infrastructure Sustainability

SUMMARY

Earlier this year, Council authorized a Railroad Quiet Zone Study to evaluate what it would take to implement a Railroad Quiet Zone through Heber City. The Study evaluated improvements that would be needed at the 650 South, Southfield Road, and 1200 South crossings.

RECOMMENDATION

Provide direction to staff regarding implementation of a Railroad Quiet Zone in Heber City.

BACKGROUND

Based on numerous requests from the Heber Valley Railroad, Developers, and Heber City Residents, the City commissioned a Railroad Quiet Zone Study to evaluate what would be needed to implement a Railroad Quiet Zone through Heber City. A Quiet Zone would allow trains to pass through the city without blowing their horns as they approached and passed through city streets. As part of the study, Horrocks Engineers has prepared concept drawings, cost estimates, and additional information to present to Council.

Heber City also had another analysis completed in 2022 regarding the South Field Road Railroad Crossing. The analysis concluded that based on the existing volume and speed of vehicles and trains, that a Yield or Stop controlled crossing was acceptable, but that installing active control devices, such as flashing lights or automatic gates would improve safety now and in the future. The City's Transportation Master Plan calls for installation of crossing arms in the future as the road is built to the Major Collector standard.

DISCUSSION

As Heber City continues to grow, traffic on 650 South, Southfield Road, and 1200 South will increase, adding to concerns for safety. The 650 South crossing already includes flashing lights and automatic gates which help with safety concerns, but would require other improvements to establish a Quiet Zone. Southfield Road is currently Yield controlled, and would require automatic gates and other improvements for safety and establishment of a Quiet Zone. The 1200 South crossing is a very low volume road, and would likely not require additional improvements unless the City moves forward with a Quiet Zone.

FISCAL IMPACT

The requirement for improvements to Southfield Road can be attributed to growth, and are included in the Transportation Master Plan, making them eligible to be paid for using impact fees as a primary source of funding.

The improvements to 650 South and 1200 South would not be impact fee eligible.

Final Engineering Design for the Southfield Road Improvements is underway and was approved with the FY25 Budget.

No Final Design work has taken place for additional improvements to 650 South or 1200 South. Design Costs are estimated at $28,700 for both locations.

Improvement Costs are Estimated at
650 South - $17,000
Southfield Rd - $739,000
1200 South - $703,000

Included in the FY26 Budget is $1,929,080 in Street Impact Fees intended to reimburse developers for constructed improvements and build Impact Fee Eligible Improvements. A portion of this funding could be used to fund the Southfield Road Crossing Improvements. Staff would need to conduct further financial analysis on what impact fees might be available in FY '26 for quiet zone improvements.

Earlier this year, the City applied for a grant through UDOT for rail safety improvements, but the grant was not awarded. The City can re-apply in the future for funds to help with the improvements.

CONCLUSION

Understanding the costs and requirements associated with implementation of a Railroad Quiet Zone, staff is seeking feedback and direction from Council regarding this initiative.

ALTERNATIVES

1. Move forward with construction of the Southfield Road Crossing Improvements. Hold off on the other crossings.

2. Move forward with construction of the Southfield Road Crossing Improvements. Move forward with Design of the Other Crossings, but pursue other grants and funding options before moving forward with construction.
3. Move forward with construction of the Southfield Road Crossing Improvements. Complete Design of the other crossings, and budget next year for construction.
4. Other Direction
5. Continue

POTENTIAL MOTIONS

N/A

ACCOUNTABILITY

Department: Engineering
Staff member: Russ Funk, City Engineer

EXHIBITS

1. Horrocks Quiet Zone Presentation



HEBER CITY

QUIET ZONE ANALYSIS

Prepared by:

Horrocks.

Federal Quiet Zone Requirements

"In order for a quiet zone to be qualified under this rule, it must be shown that the lack of the train horn does not present a significant risk with respect to loss of life or serious personal injury, or that the significant risk has been compensated for by other means. The rule provides four basic ways in which a quiet zone may be established."

1. One or more SSMs as identified in Appendix A are installed at each public crossing in the quiet zone; or
2. The Quiet Zone Risk Index is equal to, or less than, the Nationwide Significant Risk Threshold without implementation of additional safety measures at any crossings in the quiet zone; or
3. Additional safety measures are implemented at selected crossings resulting in the Quiet Zone Risk Index being reduced to a level equal to, or less than, the Nationwide Significant Risk Threshold; or
4. Additional safety measures are taken at selected crossings resulting in the Quiet Zone Risk Index being reduced to at least the level of the Risk Index With Horns (that is, the risk that would exist if train horns were sounded at every public crossing in the quiet zone).

"Each public highway-rail grade crossing in a New Quiet Zone established under this part must be equipped, no later than the quiet zone implementation date, with active grade crossing warning devices comprising both flashing lights and gates which control traffic over the crossing and that conform to the standards contained in the MUTCD. Such warning devices shall be equipped with constant warning time devices, if reasonably practical, and power-out indicators."

Quiet Zone Calculations

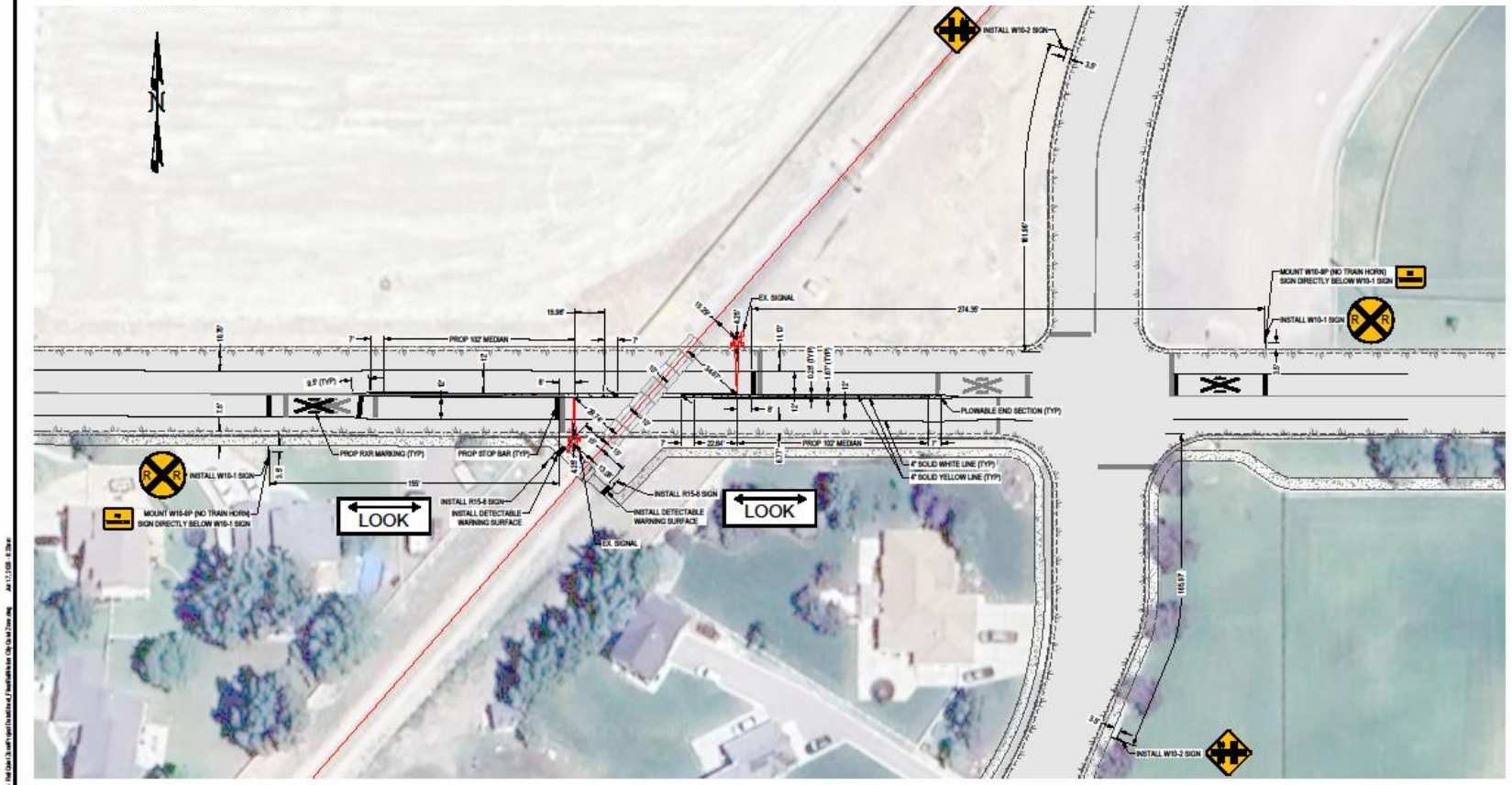
Crossing	Street	Traffic	Warning Device	Pre-SSM	Risk
917966C	650 South	2400	Gates	13	2,535.29
917967J	South Field Road	1800	Gates	13	1,281.62
917968R	1200 South	1800	Gates	13	1,281.62





Summary	
Estimated Total Cost	1,489,485
Nationwide Significant Risk Threshold	15488.00
Risk Index with Horns	5094.77
Quiet Zone Risk Index	1699.61

650 SOUTH QUIET ZONE CROSSING IMPROVEMENT PLAN



CONCEPT

CONCEPTUAL
FOR REVIEW / DISCUSSION
NOT FOR CONSTRUCTION

LEGEND:
EX. RR OWNED TRACK
PROP. RR OWNED TRACK
EX. IND. OWNED TRACK
PROP. IND. OWNED TRACK
REMOVE IND. OWNED TRACK
SHIFT IND. OWNED TRACK
FUTURE TRACK
RR RIGHT OF WAY

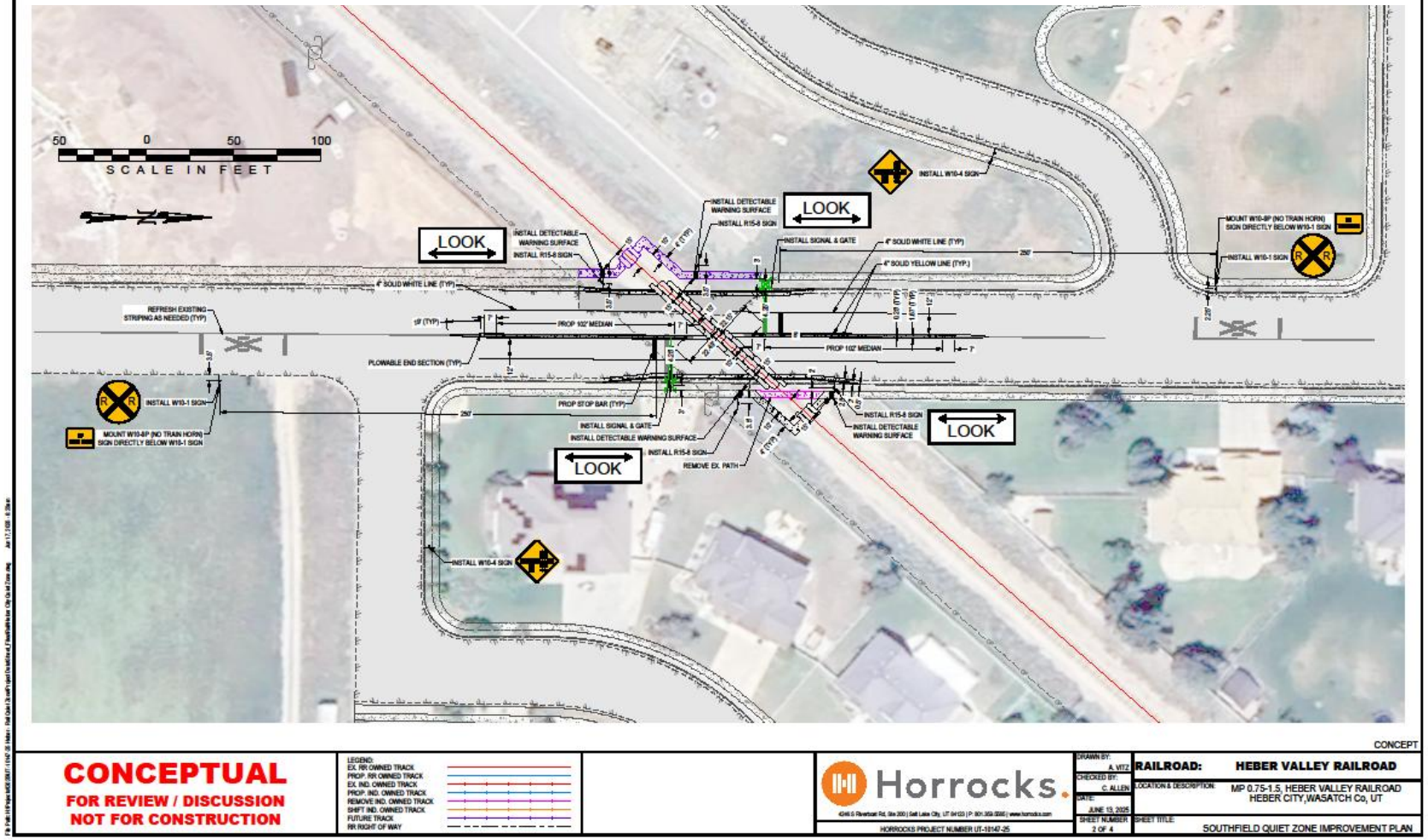
Horrocks.
4246 S Riverboat Rd, Ste 200 | Salt Lake City, UT 84123 | P: 801.359.5500 | www.horrocks.com
HORROCKS PROJECT NUMBER UT-16147-25

DRAWN BY:	A. VITZ
CHECKED BY:	C. ALLEN
DATE:	JUNE 13, 2025
SHEET NUMBER	1 OF 4
RAILROAD:	HEBER VALLEY RAILROAD
LOCATION & DESCRIPTION:	MP 0.75-1.5, HEBER VALLEY RAILROAD HEBER CITY,WASATCH Co, UT
SHEET TITLE:	650 S QUIET ZONE IMPROVEMENT PLAN

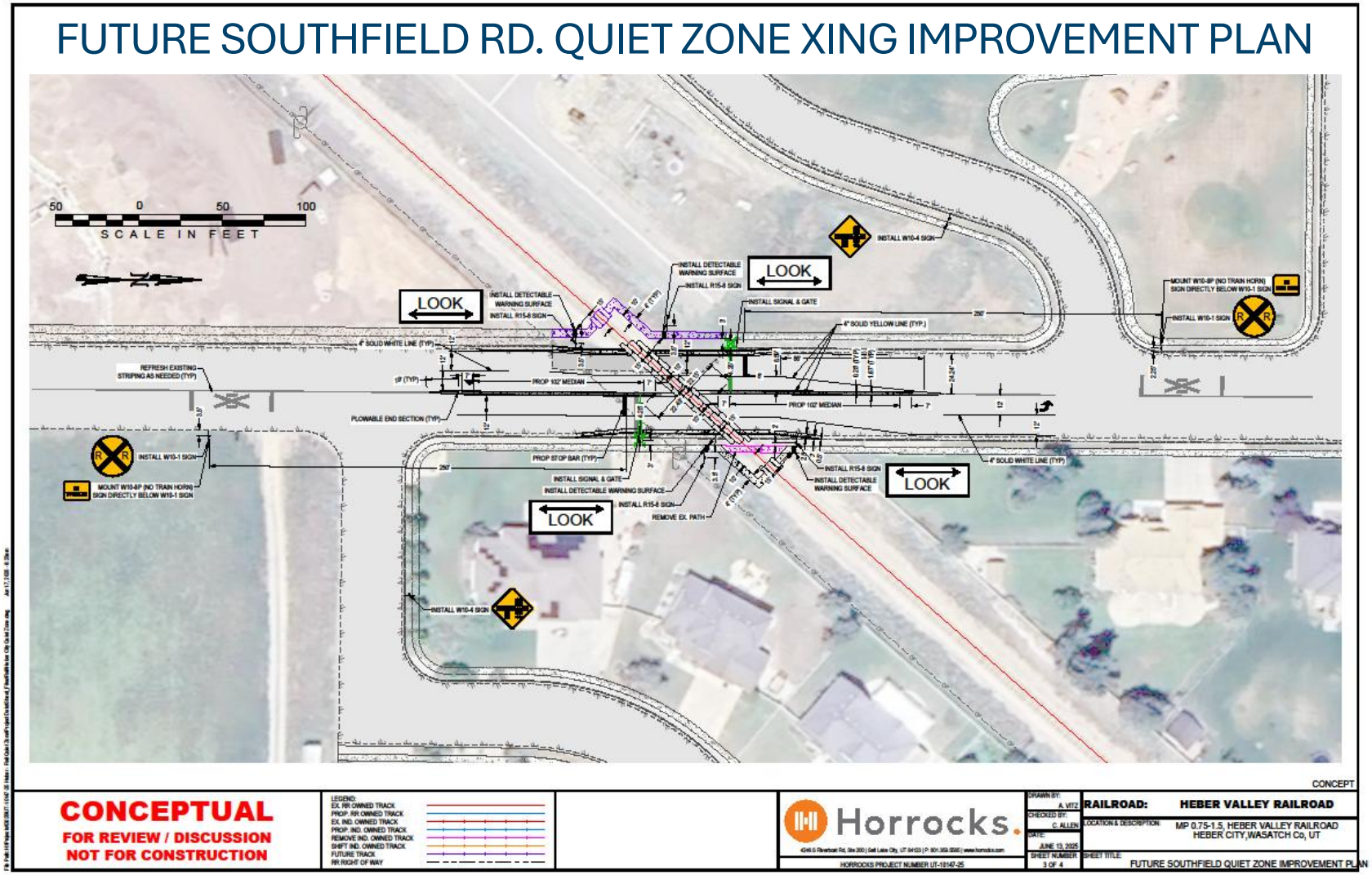
650 South Cost Estimate

650 South Crossing					
Number	**Description**	**Quantity**	**Unit**	**Unit Price**	**Amount**
1	Signage and Striping	1	LS	2000	2000
2	Median Improvements	1	LS	15000	1500
			Subtotal	**17,000**	

SOUTHFIELD ROAD QUIET ZONE XING IMPROVEMENT PLAN



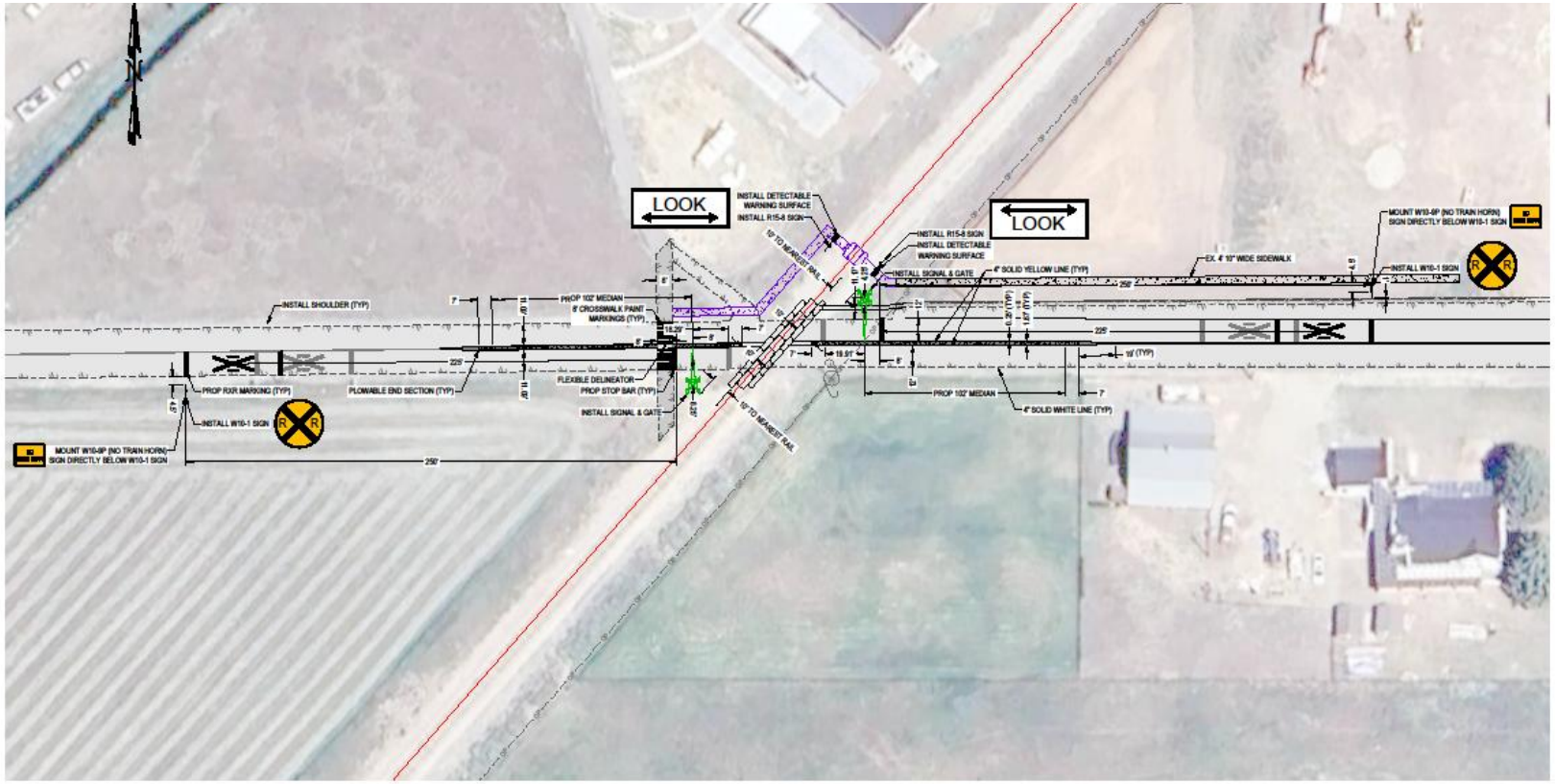
FUTURE SOUTHFIELD RD. QUIET ZONE XING IMPROVEMENT PLAN



Southfield Road Crossing Cost Estimate

Southfield Road Crossing					
Number	**Description**	**Quantity**	**Unit**	**Unit Price**	**Amount**
1	Railroad Flagging	7	Day	2500	17500
2	Concrete Panels	96	TF	1800	172800
3	Engineering for Signals	1	LS	17200	17200
4	Signal and Gate	2	EA	250000	50000
5	Signage and Striping	1	LS	5000	5000
6	Curb and Gutter	281	LF	35	9835
7	Sidewalk	182	LF	60	10920
8	Sidewalk Removal	36	LF	5	180
9	Pavement	114	SY	65	7410
10	Median Improvements	1	LS	15000	15000
			Subtotal	**755,845**	

1200 SOUTH QUIET ZONE XING IMPROVEMENT PLAN



CONCEPT

CONCEPTUAL
FOR REVIEW / DISCUSSION
NOT FOR CONSTRUCTION

LEGEND:
EX. RR OWNED TRACK
PROP. RR OWNED TRACK
EX. IND. OWNED TRACK
PROP. IND. OWNED TRACK
REMOVE IND. OWNED TRACK
SHIFT IND. OWNED TRACK
FUTURE TRACK
RR RIGHT OF WAY

Horrocks.
4246 S Riverboat Rd, Ste 200 | Salt Lake City, UT 84123 | P: 801.363.5061 | www.horrocks.com
HORROCKS PROJECT NUMBER UT-18147-25

DRAWN BY: A. VITZ
CHECKED BY: C. ALLEN
DATE: JUNE 13, 2025
SHEET NUMBER: 4 OF 4

RAILROAD: HEBER VALLEY RAILROAD
LOCATION & DESCRIPTION: MP 0.75-1.5, HEBER VALLEY RAILROAD HEBER CITY,WASATCH Co, UT
SHEET TITLE: 1200 S QUIET ZONE IMPROVEMENT PLAN

1200 South Cost Estimate

1200 South Crossing					
Number	**Description**	**Quantity**	**Unit**	**Unit Price**	**Amount**
1	Railroad Flagging	7	Day	2500	17500
2	Concrete Panels	78	TF	1800	140400
3	Engineering for Signals	1	LS	13700	13700
4	Signal and Gate	2	EA	250000	500000
5	Signage and Striping	1	LS	2700	2700
6	Curb and Gutter	44	LF	35	1540
7	Sidewalk	430	LF	60	25800
8	Median Improvements	1	LS	15000	15000
			Subtotal	**716,640**	

Heber City Council Staff Report

MEETING DATE: 7/1/2025
SUBJECT: Buys Purchase Agreement and Lease Agreement
RESPONSIBLE: Matt Brower
DEPARTMENT: Administrative
STRATEGIC RELEVANCE:

SUMMARY

This agenda item is to consider the approval of two agreements between Richard and Susan Buys Properties, LLC (Buys) and the Heber City Community Reinvestment Agency (Agency). Both agreements concern real property currently owned by Buys located at 165 South 100 West. The first agreement is a Sale and Purchase of Real Property Agreement that consummates the Agency's purchase of Buys' property; whereas, the second agreement is a Lease Agreement establishing the Agency as the lessor of the referenced real property and Buys as the lessee.

RECOMMENDATION

Staff recommends the Agency Board approve the Sale and Purchase Agreement and Lease Agreement with Buys.

BACKGROUND

The Heber City Community Reinvestment Agency (Agency) and Richard and Susan Buys Prpoerties, LLC (Buys) have negotiated a Sale and Purchase of Real Property Agreement and a Lease Agreement for the Buys property located at 165 South 100 West.

In the May 28, 2025 edition of The Wasatch Wave, the Buys' Family announced they were putting the paper up for sale. The sale of the paper was happening, "with heart-felt reflection" and that the "Buys Family has made the decision to pass on the tourch." The decision to sell the paper is independent of their decision to sell their property to the Agency.

Buys and Agency have negotiated in good faith a Sale and Purchase of Real Property agreement and a Lease Agreement to lease the real property to the Buys.

The Heber City Council has identified the purchase of the Buys' property as a key priority for achieving several of the Envision Central Heber initiatives included in the adopted plan. The Envision Central Heber Plan was adopted in 2023 after receiving significant public input. One of the key initiatives in the plan is to provide more parking to support existing business, city event programming, and reinvestment in the downtown; and to facilitate downtown reinvestment.

In December 2024 the Agency received a completed appraisal of the Buys property, utilizing BBG--an independent third-party appraisal company. The appraisal established the current value of the Buys' parcel at $2,160,000. During negotiations, an appraisal review was completed by Commercial Appraisal & Valuation Experts, LLC. The appraisal review confirmed the methodology and conclusion of the initial appraisal.

DISCUSSION

The Sale and Purchase of Real Property Agreement includes the following key terms:
1) Counterparties to the Agreement are the Heber City Community Reinvestment Agency (Agency) and Richard and Susan Buys Properties, LLC .
2) Transaction price: $2,161,000---$1,000 over the appraised value.
3) The closing of the Sale and Purchase Agreement in contingent upon the City's sole satisfaction with the following three conditions: a) acquiring of or commitment for a Title Policy; b) successful negotiation of a Lease Agreement; and c) complete satisfaction with all other commitments', conditions and obligations contained in the Agreement.
4) Closing would occur after City's concurrence with all commitments, conditions and obligations or no later then August 14, 2025.

The Lease Agreement includes the following key terms:
1) Counterparties to the Agreement are the Heber City Community Reinvestment Agency (Agency) and Richard and Susan Buys Properties, LLC.
2) Agreement grants Buys an initial lease term of 12 months and and then converts to a month-to-month tenancy unless terminated sooner by Agency or Buys by giving 90 days notice prior to the conclusion of the initial term.
3) Lease rate is $1 per initial term and $1,000 per month during monthly tenancy.
4) Indemnification language requiring each party to indemnify the other.
5) Buys is responsible for utilities during the lease.
6) Buys is required to continue existing use of the building.
7) City is responsible for snow removal and Buys for general building and grounds maintenance and repairs. If repair costs exceed $5,000 during the term of the lease, Buys shall have the right to terminate the lease and immediately vacate the property.

FISCAL IMPACT

The Sale and Purchase of Real Property Agreement establishes the amount of the transaction at $2,161,000.00. Staff is proposing the following revenue mix to cover the cost of the transaction:
1) $2,000,000.00 from proceeds obligated under the fourth amendment to the Upper Jordanelle

Ridge Master Planned Community development agreement. This agreement will be considered by Coucil in July.
2) $161,000 from FY '26 tax increment.

Should Council approve this Agreement, a budget amendment would be required for the general revenue fund and Community Reinvestment Agency Fund, as this transaction was not included in the FY '26 budget. This amendment would be expected in early FY '26.

CONCLUSION

Buys has agreed to sale their parcel of land located at 165 South 100 West to the Agency at this time, provided the Lease Agreement is also approved. The purchase is consistent with the Envision Central Heber initiative and Council's down town priorities. Agency has the financial resources to consummate the transaction. Staff recommends adoption of both agreements.

ALTERNATIVES

1. Approve as proposed
2. Approve as amended
3. Continue
4. Deny

POTENTIAL MOTIONS

Alternative 1 - Approval - Staff Recommended Option

I move to **approve** the item as presented, with the findings and conditions as presented in the conclusion above.

Alternative 2 - Approve as Amended

I move to **approve** the item as amended, as follows.

Alternative 3 - Continue
I move to **continue** the item to another meeting on [DATE], with direction to the applicant and/or Staff on information and / or changes needed to render a decision, as follows:
Alternative 4 - Denial
I move to **deny** the item with the following findings.

ACCOUNTABILITY

Department: Administrative
Staff member: Matt Brower, City Manager

EXHIBITS

1. Appraisal Review - Heber Industrial (002)
2. 0124024071 - Industrial -165 South 100 West Heber City UT - Report (003)
3. Buys Executed Purchase Agreement
4. Buys Signed Lease Agreement
5. Wasatch Wave Article Buys Selling the Paper

APPRAISAL REVIEW

BBG APPRAISAL REPORT – INDUSTRIAL PROPERTY

LOCATED AT

165 South 100 West

Heber, Utah 84032

PREPARED FOR

Mr. Matt Brower

City Manager - Heber City

75 North Main Street

Heber, UT 84032

EFFECTIVE APPRAISAL DATE – BBG REPORT

December 11, 2024

EFFECTIVE DATE OF REVIEW

March 11, 2025

File No. 25-03-05BB

March 11, 2025

Mr. Matt Brower
City Manager
Heber City
75 North Main Street
Heber, UT 84032

Re: Appraisal Review: Appraisal Report prepared by John Blaser, MAI of BBG Real Estate Service involving industrial property, located at 165 South 100 West, Heber, Utah.

Dear Mr. Brower:

At your request, we have reviewed an appraisal report completed by John Blaser of BBG Real Estate Services ("BBG"), addressing market value of the above-referenced property. The BBG report was prepared at your request, on behalf of Heber City, and is dated December 11, 2024. The effective valuation date of the BBG report is November 26, 2024, which is the date the appraiser inspected the property.

The intended use of this review is to assist Heber City in establishing a fair market price for potential acquisition of the subject property. As this report communicates the results of our review of another appraiser's work, it has been prepared in the form of an *appraisal review*, pursuant to Standards Rules 3 and 4 of the Uniform Standards of Professional Appraisal Practice ("USPAP"), 2024-2025 Edition. The date of this review is March 11, 2025.

As summarized below, it is our opinion that the BBG appraisal report, prepared by John Blaser, MAI, complies with relevant standards, including the Uniform Standards of Appraisal Practice (USPAP) and provides an adequate level of data, reasoning, and analysis to support the value conclusion. Accordingly, we consider the value conclusion contained in the BBG report to be reliable and credible.

Please call if we can be of further assistance.

Mark L. Reed

Brandon Bess

Mark L. Reed | MAI
Commercial Appraisal & Valuation Experts, LLC
Utah State - Certified General Appraiser
Certificate 5834628-CG00 Expires 07-31-25

Brandon G. Bess | MAI
Commercial Appraisal & Valuation Experts, LLC
Utah State – Certified General Appraiser
Certificate 7897866-CG00 Expires 07-31-26

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INTRODUCTION

We have been engaged to review an appraisal report completed by John Blaser of BBG Real Estate Services, addressing the market value of an industrial property located at 165 South 100 West, Heber, Utah.

CLIENT

The client is Mr. Matt Brower, City Manager of Heber City.

APPRAISER: John Blaser, MAI
BBG Real Estate Services

REVIEW APPRAISERS: Mark L Reed, MAI
Commercial Appraisal & Valuation Experts, LLC
&
Brandon Bess, MAI
Commercial Appraisal & Valuation Experts, LLC

INTENDED USER(S)

The intended user of this report is the client.

INTENDED USE OF THE REVIEW

The intended use of the review is to assist with potential acquisition of the subject property.

PURPOSE OF THE REVIEW ASSIGNMENT

The purpose of this appraisal review report is to review the appraisal report for content, including (1) factual information pertinent to the subject property, (2) prevailing trends affecting value, (3) analytical reasoning used in determining the subject property's highest and best use, (4) the methodology employed in estimating market value of the subject property, 5) applicability of the market data used in the formulation of the appraiser's opinion of the market value of the appraised property.

The ultimate purpose of the review is to determine the credibility and reliability of the appraisal report under review.

SCOPE OF WORK

The general steps undertaken in preparing this appraisal review included:

- A careful reading of the BBG appraisal report;
- Review of the BBG data, analyses, and conclusions as to their completeness, adequacy, relevance, propriety, and appropriateness, as tested by the principles of appraising, accepted standards of practice in the appraisal industry, and market observation; and
- Report findings in an appraisal review report.

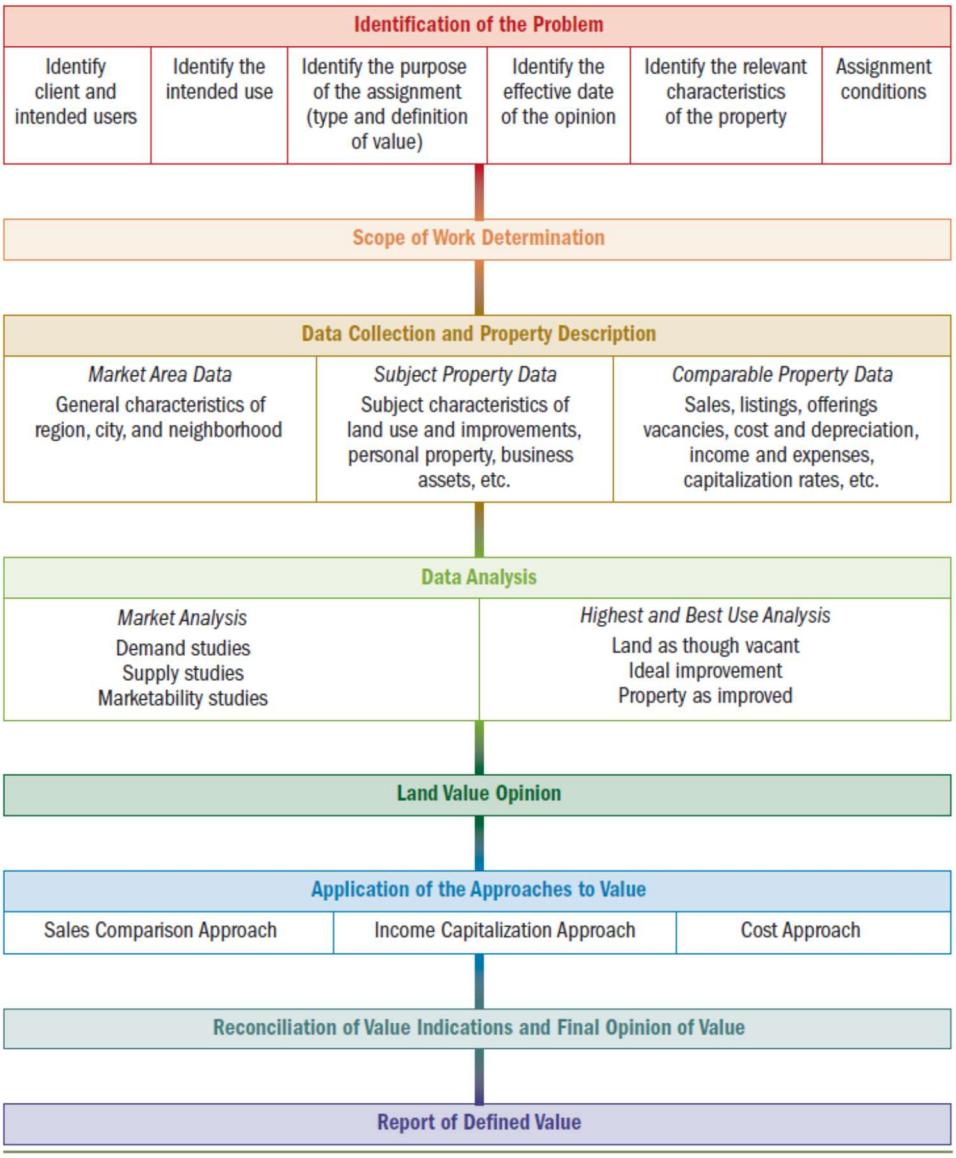
Of note, this represents a technical review of the above-referenced appraisal report intended as internal quality control relative to the appraisal report. The scope of work specifically does not include re-verification of the data presented by the appraiser, but does include an analysis of the relevance of the presented information and the appraiser's analysis of the information. It does not include a full inspection of the subject property or comparable properties; however, Mark Reed completed an exterior inspection of the subject property on February 28, 2025.

Additionally, acceptance of the appraisal report and recommendation of approval for the estimated market value does not indicate that the review appraiser is proffering an independent or secondary opinion of value of the subject property.

REVIEW

The appraisal process is well-established as a series of steps to be completed by the appraiser. There is a tight correlation between USPAP SR 2-2(a), which outlines the reporting requirements for appraisal reports, which is the product BBG was asked to provide, and the Appraisal Process as outlined in the following chart.

Figure 4.1 The Valuation Process



USPAP allows two reporting options: Appraisal Report or Restricted Appraisal Report. BBG identifies their work as an Appraisal Report, which is appropriate in this case.

BBG utilizes the income approach and the sales comparison approach to value the subject. The cost approach is omitted. The appraiser states, "The subject's age makes it difficult to accurately form an opinion of depreciation and tends to make the Cost Approach unreliable." The omission of a cost approach is reasonable considering the age of the subject improvements and the difficulty in capturing an accurate estimate of depreciation.

DEFINITION OF THE APPRAISAL PROBLEM

As identified in the previous chart, the first step in any appraisal is to identify the problem to be solved. This includes, among other things, identifying the intended use, client, and intended users of an appraisal, and any limiting conditions.

Intended Use and Intended User: BBG's appraisal discloses the intended use and user of the report, as required by USPAP. The reported use of the appraisal to be for, "…internal business purposes." The intended users are identified in the report as, "the client and… Heber City."

Certification: Appraisers must include a signed certification in each report as per Standards Rule 2-3. The intent of the certification is to verify the independence of the appraiser as well as conformity with USPAP. The appraiser provides the appropriate certification as per USPAP. The certification is signed by John Blaser, MAI.

Assignment Conditions: USPAP requires disclosure of extraordinary assumptions and hypothetical conditions (collectively "limiting conditions"). The BBG report includes a statement of standard assumptions and limiting conditions, but does not identify any specific extraordinary assumptions or hypothetical conditions.

Standard of Value: Identified as market value, with market value reasonably defined.

Property Rights Appraised: Identified as the fee simple estate.

Effective Date of Appraisal: The effective date of value is reported as November 26, 2024, which was the date of formal inspection.

Scope of Work: This section of an appraisal includes a detailed discussion of the work to be performed, including the valuation approaches to be developed. The appraiser utilizes the income approach and the sales comparison approach to value the subject. The cost approach is omitted. the appraiser states, "The subject's age makes it difficult to accurately form an opinion of depreciation and tends to make the Cost Approach unreliable." The omission of a cost approach is reasonable considering the age of the subject improvements and the difficulty in capturing an accurate estimate of depreciation.

PROPERTY IDENTIFICATION & DESCRIPTIONS

USPAP requires that the appraiser:"…state information sufficient to identify the real estate involved in the appraisal…." The BBG report includes a property address, location map and Wasatch County Assessor parcel number to identify the property, which adequately complies with USPAP. Additionally, the appraiser provides regional, neighborhood, and market area data applicable to the subject's location.

Ownership and Property History: The appraiser states the subject is owned by Richard and Susan Buys Properties, LLC, and that "There have been no known transactions of the subject property within the three years prior to the effective date…" We have confirmed this information with the Wasatch County Recorder's office.

Property Inspection: The BBG report reports that John Blaser inspected the subject property on November 26, 2024, and that both an interior and exterior inspection was performed. USPAP does not require that a complete inspection be performed; however, it does require that the appraiser complete a scope of work necessary to develop reliable results. As such, the appraiser conforms with USPAP on this issue.

Regional Area/Neighborhood Description: A description of the regional area and the subject's neighborhood is provided within the report. The descriptions are adequate.

Description of the Subject Site: A description of the subject site is provided in the report and includes an aerial image, flood risk map and zoning map. The appraiser reports the subject site to be a 0.54-acre lot with an irregular shape. The appraiser notes the site is zoned C-3 (Central Commercial Zone) and rates site utility as average. The overall description of the site and zoning is adequate.

Description of Improvements: A description of improvements is provided. The appraiser reports the subject improvements consist of two industrial buildings, built in 1999 and 1970, respectively. The appraiser provides an adequate level of detail for the improvements, including gross and net building areas, delineation of office and warehouse space, ceiling heights, overhead door ratios, and parking ratios. The appraiser concludes the buildings to be of average quality and average condition, and estimates effective age at 20 years.

HIGHEST AND BEST USE

In determining highest and best use for the subject, an analysis comprising the physical possibility, legal permissibility, financial feasibility, and the maximum productivity of a site is employed. The appraiser appropriately addresses the four tests of highest and best use for the subject "as vacant" and "as improved". The appraiser concludes that the current use of the subject as an industrial property meets the requirements of highest and best use. This is a reasonable conclusion.

VALUATION ANALYSIS

In valuing the subject, the appraiser performs an income approach and sales comparison approach to value. The approaches are analyzed below.

Sales Comparison Approach

The appraier selects four comparable sales and one comparable listing. Prior to adjustments, the comparable properties range in price from $127.60 to $308.56 per square foot. The sales transactions occurred between January of 2022 and May of 2024.

Critical to proper appraisal practice is using comparable sales that are similar to the subject and share the same highest and best use, as well as making proper adjustments to the sales. The sales

used by the appraiser share a similar highest and best use as the subject, and generally bracket the subject with both inferior and superior comparable sales.

The adjustment factors considered and discussed by the appraiser include property rights conveyed; financing terms; conditions of sale; expenditures after sale; market conditions; location; physical conditions, including size; condition/effective age, quality/appeal, exposure/access, site coverage ratio, clear height, and percent office finish. These are typical factors that are considered for industrial valuations.

Summary of Sales Comparison Approach

The adjustments applied by the appraiser appear to be generally reasonable, consistently applied, and adequate to support the ultimate value conclusion. The appraiser provides sufficient discussion of the adjustments to support the conclusion reached.

After adjustments were applied, the comparable sales ranged from $194.72 to $246.09 per square foot, averaging $223.66 per square foot. The appraiser gave least weight to Comparable Property #3, due to its location in the Kamas Valley. The value by the sales comparison approach was concluded at $220.00 per square foot, which equates to a rounded value of $2,160,000 for the subject. The conclusion is considered reasonable.

Income Approach

The appraiser utilizes the direct income capitalization method. The process is outlined in the report, including the following steps: 1. Estimate gross income, 2. Estimate effective gross, 3. Estimate net operating income, and 4. Convert the net operating income to a value indication.

Market Rent Analysis

To estimate gross income the appraiser selects six comparable leased properties. Prior to adjustments, the comparable properties show a lease rate range from $10.80 to $18.67 per square foot. The high end of the range was leased on gross terms, while the remaining properties were leased on triple net terms. The lease transactions occurred between January of 2023 and June of 2024. The comparable leased properties are all located in Wasatch County, within relative proximity of the subject.

The appraiser adjusts the comparable leases for factors including expense structure, conditions of lease, market conditions, location, unit size, condition/effective age, quality/appeal, exposure/access, site coverage ratio, clear height, percent office, and loading door ratio. The appraiser provides limited discussion of the adjustments applied, but the adjustments appear to have been applied consistently and correctly. After adjustments, the comparable leases range from $11.05 to $14.08 per square foot on triple net terms, averaging $13.36 per square foot. The appraiser concludes a market lease rate of $13.75 per square foot for the subject. This is considered reasonable.

Vacancy & Collection Loss

To reach effective gross income, the appraiser estimates vacancy and collection loss. Data from the market analysis was used to support a stabilized vacancy and collection loss estimate of 3%. The appraiser does not provide discussion or analysis of the subject's position within the market, which impacts the expected long-term vacancy. However, given the relatively low market-wide vacancy for industrial properties, the conclusion is reasonable. The resulting effective gross income is concluded at $130,708 annually.

Operating Expenses

Regarding operating expenses, the appraiser concludes market rent on a triple net basis with the tenant responsible for all operating expenses with the exception of management fees and structural reserves. The appraiser estimates management fees at $3,921 annually which equates to 3% of the effective gross income. Replacement reserves are estimated at $980 annually, which equates to $0.10 per square foot of building area. No explanation or market support was given for the conclusions. However, there is typically little variation for these expenses, and the appraisers conclusions are reasonable.

It is noted that on page 64 of the BBG Report, the management and reserve expenses are shown in a table titled, "Expense Recoveries". This is somewhat confusing, as the title implies that the landlord could recover these amounts. However, the appraiser's narrative confirms that the management and reserve expenses are not considered reimbursable in his analysis. After deducting the management and reserve expenses from the effective gross income, the appraiser concludes a net operating income of $125,806 annually.

Capitalization Rate Analysis

A capitalization rate is then derived utilizing several methods, including market derivation from industrial investment sales, published investor surveys, market participant interviews, and a band of investment analysis.

The appraiser provides a table of eight comparable investment sales from which capitalization rates are derived. The sales are primarily located in Salt Lake County, although one is located in Heber City, and one is located in Davis County. They show capitalization rates ranging from 5.56% to 6.74%, averaging 6.10%. The appraiser's narrative analysis of the market derived rates appears to be missing some text due to software or computer errors. As a conclusion, he states, "All comparables are somewhat recent transactions (past 24-months) that have occurred within the subject market. Therefore, the subject should achieve a capitalization rate below the average of the sales." This statement lacks support and reason. However, the data provided in the table appears to reasonably reflect investor expectations for properties that are comparable to the subject.

The investor surveys provided in the appraisal are from two published reports: the PwC Real Estate Investor Survey and the Situs RERC Real Estate Report. Both reports provide national investor data. The former shows overall capitalization rates for warehouse space ranging from 4.00 %to 8.50%, averaging 5.55%. the latter shows rates ranging from 4.80% to 6.00%, averaging 5.50% for warehouse space, and from 5.80% to 7.00%, averaging 6.70% for flex space. The appraiser appropriately states, "The subject property is a Class C property in a secondary market…..it would not likely attract the attention of institutional investors. Thus, the subject warrants a capitalization rate above the reported average of the investor surveys."

The appraiser also provides summaries of interviews with several market participants. The participants are brokers specializing in industrial properties. The brokers reported seeing capitalization rates ranging from 5.25% to 6.50% over the past year.

A band of investment analysis was performed utilizing a loan to value ratio of 70%, an amortization period of 30 years, an interest rate of 6.25%, and an equity dividend rate of 5.00%. The appraiser does not provide any discussion or support for the concluded factors; however, the assumptions appear reasonable. The conclusion of the band of investment analysis is a capitalization rate of 6.67%.

Capitalization Rate Conclusion

The appraiser gives most weight to the rates extracted from comparable sales and the market participant interviews. He concludes a capitalization rate of 6.00% for the subject. Overall, the concluded rate falls within a reasonable range and is adequately supported. The resulting value concluded by the income approach is $2,100,000 (rounded).

Summary of Income Approach

The appraiser utilized generally accepted methodology and applied the correct steps for the direct income capitalization analysis. Estimates of market rent, vacancy, and operating expenses were adequately supported with market data, and the concluded capitalization rate is within reason. Accordingly, the appraiser's conclusion of $2,100,000 by the income approach is considered reasonable.

Reconciliation and Summary

The appraiser appropriately provides a reconciliation of the two approaches and adequately discusses the merits and applicability of each approach. He states that the subject has high appeal to owner-users, which would primarily rely on the sales comparison approach. For this reason, he gives most weight to this approach and concludes to a final value opinion of $2,160,000. The reconciliation discussion and final value opinion are considered reasonable and supported.

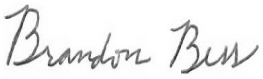
Overall, the data, reasoning, and analysis contained within the BBG report provide assignment results that are both reasonable and credible. As such, we accept the estimated market value of the fee simple interest concluded within the appraisal report.

We trust this report is sufficient to accomplish its intended function. Please call if we can be of further assistance.

Respectfully submitted,



Mark L. Reed | MAI
Commercial Appraisal & Valuation Experts, LLC
Utah State - Certified General Appraiser
Certificate 5834628-CG00 Expires 07-31-25



Brandon G. Bess | MAI
Commercial Appraisal & Valuation Experts, LLC
Utah State – Certified General Appraiser
Certificate 7897866-CG00 Expires 07-31-26

CERTIFICATION

We certify that we have made an investigation and analysis of the following property:

APPRAISAL REVIEW OF
APPRAISAL REPORT PREPARED BY
JOHN BLASER OF BBG REAL ESTATE SERVICES
INDUSRTIAL PROPERTY LOCATED AT
165 SOUTH 100 WEST, HEBER, UTAH

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

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are our personal, impartial, and unbiased professional analyses, opinions, and conclusions.
3. 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.
4. We have performed no services, as appraisers 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.
5. We have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
6. Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
7. 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 review.
8. Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the *Uniform Standards of Professional Appraisal Practice*.
9. Mark L. Reed personally inspected the property that is the subject of this report on February 19, 2025. Brandon Bess did not personally inspect the subject property.
10. No one else provided significant real property appraisal assistance to the persons signing this certification.
11. 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.
12. As of the date of this report, Mark L. Reed and Brandon Bess have completed the continuing education program for Designated Members of the Appraisal Institute.
13. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
14. Mark L. Reed is currently a Certified General Appraiser in the State of Utah #5834628-CG00.
15. Brandon Bess is currently a Certified General Appraiser in the State of Utah #7897866-CG00.

Dated: March 11, 2025

Mark L. Reed

Brandon Bess

Mark L. Reed | MAI
Commercial Appraisal & Valuation Experts, LLC
Utah State - Certified General Appraiser
Certificate 5834628-CG00 Expires 07-31-25

Brandon G. Bess | MAI
Commercial Appraisal & Valuation Experts, LLC
Utah State – Certified General Appraiser
Certificate 7897866-CG00 Expires 07-31-26

QUALIFICATIONS

Mark L. Reed | MAI

2816 S Highland Drive, Suite 201
Salt Lake City, UT 84106

Phone: 801 910-3921
Email: mreed@caveappraisal.com

SUMMARY

Mark L. Reed is a Certified General Appraiser in Utah, Idaho, and New Mexico and holds the MAI designation from the Appraisal Institute. He first began appraising in 2004 and holds an MBA degree and a B.A. degree from Brigham Young University. His experience covers all real estate markets including land, ranches, and residential and commercial properties. His primary focus is complex assignments and impaired real estate. His work often supports expert testimony and decisions made in eminent domain and condemnation proceedings, property tax disputes, real estate damages including fire-burned property, bankruptcy, estate planning matters, and cases involving breach of contract, among other things. His list of clients includes individuals, city, county, state, and federal government, financial institutions and mortgage companies, professional firms, and public and private corporations. He has appraised properties across the western United States.

PROFESSIONAL MEMBERSHIPS & LICENSES

- Certified General Appraiser, State of Utah, #5834628-CG00
- Certified General Appraiser, State of Idaho, #CGA-6161
- Certified General Appraiser, State of New Mexico, #C03859-G
- Designated Member, Appraisal Institute (MAI)

APPRAISAL EXPERIENCE

- Principal, Commercial Appraisal & Valuation Experts, LLC – April 2024 to Present
- Inqoba-1, PC, Salt Lake City, Utah, April 2016 to Present. Appraiser and consultant of commercial real estate.
- BBG, Inc., Salt Lake City, Utah, February 2022 to 2024. Appraiser and consultant of commercial real estate.
- J. Philip Cook & Associates, SLC, Utah, 2011 to 2022. Appraiser and consultant of real estate.
- LECG, Salt Lake City, Utah, January 2007 to March 2011. Appraiser and consultant of commercial real estate.
- Stuart & Company, February 2004 - January 2007. Appraiser.

EDUCATION

- MBA, Brigham Young University, August 2000
- Bachelor of Arts, Brigham Young University, August 1991

DEPOSITIONS/COURT TESTIMONY

2023

- Estate of Julianne Crookston v United States

2022

- Nobutaka Mutaguchi, et al v. Justin Luettgerodt; Aclaime Ventures, LLC, et al

CLIENTS SERVED (Partial list)

FINANCIAL INSTITUTION/MORTGAGE

Bank of American Fork
Barnes Bank
Citibank
Far West Bank
Frontier Bank
KeyBank National Association
US Bank
Bank of Colorado
Central Bank
City National Bank
First National Bank of Layton
JP Morgan Chase Bank
Mountain America Credit Union
Wells Fargo

CORPORATE/OTHER COMPANIES

Branson Properties
Intermountain Health Care
LDS Church
PacifiCorp
Rocky Mountain Power
The Nature Conservancy
First American Title Insurance
Landrock Development
Marshall Group
Questar
Sundance Development
TransWest Express

GOVERNMENT

US Dept of Interior-Appraisal & Valuation Services Office
Small Business Administration
SITLA – Utah Trust Lands
Utah Attorney General
Utah Department of Transportation
FDIC
Salt Lake Community College
South Salt Lake Redevelopment Agency
Utah Transit Authority
Salt Lake City

LEGAL FIRMS

Anderson Call & Wilkinson
Callister Nebeker & McCullough
Holme, Roberts & Owen
Parr Brown Gee & Loveless
Ray Quinney and Nebeker
Stoel Rives
More available upon request
Ballard Spahr, LLP
Clyde, Snow Sessions and Swenson
Kirton and McConkie
Parsons Behle & Latimer
Reeder Lu Green, LLP
Wood Crapo, LLC

SPECIALIZED COURSES COMPLETED

Appraisal Principles (Course 110) Appraisal Institute, May 2004
USPAP (Course 410) Appraisal Institute, October 2004
Appraisal Procedures (Course 101) Appraisal Institute, January 2005
Basic Income Capitalization (Course 310) Appraisal Institute, June 2005
General Applications (Course 320) Appraisal Institute, July 2006
Advanced Income Capitalization (Course 510) Appraisal Institute, June 2007
Eminent Domain Update Seminar, Utah Land Use Institute, February 2008
National USPAP Equivalent Course, Appraisal Institute, 2009, 2011, 2013, 2015, 2017, 2019, 2021, 2023
Business Practices and Ethics, Appraisal Institute, May 2009
Advanced Sales Comparison and Cost Approaches, Appraisal Institute, October 2009
Market Analysis and Highest & Best Use, Appraisal Institute, June 2010
Subdivision Valuation, Appraisal Institute, August 2013
Report Writing and Case Studies, Appraisal Institute, April 2015
Advanced Concepts and Case Studies, Appraisal Institute, November 2016
Uniform Appraisal Standards for Federal Land Acquisitions (Yellow Book) Course, April 2023

The Basics of Expert Witness for Commercial Appraisers, McKissock, April 2023
Numerous other continuing education courses 2016-2024

APPRAISAL/CONSULTING ASSIGNMENTS (sample)

Industrial: Manufacturing, flex space, and office/warehouse buildings.

Office: Various properties including multi-story projects ranging in size from 3,000 to more than 200,000 square feet, bank buildings, and medical office space.

Retail: Various buildings including community and neighborhood shopping centers, sit-down and fast-food restaurants, convenience stores, car washes, oil and lube shops, and stand-alone retail uses.

Specialty Properties: Specialty properties including subdivisions, multifamily developments, mixed use, schools, ski resort properties, guest ranches, train maintenance facilities, utility easements, conservation easements and condemnation easements, including yellow book-compliant appraisals (UASFLA).

Brandon G. Bess | MAI

2816 S Highland Drive, Suite 201
Salt Lake City, UT 84106

Phone: 801 633-4491
Email: bbess@caveappraisal.com

PROFESSIONAL MEMBERSHIPS & LICENSES

- Certified General Appraiser, State of Utah, Certificate #7897866-CG00
- Designated Member – Appraisal Institute (MAI)

EDUCATION

- Bachelor of Science, University of Utah (Economics)

APPRAISAL EXPERIENCE

- Principal, Commercial Appraisal & Valuation Experts, LLC – April 2024 to Present
- President, Brandon G. Bess, LLC Appraisal & Consulting–Feb. 2020 to April 2024
- Appraiser and Consultant of commercial real estate, J. Philip Cook, LLC –Feb. 2015 to Feb. 2020
- Hearing Officer, Salt Lake County Board of Equalization – July 2014 to May 2017
- Appraiser and Consultant, Insight Appraisal & Consulting, LLC – Aug. 2011 to Feb. 2015
- Appraiser/Researcher, Fortis Group, a commercial appraisal & consulting firm – Jan. 2008 to Aug. 2011

AREAS OF PRACTICE (sample)

- Eminent Domain: Road widening and various utility corridors
- Damages Analysis: construction defects, inverse condemnation, boundary dispute, etc.
- Retail: shopping center, freestanding, drive-through, etc.
- Industrial: flex space, manufacturing, distribution, business park, and general office/warehouse
- Office Buildings: low rise suburban office and medical office as well as mid and high-rise buildings in the Central Business District
- Multifamily: Apartment complexes, townhome developments, and student housing
- Development land including residential subdivisions, and mixed-use projects
- Agricultural and ranch land

CLIENTS SERVED (Partial list)

LAW FIRMS

Ray Quinney & Nebeker
Nygard, Coke & Vincent
Miller Harrison
Mitchell Barlow & Mansfield
Michael Best & Friedrich
Kirton McConkie
Gallian Welker & Beckstrom

FINANCIAL INSTITUTION/MORTGAGE

Wells Fargo Bank
US Bank
Central Bank
Altabank
Capital Community Bank
Finwise Bank
UFirst Credit Union
Granite Credit Union
Mountain West Small Business Finance

CORPORATE/OTHER COMPANIES

Rocky Mountain Power / PacifiCorp
United Parcel Service
Intermountain Healthcare
Clyde Companies
The Church of Jesus Christ of Latter-Day Saints
Visionary Homes

GOVERNMENT

Salt Lake County
Salt Lake City
Murray City
West Valley City
West Jordan City
US Dept. of Agriculture
Utah Department of Transportation
US Dept. of Interior – Appraisal & Valuation Services Office

SPECIALIZED COURSES COMPLETED (Partial List)

- Basic Appraisal Principles
- Basic Appraisal Procedures
- Uniform Standards of Professional Appraisal Practice
- Residential Highest and Best Use and Market Analysis
- Residential Report Writing & Case Studies
- Residential Sales Comparison & Income Approaches
- Residential Site Valuation & Cost Approach
- General Sales Comparison Approach
- General Income Approach
- General Site Valuation & Cost Approach
- General Highest and Best Use and Market Analysis
- General Report Writing & Case Studies
- Statistics, Modeling & Finance
- Commercial Appraisal Review
- Expert Witness for Commercial Appraisers
- Advanced Income Capitalization
- Advanced Market Analysis & Highest and Best Use
- Advanced Concepts and Case Studies
- Quantitative Analysis

DEPOSITIONS/TESTIMONY

- *JI Condo Properties v. Salt Lake Co. Assessor,* Utah State Tax Commission Hearing (Hearing Testimony)
- *Kelly Kent & American Blasting and Refinishing Inc. v. Buckway*, Second District Court, Weber County, Case # 170902467, 2021. (Trial Testimony)
- *BEB Group, LLC et al v. Northwest Atlantic, LLC, et al*, Third District Court, Salt Lake County, Civil # 200907491, 2024 (Deposition)

BBG
REAL ESTATE SERVICES

APPRAISAL REPORT



The insight you need. The independence you trust.

Industrial Property (APN: 00-0011-8294)

(2) Industrial Buildings
165 South 100 West
Heber City, Utah 84032-2001

BBG File #0124024071

Prepared For
Mr. Matt Brower
Heber City
75 North Main Street
Heber City, UT 84032-1827

Report Date
December 11, 2024

Prepared By
BBG, Inc., Cottonwood Heights Office
6965 South Union Park Center, Suite 460
Cottonwood Heights, UT 84047
801-321-0050

Client Manager: John Blaser, MAI
jblaser@bbgres.com

BBG Website
bbgres.com

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December 11, 2024

Mr. Matt Brower
Heber City
75 North Main Street
Heber City, UT 84032-1827

Re: Appraisal of Real Property
Industrial Property (APN: 00-0011-8294)
165 South 100 West
Heber City, Utah 84032-2001
BBG File #0124024071

Dear Mr. Brower:

In accordance with your authorization (per the engagement letter found in the *Addenda* of this report), an Appraisal Report of the above-referenced property has been prepared.

The subject is a Single Tenant Industrial Building ((2) Industrial Buildings) property totaling 9,800 SF of NRA located on a 0.54-acre site at 165 South 100 West in Heber City. The improvements were constructed in 1999 & 1970's, resulting in an overall average condition with a remaining economic life of 30 years based on our estimate.

As of the effective date of this report, the subject has a single-tenant design that is 100% owner occupied. The following table summarizes each individual building.

INDIVIDUAL BUILDING DESCRIPTIONS

Building	GBA	NRA	Office SF	Office %	Year Built	Clear Height	Grade Doors	Dock Doors	Loading Door Ratio	Site Coverage
Flex Bldg.	6,000	6,000	3,480	58%	1999	14'	1	0	1.7	26%
Warehouse Bldg.	3,800	3,800	485	13%	1970's	14'	2	0	5.3	16%
TOTAL	**9,800**	**9,800**	**3,965**	**40%**		**14'**	**3**	**0**	**3.1**	**42%**

As of the valuation date of this report, the owner of record is Richard and Susan Buys Properties, LLC.

This Appraisal Report was prepared to conform with the requirements of the Uniform Standards of Professional Appraisal Practice (USPAP). This report has been written in accordance with the Code of Ethics and the Standards of Professional Practice of the Appraisal Institute. In addition, this report is intended to be in compliance with additional requirements of Heber City (client) as applicable. This report is intended to be used by the intended user(s) named herein; no other party may rely upon the opinions presented in this report.

EXTRAORDINARY ASSUMPTION(S) AND HYPOTHETICAL CONDITION(S)

The values presented within this appraisal report are subject to the extraordinary assumptions and hypothetical conditions listed below. Pursuant to the requirement within Uniform Standards of Professional Appraisal Practice Standards, it is stated here that the use of any extraordinary assumptions and/or hypothetical conditions might have affected the assignment results.

Extraordinary Assumption(s)	This appraisal employs no extraordinary assumptions.
Hypothetical Condition(s)	This appraisal employs no hypothetical conditions.

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Based on the analysis undertaken, the following value opinion(s) have been developed.

MARKET VALUE CONCLUSION(S)			
Appraisal Premise	**Interest Appraised**	**Date of Value**	**Value Conclusion**
Market Value - As Is	Fee Simple	November 26, 2024	$2,160,000

This letter must remain attached to the report, which should be transmitted in its entirety, in order for the value opinion(s) set forth above to be relied upon by the intended user(s).

BBG, Inc. appreciates the opportunity to have performed this appraisal assignment on your behalf. If we may be of further service, please contact the Client Manager.

Sincerely,



John Blaser, MAI
UT Certified General Appraiser
License #: 8739330 CG00
702-343-7882
jblaser@bbgres.com

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SUBJECT PROPERTY



Western façade of flex bldg.



Northern façade of flex bldg.



Northern façade of flex bldg.

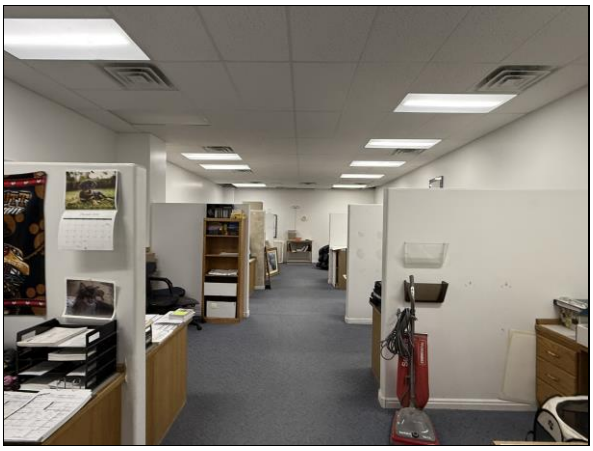


Eastern façade of flex bldg.

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Office area of flex bldg.



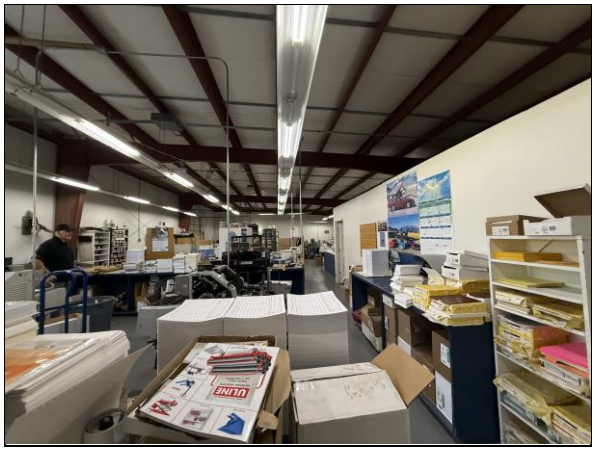
Office area of flex bldg.



Office area of flex bldg.



Office area of flex bldg.



Warehouse area of flex bldg.



Warehouse area of flex bldg.

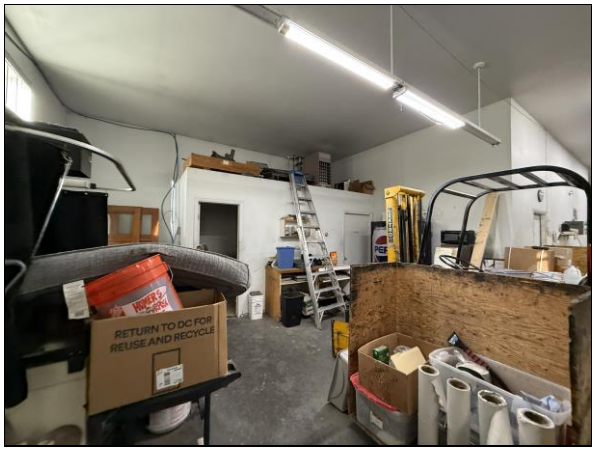
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Southern façade of Whse bldg.



Warehouse area of Whse bldg.



Warehouse area of Whse bldg.



Warehouse area of Whse bldg.



Warehouse area of Whse bldg.



Warehouse area of Whse bldg.

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Office area of Whse bldg.



Office area of Whse bldg.



Looking north along 100 West (Sub. to right)



Looking south along 100 West (Sub. to left)

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AERIAL PHOTOGRAPH



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SUMMARY OF SALIENT FACTS

APPRAISAL INFORMATION	
Client	Heber City 75 North Main Street, Heber City, UT 84032-1827
Intended User(s)	This appraisal report may only be relied upon by the client and intended user(s) named herein Heber City.
Intended Use	This appraisal is to be used for Internal business purposes purposes.
Property Rights Appraised	As Is Market Value - Fee Simple
Date of Inspection	November 26, 2024
Marketing Time (Months)	6 Months or Less
Exposure Time (Months)	6 Months or Less
Owner of Record	Richard and Susan Buys Properties, LLC
Property Contact(s)	Paul McFee - 435-671-8314 - paul@wasatchwave.com
Most Probable Purchaser	Owner-User
Highest and Best Use	
If Vacant	Commercial Development
As Improved	Continued use as an industrial building

PROPERTY DATA			
Property Name	Industrial Property (APN: 00-0011-8294)		
Address	165 South 100 West Heber City, Utah 84032-2001		
Location	The subject is located on the east side of 100 W.		
Property Description	Industrial (Single Tenant Industrial Building) (2) Industrial Buildings		
County	Wasatch County		
Parcel Number	00-0011-8294		
Census Tract No.			
Legal Description	BEGINNING NW CORNER OF LOT 2, BLOCK 66, HEBER CITY SURVEY: S.88 DEG 58'E.151.66FT; N.0 DEG 48'E.90.33FT; S.88 DEG 58'E.50FT: S.0 DEG 48'W.90.33FT; S.88 DEG 58'E.97.98FT; S.0 DEG 48'W.29FT; N.88 DEG 58'W.97.98FT; S.0 DEG 48'W.30FT; N.88 DEG 58'W.45.60FT; S.0 DEG 48'W.28.74FT; N.88 DEG 48'W.156.06FT; N.0 DEG 48'E.88.33FT TO THE BEGINNING. AREA: 0.54 ACRS		
Site Area			
Primary Site	23,522 square feet	(0.54 acres)	
Zoning	C-3; Central Commercial Zone		
Flood Zone/Map Number/Date	Zone X (Shaded)	49051C0118E	March 15, 2012
Year Built	1999 & 1970's		
Type of Construction	Metal and concrete block		
Number of Buildings	2		
Gross Building Area	9,800 square feet		
Net Rentable Area	9,800 square feet		
Owner Occupancy	100%		
Overall Condition	Average		
Overall Quality	Average		
Overall Design/Functionality	Average		

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VALUE INDICATIONS		
As Is as of November 26, 2024		
Sales Comparison Approach	$2,160,000	$220.41 Per Square Foot (NRA)
Income Capitalization Approach		
Direct Capitalization	$2,100,000	$214.29 Per Square Foot (NRA)
Approach Reliance		
Direct Capitalization	**$2,160,000**	**$220.41** Per Square Foot (NRA)
Exposure Time (Months)	6 Months or Less	
Marketing Time (Months)	6 Months or Less	

EXTRAORDINARY ASSUMPTION(S) AND HYPOTHETICAL CONDITION(S)

The values presented within this appraisal report are subject to the extraordinary assumptions and hypothetical conditions listed below. Pursuant to the requirement within Uniform Standards of Professional Appraisal Practice Standards, it is stated here that the use of any extraordinary assumptions and/or hypothetical conditions might have affected the assignment results.

Extraordinary Assumption(s)	This appraisal employs no extraordinary assumptions.
Hypothetical Condition(s)	This appraisal employs no hypothetical conditions.

PROPERTY TRANSACTION HISTORY

There have been no known transactions of the subject property within the three years prior to the effective date of this appraisal.

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SCOPE OF WORK

The scope of work best defines the needs of the client(s) and intended user(s) of the report and dictates what factors an appraiser considered during the valuation process. The scope of work summarized below has been deemed acceptable as it meets or exceeds both the expectations of parties who are regularly intended users for similar assignments and what an appraiser's peers' actions would be in performing the same or a similar assignment. As such, the scope of work summarized below is deemed appropriate for this assignment based on its parameters and will produce credible assignment results. Additional scope details are included in appropriate sections of this report.

SCOPE OF THE INVESTIGATION	
General and Market Data Analyzed	▪ Regional economic data and trends ▪ Market analysis data specific to the subject property type ▪ Published survey data ▪ Neighborhood demographic data ▪ Comparable cost, sale, rental, expense, and capitalization rate data ▪ Floodplain status ▪ Zoning information ▪ Assessor's information ▪ Interviewed professionals knowledgeable about the subject's property type and market
Inspection Details	John Blaser, MAI inspected the interior and exterior of the subject November 26, 2024.
Data Sources	

DATA SOURCES	
Site Size	Assessor's Records
Building Size	BBG's measurements at inspection
Tax Data	Assessor's Records
Zoning Information	Planning Dept
Flood Status	RealQuest
Demographics Reports	Spotlight
Comparable Improved Sales	BBG, Inc. Data/Costar/CompStak
Comparable Improved Leases	BBG, Inc. Data/Costar/CompStak

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VALUATION METHODOLOGY

Most Probable Buyer	To apply the most relevant valuation methods and data, the appraiser must first determine the most probable buyer of the subject property. Based on the analyses presented, the most probable buyer of the subject property would be a(n) Owner-User.
Valuation Methods Utilized	This appraisal employs the Sales Comparison Approach and the Income Capitalization Approach. Based on our analysis and knowledge of the subject property type and relevant investor profiles, it is our opinion that these approaches would be considered applicable and/or necessary for market participants. The subject's age makes it difficult to accurately form an opinion of depreciation and tends to make the Cost Approach unreliable. Investors do not typically rely on the Cost Approach when purchasing a property such as the subject of this report. Therefore, we have not employed the Cost Approach to develop an opinion of market value.

DEFINITIONS

Pertinent definitions, including the definition of market value, are included in the glossary, located in the *Addenda* of this report. The following definition of market value is used by agencies that regulate federally insured financial institutions in the United States:

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 are the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

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

LEVEL OF REPORTING DETAIL

Standards Rule 2-2 (Real Property Appraisal, Reporting) contained in USPAP requires each written real property appraisal report to be prepared as either an Appraisal Report or a Restricted Appraisal Report.

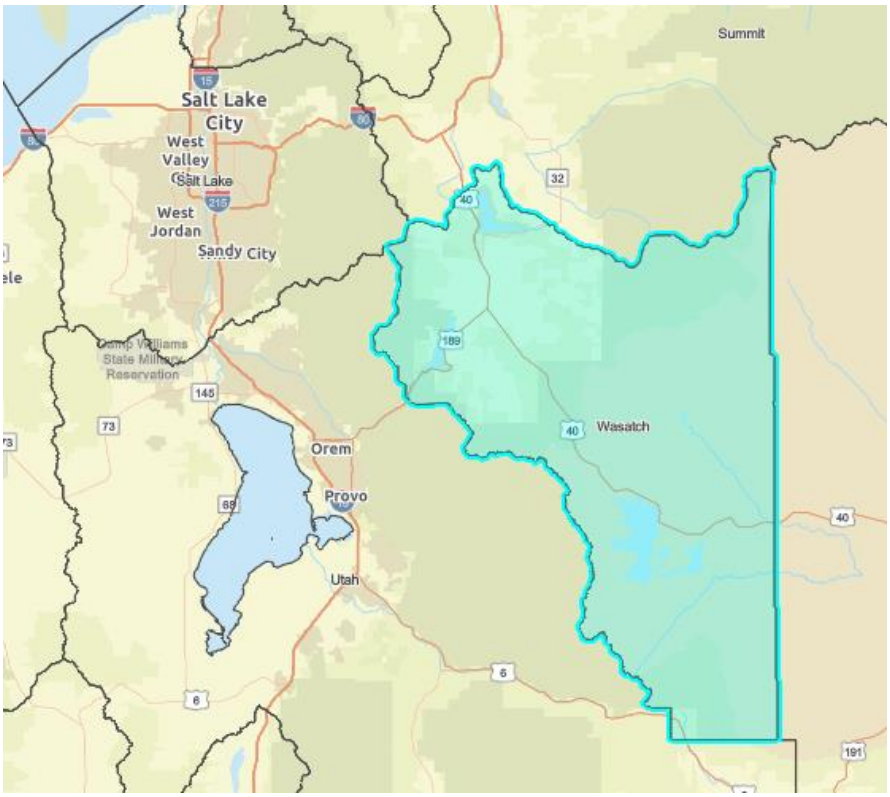
This report is prepared as an **Appraisal Report.** An Appraisal Report must at a minimum summarize the appraiser's analysis and the rationale for the conclusions.

[1] (Interagency Appraisal and Evaluation Guidelines; December 10, 2010, Federal Register, Volume 75 Number 237, Page 77472)

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REGIONAL ANALYSIS

WASATCH COUNTY



The subject is located along the Wasatch County. This county borders two of the three major MSAs in the state of Utah: Salt Lake, and Provo-Orem. The counties encompassed in these MSAs are Salt Lake and Tooele for the Salt Lake MSA, and Utah and Juab Counties for Provo-Orem MSA. These two MSAs and Wasatch County largely make up the overall Utah population and economy with 59.67% of the total state's population being in the two MSAs and Wasatch County.

The two MSAs have consistently boasted a strong economy and was ranked by Forbes as the #6 (Provo), and #21 (Salt Lake City) best place for business and careers in 2022, crediting the continually growing GDP, job growth, educated workforce and rapidly growing and large younger population. According to the Milken Institute, from 2017 to 2022 job growth was 12% in the Salt Lake MSA and 22% in the Provo-Orem MSA. According to WalletHub's latest report, which ranks the best and worst places to start a career in 2024, Salt Lake City was third. The Provo-Orem MSA is also ranked fourth by Forbes from 2015-2020 in GDP growth with a 5-year growth rate of 35.6%. For GDP growth over the last 10-years, Utah was ranked second amongst US states with a growth rate of 44.5%.

The Salt Lake City International Airport (SLC) is the major regional airport for the Wasatch Front and was the 20th busiest U.S. airport with close to 23 million passengers in 2021. The airport is currently undergoing expansion that would see greater traffic to the region via air travel and serves as one of the major hubs nationally for Delta Airlines. Construction of phase three of The New SLC is scheduled to open in fall 2024. Overall, the area is well-connected from a logistics and tourism standpoint with two major interstates in I-80 and I-15 intersecting in Salt Lake City, with I-15 also passing through Provo-Orem. The strong economy, along with Utah having the third highest quality of life according to the World Population Review, the tenth best overall education according to US News, and youngest average population signal that Utah is poised to continue its trend of rapid growth.

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POPULATION

The Wasatch County has an estimated 2024 population of 37,976, which represents an average annual 1.0% increase since the 2020 census of 34,788. The Wasatch County's annual growth rate is higher than the State of Utah rate of 0.5%. The Salt Lake MSA has an estimated 2024 population of 1,284,372, which represents an average annual 0.2% increase since the 2020 census of 1,257,936. The Salt Lake MSA's annual growth rate is slightly lower the State of Utah rate of 0.5%. The Provo-Orem MSA has an estimated 2024 population of 738,797, which represents an average annual 1.1% increase since the 2020 census of 671,185. The Provo-Orem MSA's annual growth rate exceeds the State of Utah rate of 0.5%.

Looking forward, the Wasatch County's population is projected to increase at a 1.6% annual rate, the Salt Lake MSA's population is projected to increase at a 0.6% annual rate, and the Provo-Orem MSA's population is projected to increase at a 1.6% annual rate from 2024-2029. These growth rates are in line with the state of Utah projected growth rate of 1.0%.

POPULATION TRENDS					
	Population			Compound Ann. % Chng	
	2020 Census	2024 Estimate	2029 Projection	2020-2023	2023-2028
Wasatch County	34,788	37,976	41,129	1.0%	1.6%
Salt Lake MSA	1,257,936	1,284,372	1,324,106	0.2%	0.6%
Provo-Orem MSA	671,185	738,797	799,246	1.1%	1.6%
Utah	3,271,616	3,454,370	3,637,367	0.5%	1.0%

Source: Environics Analytics

EMPLOYMENT

Total employment in the Wasatch County is currently estimated at 17,808 jobs, for the Salt Lake MSA it is currently estimated at 711,319, and for the Provo-Orem MSA it is estimated at 348,628 jobs as of 2022. Between 2011 and 2022 (year-end), employment rose by a combined 305,702 jobs, equivalent to a 39.60% increase over the entire period.

A comparison of unemployment rates is another way of gauging an area's economic health. Over the past decade, Wasatch County, and the two MSAs unemployment rate has been consistently close to that of Utah, with an average unemployment rate of 3.7% with three combined in comparison to a 3.7% rate for Utah. This is a positive sign of the unemployment rate healing from the impact of the COVID-19 pandemic which affected unemployment rates drastically in 2020.

EMPLOYMENT TRENDS								
	Total Employment (Year End)				Unemployment Rate (Ann. Avg.)			
Year	Wasatch County	Salt Lake MSA	Provo-Orem MSA	Utah	Wasatch County	Salt Lake MSA	Provo-Orem MSA	Utah
2011	11,007	536,943	224,103	1,263,082	7.3%	7.0%	6.6%	7.1%
2012	11,500	557,386	235,417	1,304,925	5.1%	4.7%	4.4%	4.8%
2013	12,072	574,333	245,173	1,345,552	4.3%	4.1%	3.9%	4.2%
2014	12,460	583,560	254,924	1,379,448	3.6%	3.6%	3.3%	3.6%
2015	13,098	600,318	267,810	1,420,643	3.4%	3.4%	3.2%	3.5%
2016	13,720	619,043	280,515	1,469,250	3.3%	3.1%	3.0%	3.3%
2017	14,651	634,983	295,015	1,517,655	3.2%	3.0%	2.8%	3.1%
2018	15,396	647,637	304,099	1,553,834	3.0%	2.8%	2.7%	2.9%
2019	16,076	665,802	314,702	1,599,028	2.7%	2.5%	2.3%	2.5%
2020	16,140	660,041	322,444	1,608,498	6.6%	5.2%	3.9%	4.8%
2021	17,151	688,825	338,841	1,675,599	2.9%	2.8%	2.4%	2.7%
2022	17,808	711,319	348,628	1,724,331	2.4%	2.3%	2.1%	2.3%
Overall Change 2011-2022	**6,801**	**174,376**	**124,525**	**461,249**				
Avg Unemp. Rate 2011-2022					4.0%	3.7%	3.4%	3.7%
Unemployment Rate - December 2023					2.4%	2.5%	2.4%	2.5%

Source: Bureau of Labor Statistics and Economy.com. Employment figures are from the Current Employment Survey (CES). Unemployment rates are from the Local Area Unemployment Statistics (LAUS). The figures are seasonally adjusted, except for the state of Utah unemployment which was not provided as seasonally adjusted by the Bureua of Labor Statistics

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Major employment categories for Wasatch County and the two MSAs are detailed below:

EMPLOYMENT CATEGORIES			
Name	Wasatch County	Salt Lake MSA	Provo-Orem MSA
Architecture/Engineering	1.43%	2.27%	1.89%
Arts/Design/Entertainment/Sports/Media	2.80%	2.05%	3.07%
Building/Grounds Cleaning/Maintenance	4.70%	2.90%	2.90%
Business/Financial Operations	4.82%	6.77%	6.37%
Community/Social Services	0.68%	1.32%	1.50%
Computer/Mathematical	1.53%	4.94%	6.01%
Construction/Extraction	7.18%	5.76%	5.06%
Education/Training/Library	5.86%	5.29%	8.25%
Farming/Fishing/Forestry	0.05%	0.12%	0.32%
Food Preparation/Serving Related	8.03%	4.36%	4.39%
Healthcare Practitioner/Technician	5.71%	5.68%	4.41%
Healthcare Support	2.48%	1.99%	2.61%
Installation/Maintenance/Repair	1.97%	2.83%	2.47%
Legal	0.84%	0.98%	0.77%
Life/Physical/Social Science	1.23%	1.13%	0.86%
Management	14.68%	11.71%	12.37%
Office/Administrative Support	10.06%	13.20%	12.93%
Production	3.04%	5.95%	4.66%
Protective Services	1.97%	1.53%	1.76%
Sales/Related	9.66%	9.46%	9.46%
Personal Care/Service	3.38%	2.49%	2.20%
Transportation/Material Moving	7.91%	7.28%	5.74%

Source: Environics Analytics

The area's largest category falls within management for Wasatch County, and in office/ administrative support for both the Salt Lake MSA and Provo-Orem MSA.

HOUSEHOLD INCOME

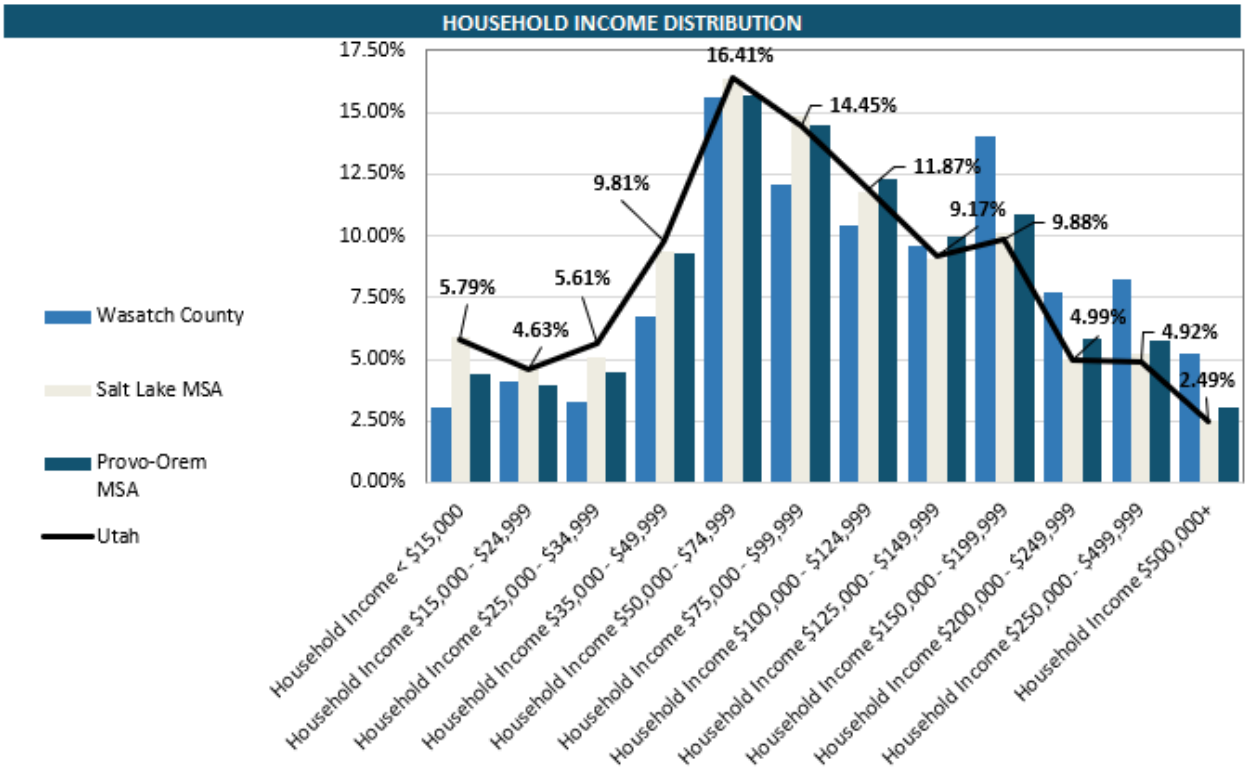
The three MSAs are more affluent than Utah, as a whole. Median household income for the Wasatch County is $112,107, for the Salt Lake MSA it is $88,998, and for the Provo-Orem MSA it is $95,810.

MEDIAN HOUSEHOLD INCOME		
	Average	Median
Wasatch County	$149,623	$112,107
Salt Lake MSA	$117,032	$88,998
Provo-Orem MSA	$125,276	$95,810
Utah	$115,561	$87,942

Source: Environics Analytics

The following chart shows the distribution of households across twelve income levels. Wasatch County and the two MSAs generally follow the same trend as the state of Utah. The three MSAs have an average of 62.70% households are at the $75,000 or greater levels in household income as compared to the 43.32% of Utah households. A lesser concentration of households is apparent in the lower income levels, as an average of 12.94% for the three MSAs' households are below the $35,000 level in household income versus 16.02% of Utah households.

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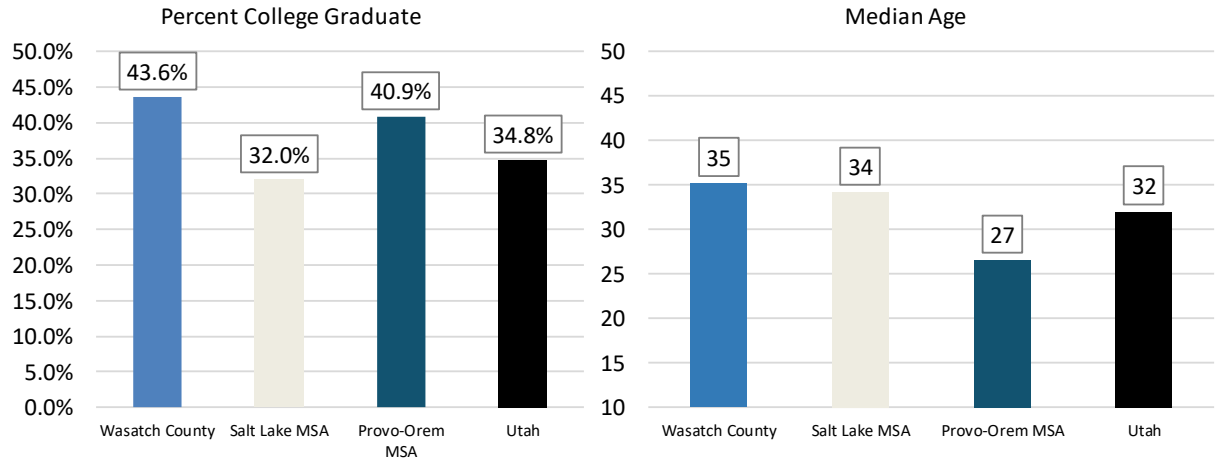
Source: Environics Analytics

EDUCATION & AGE

Residents of the Wasatch County and Provo-Orem MSA have a higher level of educational attainment than those of Utah. An estimated 43.6% of the Wasatch County and 40.9% of the Provo-Orem MSA residents attained a bachelor's degree or higher, versus 32.0% of Salt Lake MSA residents and 34.8% of Utah residents. The median age of the Wasatch County of 35 and the Salt Lake MSA of 34 exceed that of the Utah median of 32. The Provo-Orem MSA has a significantly lower median age of 27 in comparison to the other MSAs and the overall state.

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EDUCATION AND AGE



Source: Environics Analytics

CONCLUSION

The economy of the two MSAs and Wasatch County boasts a diverse economic base along with a young population that is anticipated to keep the area growing rapidly into the foreseeable future. The two MSAs and Wasatch County benefits from a growing population base and has also maintained consistently lower unemployment rates than most of the United States over the past decade. Propelled by tech, the metro will grow fast for longer with employment and income growth topping that in most other large metropolitan areas. We anticipate that these economic indicators within the two MSAs and Wasatch County will continue to strengthen the overall demand for real estate in the region.

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NEIGHBORHOOD AREA ANALYSIS

INTRODUCTION

A neighborhood area is "the defined geographic area in which the subject property competes for the attentions of market participants; the term broadly defines an area containing diverse land uses." Neighborhood areas are defined by a combination of factors including physical features the demographic and socioeconomic characteristics of the residents or tenants, the condition of the improvements, and land use trends. Neighborhood analysis focuses on the identification of boundaries and the social, economic, governmental and environmental influences that affect the value of real property within those boundaries. In conducting neighborhood analysis, the competitive supply and demand for the subject property is more directly addressed.

The purpose of a neighborhood analysis is to provide a bridge between the study of general influences on all property values and the analysis of a subject. Neighborhood boundaries are identified by determining the area in which the four forces that affect value (social, economic, governmental and environmental) operate in the same way they affect the subject property. Interaction of the various components influencing these four forces often results in the dissimilarities regarding the length of time between the stages of a market's life cycle.

SURROUNDING USE MAP



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ACCESS/VISIBILITY

Access to the subject neighborhood is considered average. The following tables provide distances to Interstate/Freeways and other supporting services:

DISTANCE TO SUPPORTIVE USES / ACCESS		
Type	**Distance**	**Direction**
Interstate/Freeways		
Highway 40, Heber City, UT	2.0 miles	N
Highway 189, Heber City, UT	2.4 miles	N
Transportation Centers		
Heber Valley Airport, Heber City, UT	1.7 miles	S
Provo Municipal Airport, Provo, UT	25.4 miles	SW
Salt Lake International Airport, Salt Lake City, UT	35.4 miles	NW
Shopping Facilities		
Walmart Supercenter, Heber City, UT	0.8 miles	S
New Park Town Center, Park City, UT	16.3 miles	NW
Outlets Park City, Park City, UT	16.9 miles	NW
Education Centers		
Wasatch High School, Heber City, UT	0.8 miles	SE
Park City High, Park City, UT	11.9 miles	N
Brigham Young University, Provo, UT	21.4 miles	SW
Utah Valley University, Orem, UT	21.9 miles	SW
University of Utah, Salt Lake City, UT	28.7 miles	NW
Employment Centers		
Walmart Supercenter, Heber City, UT	0.8 miles	S
Wasatch County, Heber City, UT	0.4 miles	S
Wasatch County School District, Heber City, UT	0.4 miles	NE
Probst Electric, Heber City, UT	1.9 miles	S
Landmarks / Other		
Memorial Hill, Wasatch County, UT	2.6 miles	W
Historic Main Street in Park City, Park City, UT	10.5 miles	NW

The neighborhood is served by the Utah Transit Authority, which provides mass transportation. The Utah Transit Authority (UTA) is responsible for providing public transportation in the metropolitan areas of Ogden, Park City, Provo, Salt Lake City, and Tooele.

Growth patterns have occurred primarily along major commercial thoroughfares such as Interstate 15, as well as along various primary arterial carriers.

LAND USE PATTERNS

The subject market is suburban in nature and is estimated to be approximately 90% developed. The land uses within the defined neighborhood are a mix of moderate-end residential with commercial development along highways, secondary arterials, and specific corridors. Neighborhood retail/commercial development is along the major roadways in the residential areas. The vacant, undeveloped land in the area is a mixture of zoning districts that appear to follow the pattern of the existing development. That is, commercial and retail uses along the primary

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roadways and intersections, and single family residential in the interior. Continuation of the recent new development of single family, multifamily, retail, and office is expected into the future, resulting in changing land uses from vacant to developed.

LIFE STAGE AND TRENDS

The subject market is in the late stage of its life cycle. Within a 5-mile radius of the subject, the population is expected to increase 3,077 people over the next five years. This population growth should reflect an increased demand for real estate. Improved property values are relatively stable to rising. Prices for vacant land for speculative development have also been increasing. Most of the residential development, including multifamily, range in age from new construction to 30 years. Approximately 10% of the neighborhood is vacant land being held for development.

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DEMOGRAPHIC DATA

The data below summarize the market area demographics for the 1, 3, and 5-mile radii from the address of the subject, as provided by Claritas, Inc (Spotlight).

COMPARATIVE DEMOGRAPHIC ANALYSIS FOR PRIMARY TRADE AREA			
Description	165 South 100 West - 1 mi. Totals	165 South 100 West - 3 mi. Totals	165 South 100 West - 5 mi. Totals
Population			
2029 Projection	10,210	26,910	34,774
2024 Estimate	9,654	25,092	32,190
2020 Census	9,087	23,251	29,570
2010 Census	4,942	14,862	17,969
2024 Est. Median Age	31.13	31.80	33.34
2024 Est. Average Age	33.42	34.34	35.54
Households			
2029 Projection	3,110	8,035	10,603
2024 Estimate	2,954	7,501	9,836
2020 Census	2,807	6,941	9,038
2010 Census	1,555	4,461	5,398
2024 Est. Average Household Size	3.29	3.32	3.25
2024 Est. Households by Household Income (%)			
Household Income < $15,000	3.4	2.9	3.0
Household Income $15,000 - $24,999	5.6	3.7	3.8
Household Income $25,000 - $34,999	5.1	3.7	3.2
Household Income $35,000 - $49,999	9.6	6.3	6.3
Household Income $50,000 - $74,999	***15.7***	***18.1***	***16.8***
Household Income $75,000 - $99,999	12.8	13.6	13.1
Household Income $100,000 - $124,999	12.9	11.4	11.0
Household Income $125,000 - $149,999	11.5	10.8	10.1
Household Income $150,000 - $199,999	11.0	12.9	13.3
Household Income $200,000 - $249,999	7.6	7.8	7.9
Household Income $250,000 - $499,999	3.5	5.9	7.3
Household Income $500,000+	1.3	3.1	4.2
2024 Est. Average Household Income	$113,984	$133,092	$142,525
2024 Est. Median Household Income	$95,530	$103,728	$108,283
2024 Est. Tenure of Occupied Housing Units (%)			
Owner Occupied	66.8	72.7	75.7
Renter Occupied	33.1	27.3	24.3
2024 Est. Median All Owner-Occupied Housing Value	$456,497	$540,968	$605,657
Source: 2024 Claritas, Inc.			

Growth has been steady at all radii over the past decade and is projected to continue over the next five years. Within a three-mile radius of the subject, 72.7% of the housing is owner occupied. The median household income within a three-mile radius is $103,728.

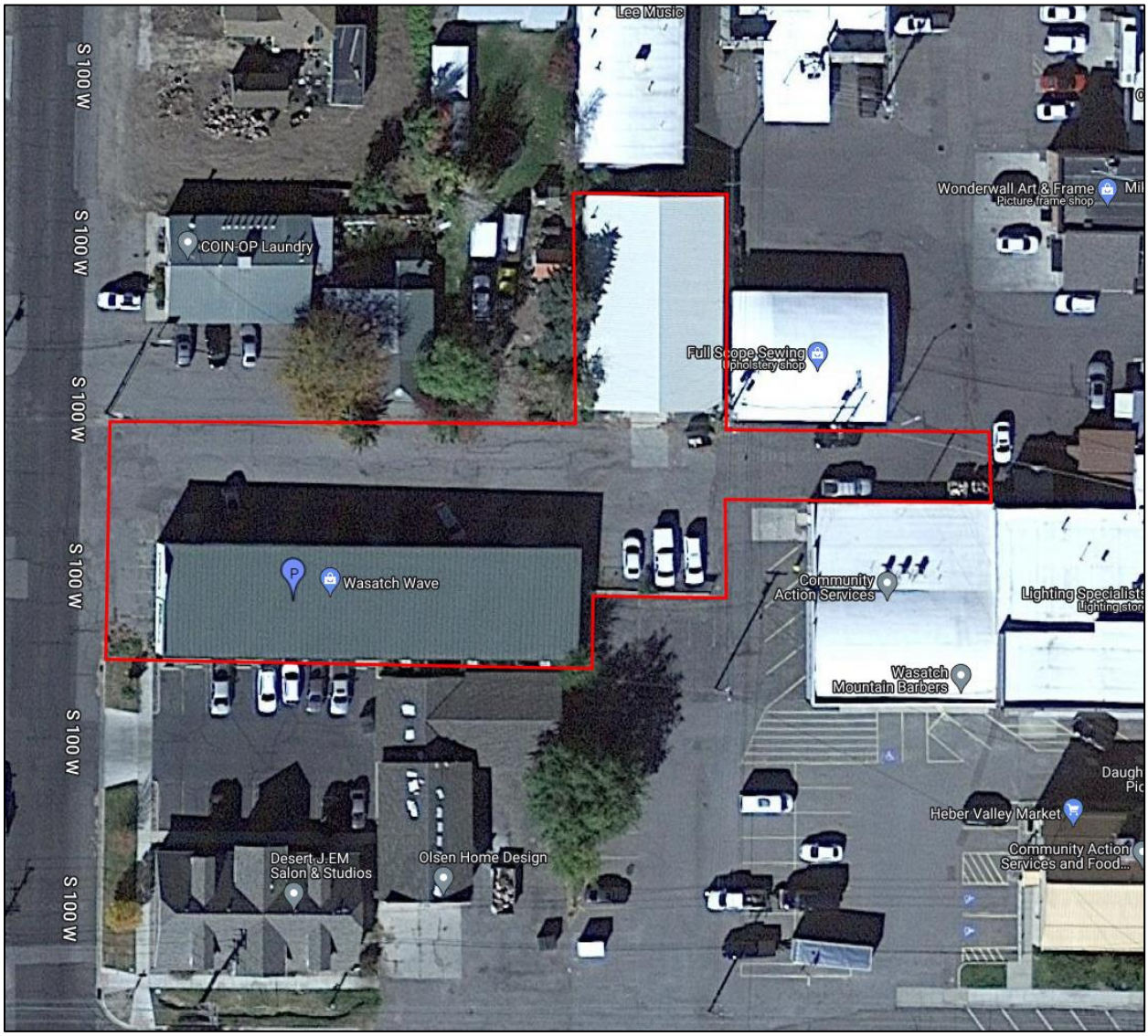
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SITE DESCRIPTION

GENERAL SITE DESCRIPTION OVERVIEW	
Location	The subject is located on the east side of 100 W.
Parcel Number	00-0011-8294
Legal Description	BEGINNING NW CORNER OF LOT 2, BLOCK 66, HEBER CITY SURVEY: S.88 DEG 58'E.151.66FT; N.0 DEG 48'E.90.33FT; S.88 DEG 58'E.50FT: S.0 DEG 48'W.90.33FT; S.88 DEG 58'E.97.98FT; S.0 DEG 48'W.29FT; N.88 DEG 58'W.97.98FT; S.0 DEG 48'W.30FT; N.88 DEG 58'W.45.60FT; S.0 DEG 48'W.28.74FT; N.88 DEG 48'W.156.06FT; N.0 DEG 48'E.88.33FT TO THE BEGINNING. AREA: 0.54 ACRS
Latitude, Longitude	40.505525, -111.414966
Site Area	23,522 square feet (0.54 acres)
Configuration	Irregular
Topography	Level
Drainage	Appears adequate
Utilities/Municipal Services	Typical utilities and municipal services available to site.
Off-Site Improvements	Completed
Flood Zone(s)	**Zone** / **Map** / **Date** Zone X (Shaded) / 49051C0118E / March 15, 2012 Zone X Shaded (Inside 500Y) is a Non-Special Flood Hazard Area (NSFHA) of moderate flood hazard, usually the area between the limits of the 100-year and 500-year floods. Are also used to designate base floodplains of lesser hazards, such as areas protected by levees from 100-year flood, or shallow flooding areas with average depths of less than one foot or drainage areas less than 1 square mile. This is an area in a low to moderate risk flood zone that is not in any immediate danger from flooding caused by overflowing rivers or hard rains. In communities that participate in the National Flood Insurance Program (NFIP), flood insurance is available to all property owners and renters in this zone.
Census Tract No.	
Soil/Subsoil Conditions	We did not receive nor review a soil report. However, we assume that the soil's load-bearing capacity is sufficient to support existing and/or proposed structure(s). We did not observe any evidence to the contrary during our physical inspection of the property.
Environmental Concerns	The inspecting appraiser did not observe any environmental issues and for the purpose of this appraisal, it is specifically assumed that none exist. No independent environmental studies were provided. This appraisal assignment was engaged to determine the market value of the property, independent of any potential environmental issues. In the event the property is determined to be impacted by environmental concerns, it could affect our appraisal conclusions.
Easements, Encroachments and Deed Restrictions	There is an access easement to the subject from 100 S
Hazards Nuisances	No hazards or nuisances noted at time of inspection.
Frontage	Approximately 90 feet along 100 W.
Access	Access to the subject is offered via curb cuts along 100 W and 100 S.
Visibility	Average/Good
Surrounding Land Uses	Surrounding uses include industrial and retail to the north, east and south, and residential to the west.
Traffic Counts	The subject is located along an access street with average exposure for similar industrial buildings
Site Utility	Average

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SITE PLAN



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GIS MAP



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FLOOD MAP

Flood Map Report

For Property Located At

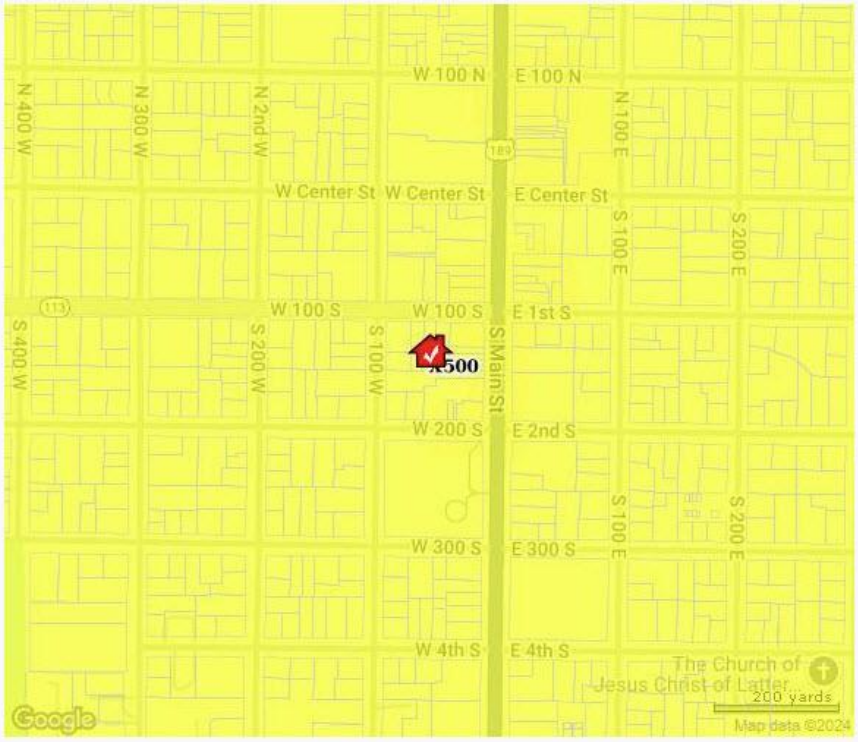
165 S 100 W, HEBER CITY, UT 84032-2001

Report Date: 12/04/2024 **County:** WASATCH, UT

Flood Zone Code	Flood Zone Panel	Panel Date
X500	490166 - 49051C0118E	03/15/2012
Special Flood Hazard Area (SFHA)	**Within 250 ft. of multiple flood zones?**	**Community Name**
Out	No	HEBER CITY

Flood Zone Description:

Zone X (500-year)-An area inundated by 500-year flooding; an area inundated by 100-year flooding with average depths of less than 1 foot or with drainage areas less than 1 square mile; or an area protected by levees from 100-year flooding.



Flood Zones

Coastal 100-year Floodway	100-year Floodway	Undetermined	500-year Floodplain incl. levee protected area
Coastal 100-year Floodplain	100-year Floodplain	Unknown or Area Not Included	Out of Special Flood Hazard Area

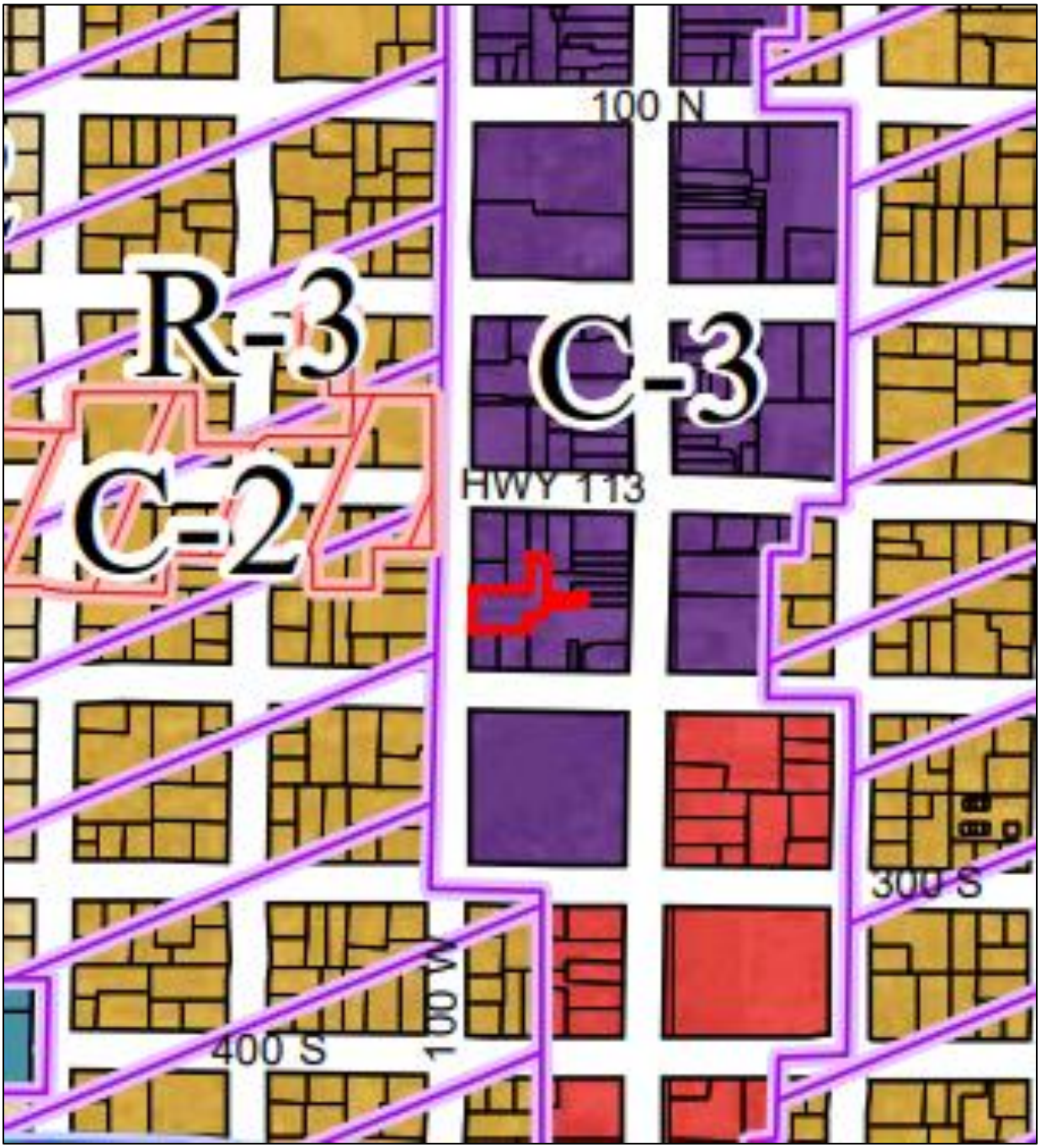
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ZONING DESCRIPTION

ZONING	
Designation	C-3
Zoning Authority	Heber City
Description	Central Commercial Zone
Zoning Intent	The C-3 central commercial zone has been established as a district in which the primary use of the land is for business purposes. The area covered by this zone is now, and it is intended that is shall continue to be, the dominant shopping and financial center for the city and surrounding territory. For this reason, the zone has been located in the central part of the city where the street pattern makes the business buildings readily accessible to all parts of the city and surrounding region and where business and shopping activities can be carried on with maximum convenience. The C-3 zone is characterized by wide, clean, well-lighted streets, ample pedestrian ways and vehicular parking lots for the convenience and safety of the public. Attractive, inviting and well-maintained shops, stores, offices and other buildings are also characteristic of this zone.
Compliance	Based on the appraiser's interpretation of the zoning ordinance, the subject is a pre-existing non-conforming use of the site as it is currently operating as an industrial building which is not a permitted use within the zone. We called the Heber City Planning and Zoning department to see if a conditional use permit was in place or if the subject was grandfathered in; however, they were unable to be reached.
ZONING REQUIREMENTS	
Permitted Uses	Home occupations, Bed and breakfast inns, Funeral establishments, mortuaries and wedding chapels, Gymnasium/physical fitness/spa establishments, Public utilities, shops and storage yards, and public buildings, Public watere resevoir/public storage tank, Retail shops/services, Financial institutions, Restaurants, Professional offices, Private instructional studio.
Minimum Lot Size	None
Maximum Lot Size	None
Minimum Lot Width	None
Maximum Height	None stated in code
Parking Requirements	
Industrial	1 parking space per two employees. Subject required parking based on 10 employees.
Required No. Parking Spaces	5
Subject's Total Parking Spaces	15

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ZONING MAP



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IMPROVEMENTS DESCRIPTION

GENERAL IMPROVEMENT DESCRIPTION OVERVIEW	
Address	165 South 100 West Heber City, Utah 84032-2001
Property Description	Industrial (Single Tenant Industrial Building) (2) Industrial Buildings
Year Built	1999 & 1970's
Number of Buildings	2
Number of Stories	1
Building Construction Class (MVS)	Class S & Class C
Net Rentable Area	9,800 square feet
Gross Building Area	9,800 square feet
Warehouse	5,835 square feet
Office	3,965 square feet
Building Footprint	9,800 square feet
Ceiling Heights	14'
Coverage Ratio	41.7% (9,800 SF Bldg Footprint ÷ 23,522 SF Primary Site)
Ingress/Egress	A preliminary title report was not available for review. During the on-site inspection, no adverse easements or encumbrances were noted. This appraisal assumes that there is no negative value impact on the subject improvements. If questions arise regarding easements, encroachments, or other encumbrances, further research is advised.
Percentage Office Build-Out	40%
Clear Height	14'
Power	Assumed adequate and to code
Loading Doors	
Dock High	0
Roll-Up	3
Loading Door Ratio	3.1
Parking	
Surface Parking Spaces	15
Parking Ratio	1.53 spaces per 1,000 SF of net building area.
ADA Compliance	The property is assumed to be fully ADA compliant.

INDIVIDUAL BUILDING DESCRIPTIONS

Building	GBA	NRA	Office SF	Office %	Year Built	Clear Height	Grade Doors	Dock Doors	Loading Door Ratio	Site Coverage
Flex Bldg.	6,000	6,000	3,480	58%	1999	14'	1	0	1.7	26%
Warehouse Bldg.	3,800	3,800	485	13%	1970's	14'	2	0	5.3	16%
TOTAL	**9,800**	**9,800**	**3,965**	**40%**		**14'**	**3**	**0**	**3.1**	**42%**

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CONSTRUCTION DETAIL	
General Layout	The subject property includes two industrial buildings located on a 0.54-acre site, along the east side of 100 West.
Foundation	Reinforced concrete slab
Construction	Metal and concrete block
Floor Structure	Reinforced concrete
Exterior Walls	Metal and concrete block
Roof Type	Sloped
Roof Cover	Metal
Windows	Double-pane, metal

INTERIOR DETAIL	
Interior Walls	Drywall in the office area and exposed walls in the warehouse.
Ceilings	2 x 4 acoustical tile and drywall in the office area and exposed ceilings in the warehouse area.
Floor Coverings	Commercial grade carpet, tile and linoleum in the office area with sealed concrete in the warehouse area
Lighting	Fluorescent and Incandescent
Warehouse Clear Height	14'

MECHANICAL DETAIL	
Heating	Forced air in the office area. Reznor heaters in the warehouse
Cooling	Central A/C in the office area. No cooling units were observed within the warehouse area.
Plumbing	Standard plumbing for an industrial building
Electrical	Assumed to code and adequate.
Fire Protection	No sprinkler system observed.

SITE IMPROVEMENTS	
Parking Type	Surface
Landscaping	Asphalt paving, concrete sidewalks, concrete curbing, pole mounted lights and low maintenance sprinklered landscaping
Signage	Occupant has signage on the building façades

RENOVATION/DEFERRED MAINTENANCE	
Recent Renovations or Replacements	None noted
Deferred Maintenance	None noted

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SUMMARY	
Building Condition	Average We did not inspect the roof of the building(s) nor make a detailed inspection of the mechanical systems. We are not qualified to render an opinion as to the adequacy or condition of these components. The client is urged to retain an expert in this field if detailed information is needed about the adequacy and condition of mechanical systems.
Building Quality	Average
Design and Functionality	Average
Actual Age	25 Years & Approx. 54 Years
Expected Economic Life	50 years
Effective Age	20 years
Remaining Economic Life	30 years
Comments	The subject improvements offer average utility to the tenants. The site coverage and parking ratios are within market standards. Overall, the subject has a functional design for an industrial building based on the site and building configurations.

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PROPERTY ASSESSMENT AND TAX ANALYSIS

In Utah, taxes are calculated by multiplying the tax rate by the taxable value. The taxable value is calculated at 100% of the final value or market value for commercial properties and 55% for residential properties. All property is reappraised annually, and Utah law requires a review of property characteristics once every five years. The final value is the reported market value of the property, as reported by the assessor's offices. Tax rates are set by procedures established in the Utah Constitution. There are many different rates in Wasatch County, and they vary across the county depending on which school district, city, special service districts, and etc. the property is located.

- Real property is reassessed annually, and reappraised and physically inspected every five years. A sale or conversion does not specifically trigger a reassessment as all property is reassessed annually regardless of the property history.
- The State of Utah is a non-disclosure State. The transaction price of a property is not known to the public or the assessor unless parties to the transaction choose to disclose. Therefore, sales prices greater than the current assessed value of a property will not necessarily trigger a higher assessed value.
- There is no annual cap on assessed property value or property tax increases for individual property.

PROPERTY ASSESSMENT AND TAX DATA

The following table summarizes the subject's real property taxation and our projection of real property taxes:

REAL ESTATE ASSESSMENT AND TAXES							
Tax Year: 2024		**Tax Area: 003**		**Tax Rate: 0.009252**			
Tax ID No.	**Land**	**Improvement**	**Personal/Other**	**Total**	**Exemptions**	**Taxable**	**Base Tax**
00-0011-8294	$390,000	$1,420,000	$79,395	$1,889,395	$0	$1,889,395	$17,481
Total Tax Value	$390,000	$1,420,000	$79,395	$1,889,395	$0	$1,889,395	$17,481
Total Tax Value PSF							**$1.78**
Total Base Taxes							**$17,481**
Total Taxes PSF							**$1.78**

CONCLUSION

According to the Wasatch County Assessor's website, real estate taxes for the subject property are current as of the date of this report

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MARKET ANALYSIS

SALT LAKE CITY INDUSTRIAL MARKET

Costar is the source for the following data. The data reflects conditions of 2024 Q3, the most recent data available. The initial discussion provides information on the overall Salt Lake City Industrial market.

CoStar's forecast scenarios include its Houseview Base Case, introduced in 2023, and several algorithmic forecast scenarios. These have been produced using CoStar's internal econometric property sector models based on inputs from Oxford Economics' macroeconomic models in its North American Cities and Regions service published in June 2024.

The Houseview Base Case forecast scenario is based on the Algorithmic Base Case below, where manual interventions are made to the property sector forecasts to account for structural and cyclical impacts in the commercial real estate markets that are not adequately reflected in macroeconomic forecasts. For example, tighter financial conditions have resulted in higher cap rates and steeper valuation losses, while low office utilization rates caused by the adoption of hybrid work arrangements have weakened fundamentals beyond what headline job gains or losses encapsulate. These interventions result in forecasts that are better aligned with the professional views of CoStar's property sector specialists.

The Houseview offers two accompanying scenarios: the Houseview Moderate Upside and the Houseview Severe Downside, where the former provides a more optimistic view of the economy with job gains and economic growth moderately improved over the Houseview Base Case, and the latter seeing a more muted economic environment.

The Algorithmic Base Case forecast is based on the Oxford Economics baseline forecast, which reflects moderate economic growth throughout 2024, driven by a solid labor market and the strong state of household balance sheets. GDP is expected to grow by 2.4% in 2024 and by 1.8% in 2025. Job gains have been slowing and are expected to continue to slow for the next few years. Firms are projected to add 2.4 million positions in 2024, compared to 3 million in 2023, and 1.2 million in 2025. The unemployment rate is expected to end the year at 4.1% and drift higher to 4.2% by mid-2025, staying there through the forecast period.

Headline and core inflation are expected to continue easing through the next four quarters but remain above the Federal Reserve's 2% target rate throughout 2024. The Federal Reserve is expected to lower its target rate in the second half of 2024. Capital markets remain calm. Spreads between BBB corporate bonds and the 10-year Treasury stay between 1.0% and 1.25% through the end of the forecast period.

CoStar also offers a forecast based on the 2024Q2 Algorithmic Moderate Upside scenario, which sees economic activity surprising to the upside over the coming year. Domestic demand 2 accelerates in this scenario, and GDP grows by 2.9% in 2024 and 3.3% in 2025, boosted by a virtuous cycle of higher asset prices, resilient confidence and vigorous lending growth. The Moderate Upside has the economy adding about 4 million jobs in 2024 before slowing to 1.6 million in 2025. The unemployment rate will fall to 3.1% by the end of this year and tick lower to 3.0% in 2025.

The Algorithmic Moderate Downside scenario envisions conditions where higher inflation, higher interest rates, and weakening demand cause a contraction in economic output in the second and third quarters of 2024. The economy will grow by 1.7% in 2024 compared to 2.4% in the Algorithmic Base Case scenario. Financial market turmoil unfolds, as well as weaker consumer confidence and reduced business investment.

Job losses begin in the second quarter of 2024 and continue through the end of 2025, with employment falling by about 1.9 million jobs during that time. The unemployment rate will rise to 5.2% by the end of 2024, 6.6% by the end of 2025, and 7.1% by 2026. The shock to aggregate demand and the labor market leads to slower inflation, weaker asset prices, and higher bond yields, leading to deteriorating financial conditions.

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The Algorithmic Interest Rate Shock forecast consists of the same economic forecast as the Moderate Downside scenario but delivers a shock to the BBB corporate bond yield as a proxy for a sudden increase in risk originating in financial markets or from significant and unexpected geopolitical events. In this scenario, higher risk spreads drive cap rates higher, which causes sharper near-term property value losses before eventually recovering.

The Algorithmic Severe Downside scenario envisions a severe global recession that might occur in the event of a major geopolitical crisis impacting supply chains, commodity prices and domestic consumer and business sentiment. This combination results in a severe and prolonged contraction in output and employment, which spills over to reduced capital accumulation and total factor productivity.

In this scenario, the economy begins to contract sharply in the third quarter of 2024 and is in recession through early 2026, with GDP falling about 7.5% peak through trough. Job losses start immediately and continue through 2025, with more than 7.4 million positions lost during that time. The unemployment rate rises to 10% by the end of 2025. The severe economic distress weighs heavily on prices, and asset prices plummet.

Costar provides statistics related to the industrial market based on the following subtypes: Flex, Logistics and Specialized.

KEY INDICATORS *AT A GLANCE*

	PRIOR QUARTER	CURRENT QUARTER	COMPARISON
Vacancy (%)	7.20%	6.19%	decreased 101 Basis Points
Absorption (SF)	1,932,639	2,526,232	increased 593,593 SF
Quoted Rental Rates ($/SF/Year)	$11.04	$11.13	increased $0.09 PSF
Inventory (SF)	196,483,091	197,064,468	increased 581,376 SF
Net Deliveries (SF)	1,871,442	581,377	decreased 1,290,065 SF
Under Construction (SF)	2,431,043	2,179,974	decreased 251,069 SF

SALT LAKE CITY INDUSTRIAL MARKET STATISTICS

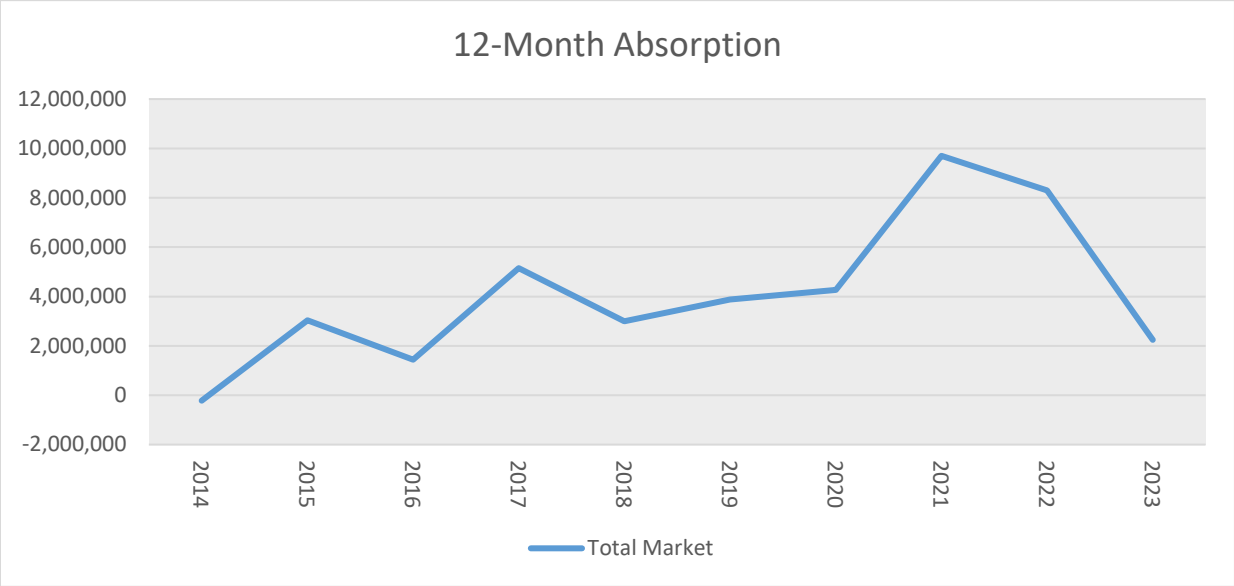
PERIOD	EXISTING INVENTORY (SF)	VACANCY %	NET ABSORPTION (SF)	NET COMPLETIONS (SF)	UNDER CONST. (SF)	QUOTED RATES ($/SF/YEAR)
2024 Q3	197,064,468	6.19%	2,526,232	581,377	2,179,974	$11.13
2024 Q2	196,483,091	7.20%	1,932,639	1,871,442	2,431,043	$11.04
2024 Q1	194,611,649	7.30%	-85,496	1,142,025	3,922,397	$10.96
2023 Q4	193,469,624	6.71%	586,989	3,177,650	5,042,173	$10.93
2023	193,469,624	6.71%	2,247,207	9,723,539	5,042,173	$10.93
2022	183,746,085	2.99%	8,301,029	6,938,415	11,562,438	$10.02
2021	176,807,670	3.88%	9,699,641	10,018,811	10,264,117	$8.83
2020	166,788,859	3.92%	4,261,770	3,885,005	9,710,813	$7.84
2019	162,903,854	4.25%	3,876,160	5,300,496	4,688,941	$7.20
2018	157,603,358	3.49%	3,000,169	3,959,257	4,961,307	$6.72
2017	153,609,006	2.95%	5,150,964	2,549,087	3,326,469	$6.33
2016	150,953,068	4.73%	1,446,355	2,159,091	1,643,008	$5.96
2015	148,793,977	4.44%	3,035,022	2,371,001	2,052,407	$5.71

The Salt Lake City Industrial market ended the third quarter with a vacancy rate of 6.19%. The vacancy rate was decreased over the previous quarter, with net absorption totaling 2,526,232 square feet in the third quarter. Rental

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rates increased compared to the previous quarter, ending third quarter at $11.13. A total of 581,377 square feet was delivered to the market, with 2,179,974 square feet still under construction at the end of the quarter.

ABSORPTION



Net absorption for the overall Salt Lake City Industrial market was 2,526,232 square feet in third quarter 2024. That compares to 1,932,639 square feet in second quarter 2024, -85,496 square feet in first quarter 2024, and 586,989 square feet in fourth quarter 2023.

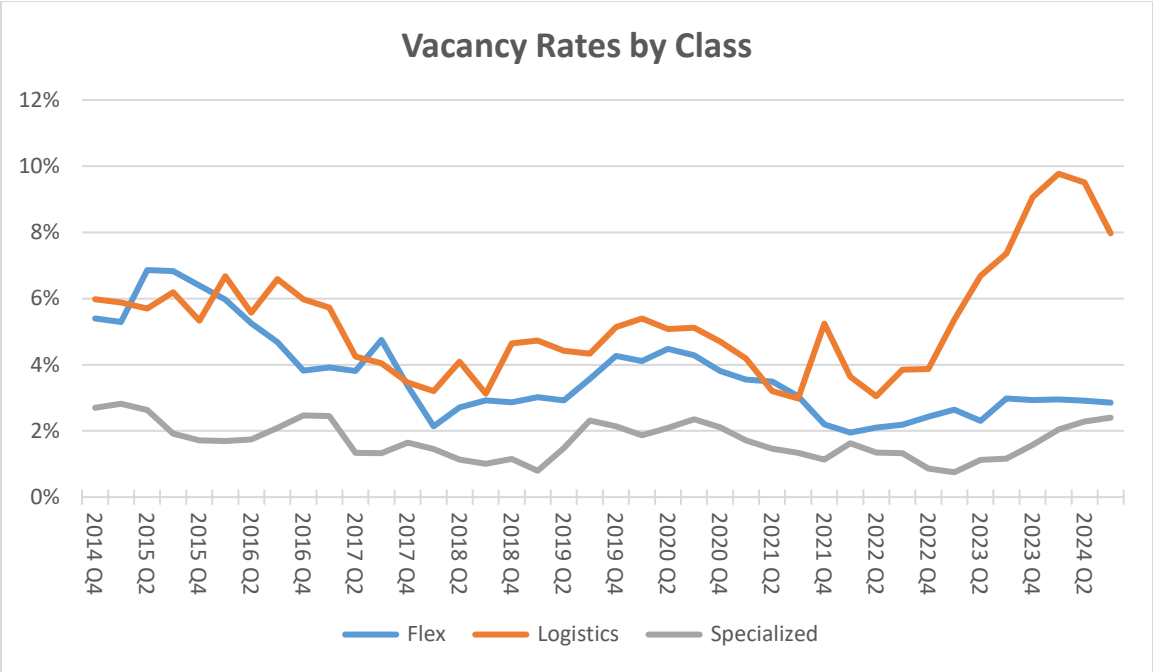
The Flex Industrial subtype recorded net absorption of 23,207 square feet in the third quarter 2024, compared to 8,657 square feet in the second quarter 2024, -30,187 in the first quarter 2024, and 50,060 in the fourth quarter 2023.

The Logistics Industrial subtype recorded net absorption of 2,490,572 square feet in the third quarter 2024, compared to 2,026,751 square feet in the second quarter 2024, 149,772 in the first quarter 2024, and 718,992 in the fourth quarter 2023.

The Specialized Industrial subtype recorded net absorption of 12,453 square feet in the third quarter 2024, compared to -102,769 square feet in the second quarter 2024, -205,081 in the first quarter 2024, and -182,063 in the fourth quarter 2023.

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VACANCY



Vacancy for the overall Salt Lake City Industrial market decreased to 6.19% in the third quarter 2024. That compares to 7.20% in the second quarter 2024, 7.30% in the first quarter 2024, and 6.71% in the fourth quarter 2023.

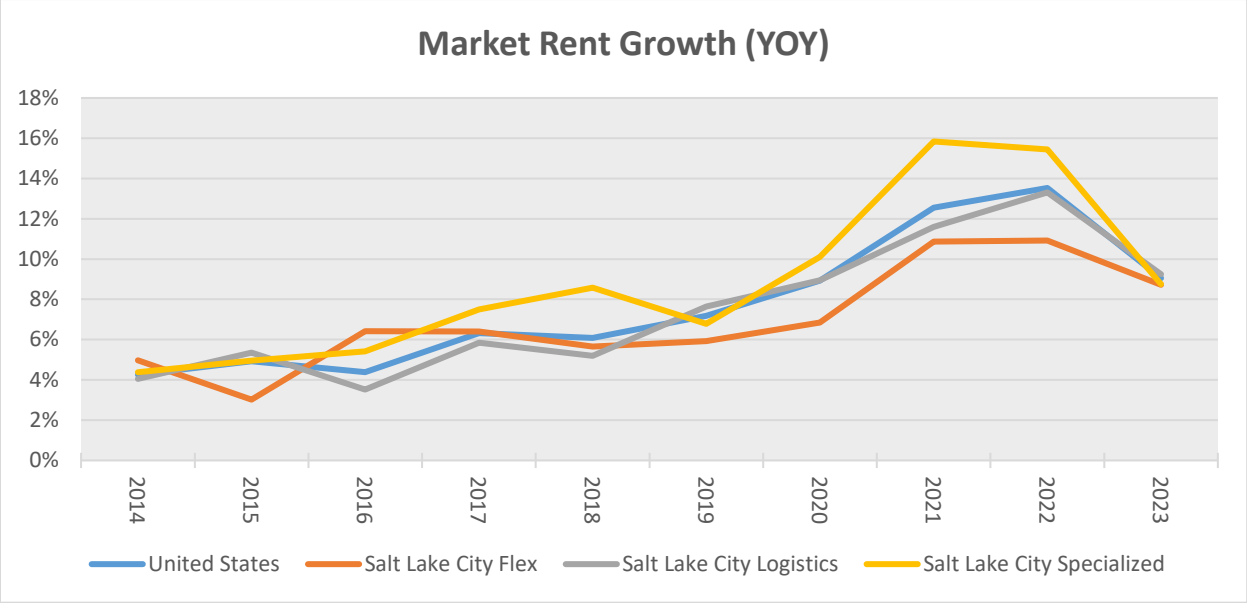
Flex subtypes reported a vacancy rate of 2.85% at the end of the third quarter 2024, 2.91% at the end of the second quarter 2024, 2.95% at the end of the first quarter 2024, and 2.93% at the end of the fourth quarter 2023.

Logistic subtypes reported a vacancy rate of 7.97% at the end of the third quarter 2024, 9.51% at the end of the second quarter 2024, 9.77% at the end of the first quarter 2024, and 9.06% at the end of the fourth quarter 2023.

Specialized subtypes reported a vacancy rate of 2.40% at the end of the third quarter 2024, 2.28% at the end of the second quarter 2024, 2.04% at the end of the first quarter 2024, and 1.58% at the end of the fourth quarter 2023.

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RENTAL RATES



The rental rates shown below are per square foot per year on a NNN basis.

The average quoted asking rental rate for available Industrial space, all classes, was $11.13 psf at the end of the third quarter 2024 in the Salt Lake City market area. This represented a 0.8% increase in quoted rental rates from the end of the second quarter 2024, when rents were reported at $11.04.

The average quoted rate within the Flex sector was $14.08 at the end of the third quarter 2024, while Logistics rates stood at $9.97, and Specialized rates at $13.29. At the end of the second quarter 2024, Flex rates were $14.34, Logistics rates were $9.89, and Specialized rates were $13.00.

INVENTORY & CONSTRUCTION

During the third quarter 2024, a total of 581,377 square feet was completed in the Salt Lake City market area. This compares to a total of 1,871,442 square feet that was completed in the second quarter 2024, a total of 1,142,025 square feet completed in the first quarter 2024, and 3,177,650 square feet completed in the fourth quarter 2023.

There were 2,179,974 square feet of Industrial space under construction at the end of the third quarter 2024.

SUBTYPE	EXISTING INVENTORY (SF)	NET DELIVERIES (12 MONTHS)	UNDER CONSTRUCTION (SF)
Flex	20,820,493	24,836	42,182
Logistics	132,354,259	6,678,402	2,098,126
Specialized	43,885,216	69,256	39,666
Total	**197,064,468**	**6,772,494**	**2,179,974**

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MARKET OUTLOOK

The Salt Lake City Industrial market ended the third quarter 2024 with a vacancy rate of 6.19%. The vacancy rate decreased over the previous quarter, with net absorption totaling 2,526,232 square feet in the third quarter 2024. Rental rates increased $0.09 PSF over the previous quarter and ended at $11.13. A total of 581,377 square feet was delivered in the quarter, with 2,179,974 square feet still under construction at the end of the quarter.

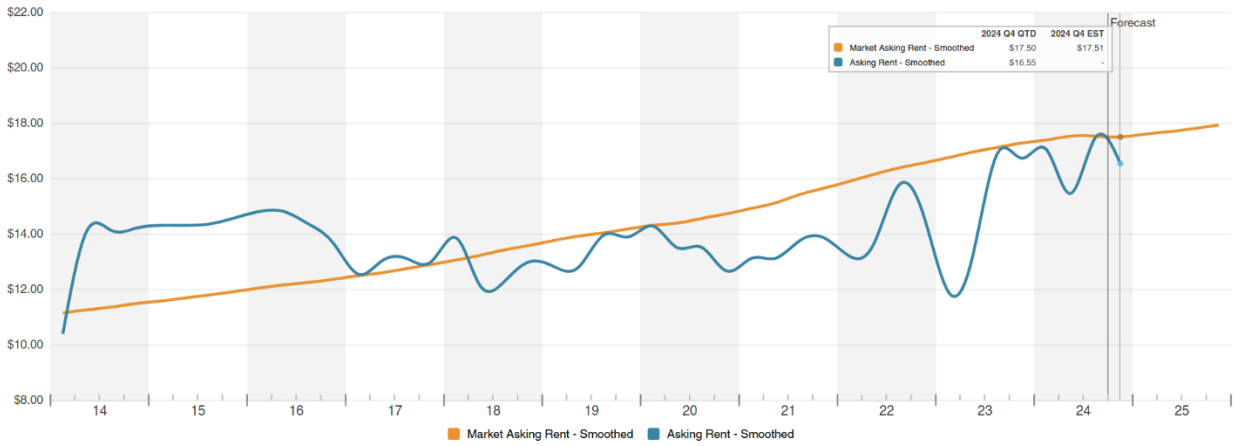
SUMMIT/WASATCH COUNTIES INDUSTRIAL SUBMARKET

Based on Costar analytics, the Summit/Wasatch Counties are represented by 166 industrial/flex properties with a total inventory of approximately 2,500,000 SF. The following is a snapshot of the submarket overview:

INVENTORY SF	UNDER CONSTRUCTION SF	12 MO NET ABSORPTION SF	VACANCY RATE	MARKET ASKING RENT/SF	MARKET SALE PRICE/SF	MARKET CAP RATE
2.5M +1.7%	0 -100.0%	45.5K -41.2%	1.7% -0.3%	$17.50 +1.8%	$197 +0.5%	8.1% +0.4%
Prior Period 2.5M	Prior Period 40.9K	Prior Period 77.4K	Prior Period 2.0%	Prior Period $17.18	Prior Period $196	Prior Period 7.7%

Availability		Inventory		Sales Past Year		Demand	
Vacant SF	44K	Existing Buildings	157	Asking Price Per SF	$376	12 Mo Net Absorp % of Inventory	1.8%
Sublet SF	0	Under Construction Avg SF	-	Sale to Asking Price Differential	0%	12 Mo Leased SF	83.3K
Availability Rate	2.6%	12 Mo Demolished SF	0	Sales Volume	$1.7M	Months on Market	2.5
Available SF Total	64.9K	12 Mo Occupancy % at Delivery	42.8%	Properties Sold	8	Months to Lease	3.8
Available Asking Rent/SF	$16.55	12 Mo Construction Starts SF	0	Months to Sale	12.9	Months Vacant	4.0
Occupancy Rate	98.3%	12 Mo Delivered SF	40.8K	For Sale Listings	7	24 Mo Lease Renewal Rate	74.9%
Percent Leased Rate	98.5%	12 Mo Avg Delivered SF	15.2K	Total For Sale SF	123K	Population Growth 5 Yrs	11.5%

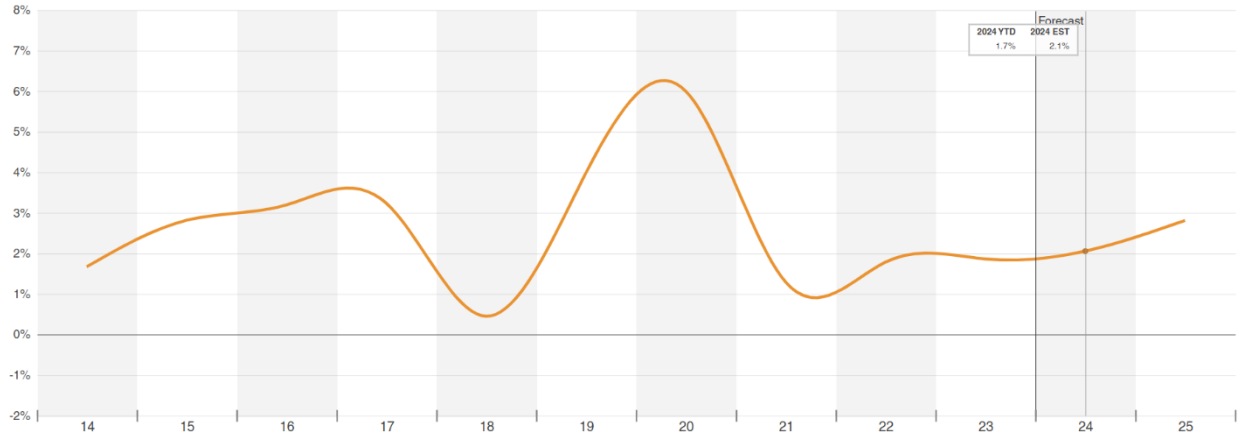
MARKET ASKING RENT & ASKING RENT PER SF



Over the past 10-years, rental rates have had a steady upward trend. Over the course of 10-years, market appreciation has average 2.3% per year. It should be noted that rental rates have remained relatively flat over the past 3 quarters.

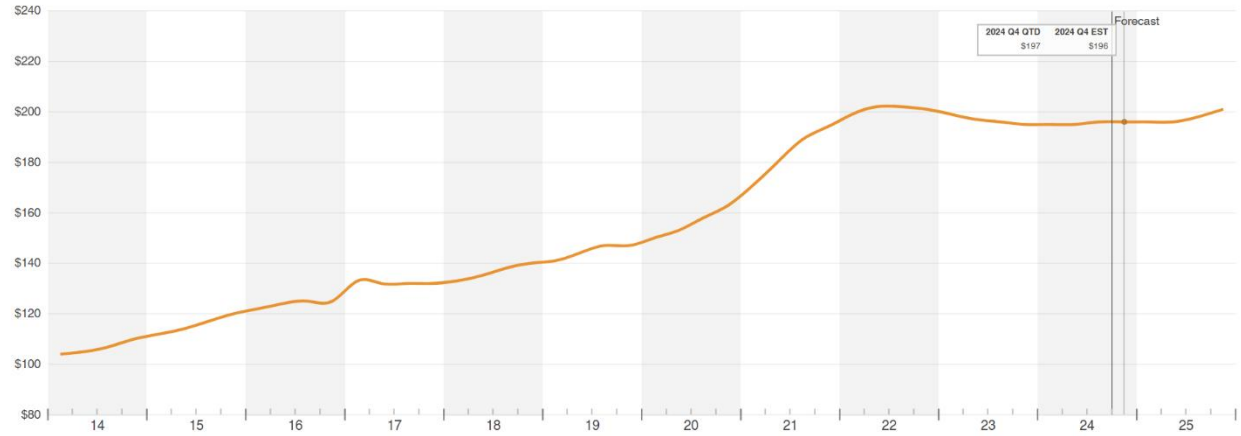
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VACANCY RATE



Over the past 10-year vacancy rates have ranged from as low as 0.5% (2018) up to 6.00% (2020), with a 10-year average of 97%. As of Q3 2024, the submarket vacancy is 2.1%, slightly below the 10-year average. Costar forecasts a slight increase up to 2.8% within the next year.

MARKET SALE PRICE PER SF



Over the past 10-years, values have generally increase. On average, the yearly appreciation exhibited within the subject market is 9.3% per year, which a large majority of that appreciation accrued from early 2020 to middle of 2022 (13.9% annually). In late 2022, values slightly decreased (likely related to the increased cost of financing); however, over the past 6 quarters, values have generally remained stable and are currently averaging around $197/SF.

CURRENT MARKET CHALLENGES

In late 2021, the Federal Reserve initially suggested modest increases in interest rates during 2022 and possibly beyond. However, as inflation forecasts moved from transitory to permanent and became more robust in those months, the FED forecast a possible greater number of rate increases during 2022. Most recently, The FED increased rates commencing in the Q2-2022 and during the year to curtail inflationary trending. The number of rate increases and the magnitude of each remained unknown, as well as the impact on commercial real estate. The rate was nearly zero in early 2022. The first increase occurred in March 2022 (+25 bps), then May 2022 (+50 bps), then June 2022

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(+75 bps), then July 2022 (+75 bps), September 2022 (+75 bps), November 2022 (+75 bps), December 2022 (+50 bps), February 2023 (+25 bps), March 2023 (+25 bps), May 2023 (+25 bps), and July 2023 (+25 bps); with a cumulative 525 bps increase. At its second gathering of 2024, held March 19 and 20, the Federal Reserve once again declined to adjust interest rates. It similarly held rates steady after its inaugural 2024 session in January. The federal funds target rate has remained at 5.25% to 5.50% since summer 2023, the highest it's been in over 20 years. In September 2024, the rate dropped (-50 bps), followed by a -25 bps drop in November 2024 lowering their target rate range to 4.50%–4.75%. The effect of the most recent rate drop is yet to be seen; however, general market appreciation is anticipated.

Rising interest rates have been a concern for real estate investors as it may compress returns and impact financing alternatives. Inflation remains a chief concern among investors and lenders. Should inflation not come in line with Federal Reserve target quickly the risk of additional prime interest rate hikes will remain elevated.

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HIGHEST AND BEST USE

INTRODUCTION

The highest and best use is the reasonable, probable, and legal use of vacant land or an improved property that is physically possible, legally permissible, appropriately supported, financially feasible and that results in the highest value. These criteria are often considered sequentially. The tests of legal permissibility and physical possibility must be applied before the remaining tests of financial feasibility and maximal productivity. A financially feasible use is precluded if it is legally prohibited or physically impossible. If a reasonable possibility exists that one of the prior, unacceptable conditions can be changed, is it appropriate to proceed with the analysis with such an assumption.

HIGHEST AND BEST USE CRITERIA

The site's highest and best use is analyzed both as vacant and as improved, and if improvements are proposed then an as proposed analysis is required. In all cases, the property's highest and best use must meet four criteria: (1) legally permissible; (2) physically possible; (3) financially feasible; and (4) maximally productive.

HIGHEST AND BEST USE AS VACANT

LEGALLY PERMISSIBLE

Legal restrictions include deed restrictions, CC&R's, lease encumbrances, zoning requirements, building codes, historic district controls and environmental regulations, and were previously analyzed to determine legally permitted uses. Legally, the subject is zoned C-3 (Central Commercial Zone). Allowable uses include home occupations, public utilities, retail shops/services, financial institutions, restaurants, professional offices. No other legal restrictions have been identified that would limit development of the property beyond the development standards stipulated by municipal code.

PHYSICALLY POSSIBLE

Size, shape, topography, soil condition, availability of utilities, transportation access, surrounding uses, and locational characteristics were previously analyzed to determine which legal land uses are physically possible and which are best to conform to the physical and locational aspects of the site and its setting with respect to the neighborhood and community. Overall, the physical site attributes result in adequate utility, and the property could be developed with a variety of legally-conforming uses. Given the surrounding uses and location, the site is best suited for commercial use.

FINANCIALLY FEASIBLE

Financial feasibility is determined by the relationship of supply and demand for the legally probable land uses versus the cost to create them. The market analysis section reveals that commercial uses in the subject's market are generally stabilized. Recent and planned commercial developments in the market area serve as direct evidence that new commercial development is financially feasible. Comparisons of rental rates, operating expenses and construction costs indicate the property is capable of providing an adequate return on investment to warrant new commercial development in the current market. This assertion is supported by the fact that the property has the potential to generate rental income as shown in the income approach. Commercial use is considered financially feasible.

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MAXIMALLY PRODUCTIVE

The final test of highest and best use of the site as vacant is that the use be maximally productive, yielding the highest return to the land. In order to determine the maximally productive use, a comparison of rental rates, occupancy, operating expenses, and rates of return for the financially feasible uses have been made. Based on this analysis, commercial use renders the highest residual land value; therefore, commercial development on the subject's site is the maximally productive use of the subject as vacant.

HIGHEST AND BEST USE AS IMPROVED

LEGALLY PERMISSIBLE

The subject appears to be a pre-existing non-conforming use of the site as it is currently operating as an industrial building which is not a permitted use within the zone.

PHYSICALLY POSSIBLE

As noted in the Improvements Analysis section, the site is improved with two industrial buildings totaling 9,800 SF and situated on a 0.54-acre parcel of land. The property is presently in average condition.

FINANCIALLY FEASIBLE

The location proximate to employment centers, area transportation network of roadways and support development is conducive to tenancy.

MAXIMALLY PRODUCTIVE

The maximally productive use should conform to neighborhood trends and be consistent with existing nearby land uses. The single use that produces the greatest return on investment and usually the highest price and value is typically the highest and best use. As shown in the applicable valuation sections, properties like the subject have been acquired and continue to be used for industrial use. None of the comparable properties were acquired for conversion to an alternative use. This provides evidence suggesting that the current industrial use is maximally productive; therefore, continued use of the subject property as an industrial development is the maximally productive use of the subject as is.

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VALUATION PROCESS

Valuation in the appraisal process generally involves three techniques, including the Cost Approach, Sales Comparison Approach and the Income Capitalization Approach.

These three valuation methods are defined in the following table:

VALUATION METHODS	DEFINITION
Cost Approach	In this approach, value is based on adding the contributing value of any improvements (after deductions for accrued depreciation) to the value of the land as if it were vacant based on its highest and best use. If the interest appraised is other than fee simple, additional adjustments may be necessary for non-realty interest and/or the impact of existing leases or contracts.
Sales Comparison Approach	In this approach, recent sales of similar properties in the marketplace are compared directly to the subject property. This comparison is typically accomplished by extracting "units of comparison", for example, price per square foot, and then analyzing these units of comparison for differences between each comparable and the subject. The reliability of an indication found by this method depends on the quality of the comparable data found in the marketplace.
Income Capitalization Approach	In this approach, a property is viewed through the eyes of a typical investor, whose primary objective is to earn a profit on the investment principally through the receipt of expected income generated from operations and the ultimate resale of the property at the end of a holding period.

VALUATION METHODS UTILIZED

This appraisal employs the Sales Comparison Approach and the Income Capitalization Approach. Based on our analysis and knowledge of the subject property type and relevant investor profiles, it is our opinion that these approaches would be considered applicable and/or necessary for market participants. The subject's age makes it difficult to accurately form an opinion of depreciation and tends to make the Cost Approach unreliable. Investors do not typically rely on the Cost Approach when purchasing a property such as the subject of this report. Therefore, we have not employed the Cost Approach to develop an opinion of market value.

The valuation process is concluded by analyzing each approach to value used in the appraisal. When more than one approach is used, each approach is judged based on its applicability, reliability, and the quantity and quality of its data. A final value opinion is chosen that either corresponds to one of the approaches to value, or is a correlation of all the approaches used in the appraisal.

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SALES COMPARISON APPROACH

METHODOLOGY

In the Sales Comparison Approach, we developed an opinion of value by comparing similar, recently sold properties in the surrounding or competing area to the subject property. In order to determine the value of the subject property, these comparable sales and/or listings are then evaluated and adjusted based on their differences when compared to the subject property. Inherent in this approach is the principle of substitution, which states that when a property is replaceable in the market, its value tends to be set at the cost of acquiring an equally desirable substitute property, assuming that no costly delay is encountered in making the substitution.

The Sales Comparison Approach to value requires the following sequential steps:

Unit of Comparison	A unit of comparison (i.e. price per square foot, price per dwelling unit) must be selected for comparable analysis of the sales and the subject. The selected unit of comparison must be consistent with market behavior.
Search for Sales	Research must be done to locate comparable sales, listings and contracts of properties that are similar to the subject. Similarities may include property type, size, physical condition, location and the date of the sale.
Confirmation	All sales must be confirmed to verify that the data used is accurate, and that all of the sales, listings or contracts represent arm's-length transactions.
Comparison	Each of the improved sales that is chosen for this valuation is considered generally similar to the subject. Therefore, each difference between the comparables and the subject must be identified, and then adjusted for the various differences. All adjustments are made to the comparables as they relate to the subject property.
Reconciliation	Once the comparables have been adjusted, a value must be concluded based on the indications produced from the analysis of the comparables.

UNITS OF COMPARISON

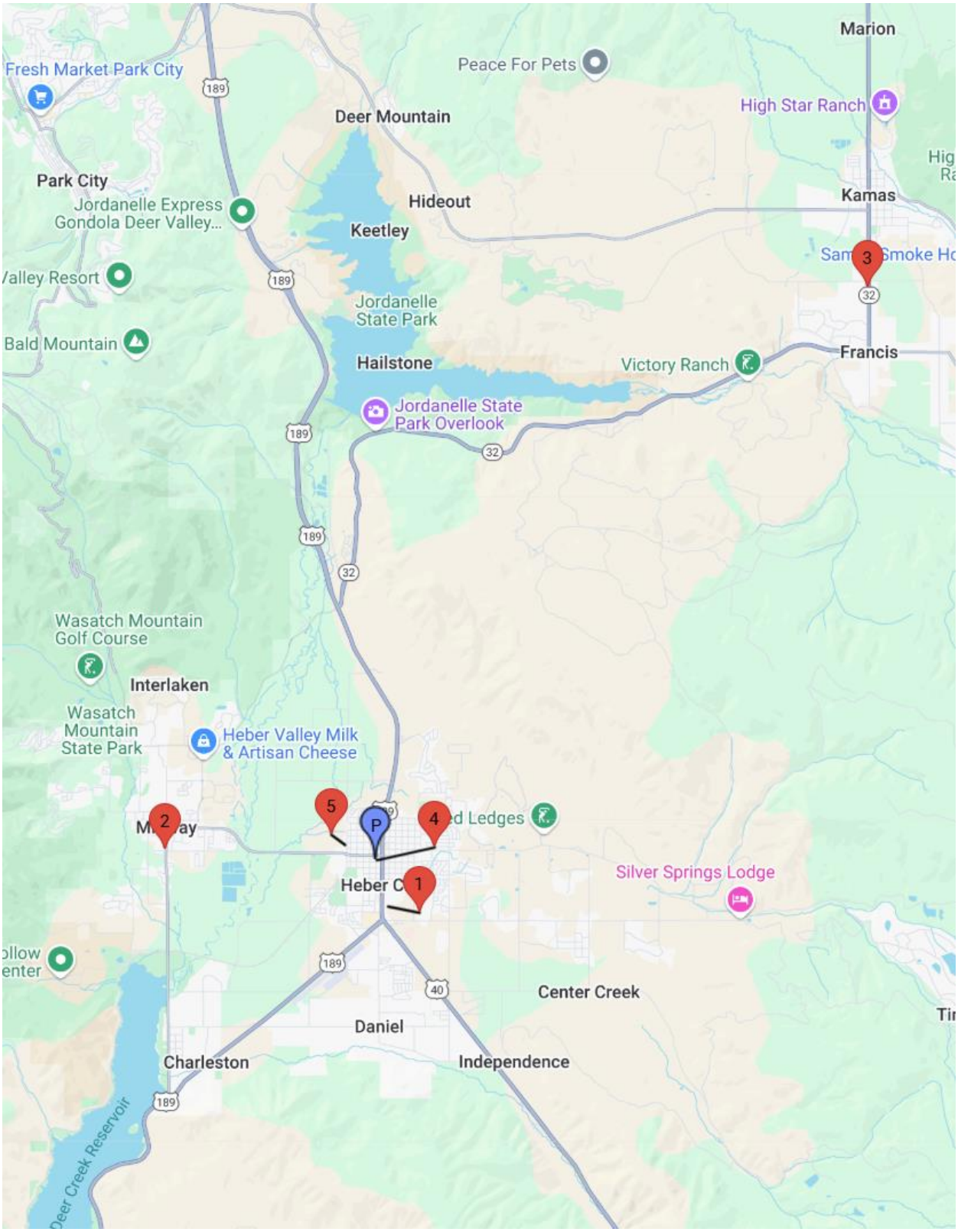
Based on market behavior observed, the most appropriate unit of comparison for this analysis is price per square foot.

COMPARABLE IMPROVED SALES

On the following pages, we present a summary of the improved properties that we compared to the subject property, a map showing their locations, and the adjustment process.

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COMPARABLE IMPROVED SALES MAP



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COMPARABLE IMPROVED SALES SUMMARY

SUMMARY OF IMPROVED SALES											
Comp No.	Property / Location	Date of Sale / Status	Property Rights	Year Built / Renovated	Site Size (SF) (Acres)	Bldg. Size (SF Net) (SF Gross)	Percent Office	Clear Heights (Ft)	Coverage Ratio	Sale Price	Price per SF (Net)
1	Industrial Warehouse (APN: 00-0005-9159) 90 East 900 South Heber City, UT	Dec-24 Listing	Fee Simple	1981	30,492 0.70	6,000 6,000	5%	14	20%	$1,249,900	$208.32
2	Industrial/Automotive Building 298 South Center Street Midway, UT	May-24 Closed	Fee Simple	1950	9,583 0.22	3,014 3,014	9%	16	31%	$930,000	$308.56
3	Industrial Building 1264 Utah 32 Kamas, UT	May-23 Closed	Fee Simple	2007	18,731 0.43	2,880 2,880	48%	12	15%	$750,000	$260.42
4	Industrial Warehouse 74 West 200 South Heber City, UT	May-22 Closed	Fee Simple	1976	7,841 0.18	3,420 3,420	15%	15	44%	$900,000	$263.16
5	Industrial Building 89 North 600 West Heber City, UT	Jan-22 Closed	Fee Simple	1998	38,333 0.88	12,735 12,735	26%	12	33%	$1,625,000	$127.60
Subj.	Industrial Property (APN: 00-0011-8294) 165 South 100 West Heber City, Utah	---	Fee Simple	1999 & 1970's	23,522 0.54	9,800 9,800	40%	14'	42%	---	---

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COMPARABLE IMPROVED SALES DATA SHEETS



Sale Comparable #1
Industrial Warehouse (APN: 00-0005-9159)
90 East 900 South
Heber City, UT 84032-2445
Wasatch County
BBG Property #863356



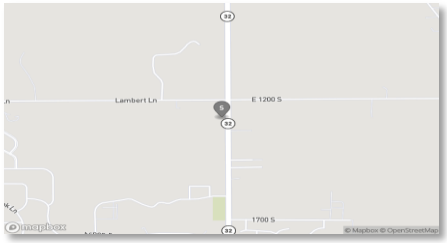
Property Data			
Improvement Details			
Property Type/Use	**Industrial - Warehouse**	Lat/Long	**40.495843 / -111.4121**
Parcel ID #	**00-0005-9159**	Number of Buildings	**1**
Year Built	**1981**	Year Renovated	**N/A**
Gross Building Area	**6,000 SF**	Rentable Area	**6,000 SF**
Number of Stories	**1**	Land to Building Ratio	**5.08**
Parking	**Total: 6**	Parking Ratio	**1.00:1,000 SF of Rentable Area**
Site Size (Gross)	**30,492 SF (0.70 acres)**	Site Size (Net)	**30,492 SF (0.70 acres)**
Office Percentage	**5%**		
Clear Heights	**14 feet**		
Loading Doors	**3**		
Comments	**The subject property is a freestanding industrial building. Based on our property inspection, the building includes approximately 5% office build-out, 14' clear height and 3 grade level doors, resulting in a loading door ratio of 5.0 per 10K SF NRA. The site is undeveloped; however, there is a yard area sufficient to conform to the zoning's parking requirements**		

Sale Transaction Data for BBG Event #1290994 on				PSF (GBA)	PSF (Rentable)
Transaction Date		Consideration	**$0**	**$208.32**	**$208.32**
Sale Status	**Listing**	Adjustments	**$0**	**$0.00**	**$0.00**
Occupancy at TOS	**0%**	Cash Equivalent Price	**$1,249,900**	**$208.32**	**$208.32**
Days on Market	**119**				
Property Rights	**Fee Simple**				
Transaction Component	**Real Estate**				
Tenancy	**Vacant**				
Grantor	**Agape INC**				
Grantee	**N/A**				
Comments	**Property was listed in August.**				
Verification	**12/3/2024 - WFRMLS**				

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Sale Comparable #2
Industrial Building
1264 Utah 32
Kamas, UT 84036-5530
Summit County
BBG Property #723932



Property Data			
Improvement Details			
Property Type/Use	**Industrial - Industrial Shop**	Lat/Long	**40.624040 / -111.2811**
Parcel ID #	**FT-33-2**	Number of Buildings	**1**
Year Built	**2007**	Year Renovated	**N/A**
Gross Building Area	**2,880 SF**	Rentable Area	**2,880 SF**
Number of Stories	**2**	Land to Building Ratio	**6.50**
Parking	**Total: 6**	Parking Ratio	**2.08:1,000 SF of Rentable Area**
Site Size (Gross)	**18,731 SF (0.43 acres)**	Site Size (Net)	**18,731 SF (0.43 acres)**
Office Percentage	**48%**		
Clear Heights	**12 feet**		
Loading Doors	**1**		
Comments	**This property is located on the west side of Highway 32, and benefits from a daily traffic count of 5,085. There are two structures on the property. One being an outbuilding for storage and not included within the building SF; however, it is included as an amenity/storage space. The other is a two story barn (2,880 SF) with utilities connected. The building has a sliding grade level loading door and was historically used as a welding shop on the main level, with a 1,380 SF 2nd story office space.**		

Sale Transaction Data for BBG Event #987998 on 5/19/2023				PSF (GBA)	PSF (Rentable)
Transaction Date	**5/19/2023**	Consideration	**$750,000**	**$260.42**	**$260.42**
Sale Status	**Closed**	Adjustments	**$0**	**$0.00**	**$0.00**
Occupancy at TOS	**0%**	Cash Equivalent Price	**$750,000**	**$260.42**	**$260.42**
Days on Market	**17**				
Property Rights	**Fee Simple**				
Transaction Component	**Real Estate**				
Tenancy	**Vacant**				
Grantor	**KENT YOUNGSTROM ART CO**				
Grantee	**GREAT WEST INVESTMENTS LLC**				
Comments	**This property was listed and under contract within 17-days. Buyer paid cash.**				
Verification	**4/3/2024 - Debbie Bunker W/ Impression Realty & PC MLS**				

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Sale Comparable #3
Industrial/Automotive Building
298 South Center Street
Midway, UT 84049-6524
Wasatch County
BBG Property #728582



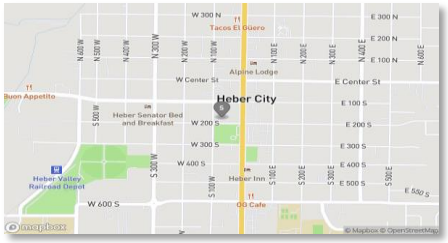
Property Data			
Improvement Details			
Property Type/Use	**Industrial - Warehouse**	Lat/Long	**40.507519 / -111.4728**
Parcel ID #	**00-0020-1303**	Number of Buildings	**1**
Year Built	**1950**	Year Renovated	**N/A**
Gross Building Area	**3,014 SF**	Rentable Area	**3,014 SF**
Number of Stories	**1**	Land to Building Ratio	**3.18**
Parking	**Total: 4**	Parking Ratio	**1.33:1,000 SF of Rentable Area**
Site Size (Gross)	**9,583 SF (0.22 acres)**	Site Size (Net)	**9,583 SF (0.22 acres)**
Office Percentage	**9%**		
Clear Heights	**16 feet**		
Loading Doors	**2**		
Comments	**Former auto garage with 264 SF of finished office space and 2,750 SF of open shop space with 2 roll-up doors.**		

Sale Transaction Data for BBG Event #1290991 on 5/10/2024				PSF (GBA)	PSF (Rentable)
Transaction Date	**5/10/2024**	Consideration	**$930,000**	**$308.56**	**$308.56**
Sale Status	**Closed**	Adjustments	**$0**	**$0.00**	**$0.00**
Occupancy at TOS	**0%**	Cash Equivalent Price	**$930,000**	**$308.56**	**$308.56**
Days on Market	**10**				
Property Rights	**Fee Simple**				
Transaction Component	**Real Estate**				
Tenancy	**Owner**				
Grantor	**WB LEGACY LLC**				
Grantee	**DAYBELL PERFORMANCE LLC**				
Comments	**Property was vacant at the time of sales.**				
Verification	**12/3/2024 - WFRMLS**				

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Sale Comparable #4
Industrial Warehouse
74 West 200 South
Heber City, UT 84032-2005
Wasatch County
BBG Property #649934



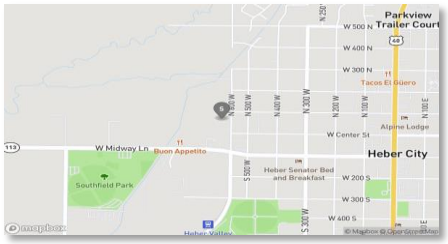
Property Data			
Improvement Details			
Property Type/Use	**Industrial – Warehouse**	Lat/Long	**40.505333 / -111.4148**
Parcel ID #	**00-0004-7550**	Number of Buildings	**1**
Year Built	**1976**	Year Renovated	**N/A**
Gross Building Area	**3,420 SF**	Rentable Area	**3,420 SF**
Number of Stories	**1**	Land to Building Ratio	**2.29**
Parking	**Total: 4**	Parking Ratio	**1.17:1,000 SF of Rentable Area**
Site Size (Gross)	**7,841 SF (0.18 acres)**	Site Size (Net)	**7,841 SF (0.18 acres)**
Office Percentage	**15%**		
Clear Heights	**15 feet**		
Loading Doors	**2**		
Comments	**Located on the north side of W 200 South, which benefits from a 1,000 VPD traffic count. The building contains 2 grade doors, resulting in a loading door ratio of 6.15. Building includes 2 offices and a restroom (500 SF Est. or 15% NRA).**		

Sale Transaction Data for BBG Event #789820 on 5/18/2022				PSF (GBA)	PSF (Rentable)
Transaction Date	**5/18/2022**	Consideration	**$900,000**	**$263.16**	**$263.16**
Sale Status	**Closed**	Adjustments	**$0**	**$0.00**	**$0.00**
Occupancy at TOS	**100%**	Cash Equivalent Price	**$900,000**	**$263.16**	**$263.16**
Property Rights	**Fee Simple**				
Grantor	**Matthew Butters and Jared Butters**				
Grantee	**Triple O Ventures LLC**				
Comments	**Sold for owner-occupancy**				
Verification	**4/19/2023 - Public record**				

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Sale Comparable #5
Industrial Building
89 North 600 West
Heber City, UT 84032-1811
Wasatch County
BBG Property #724182



Property Data			
Improvement Details			
Property Type/Use	**Industrial – Warehouse**	Lat/Long	**40.508614 / -111.4237**
Parcel ID #	**00-0005-9084**	Number of Buildings	**2**
Year Built	**1998**	Year Renovated	**N/A**
Gross Building Area	**12,735 SF**	Rentable Area	**12,735 SF**
Number of Stories	**2**	Land to Building Ratio	**3.01**
Parking	**Total: 30**	Parking Ratio	**2.36:1,000 SF of Rentable Area**
Site Size (Gross)	**38,333 SF (0.88 acres)**	Site Size (Net)	**38,333 SF (0.88 acres)**
Office Percentage	**26%**		
Clear Heights	**12 feet**		
Loading Doors	**1**		
Comments	**The property is on the west side of 600 W, and benefits from a daily traffic count of 1,084. The buildings have an office build-out of 26%, and contain 1 dock door and 2 grade doors, resulting in a loading door ratio of 2.36.**		

Sale Transaction Data for BBG Event #843399 on 1/7/2022				PSF (GBA)	PSF (Rentable)
Transaction Date	**1/7/2022**	Consideration	**$1,625,000**	**$127.60**	**$127.60**
Sale Status	**Closed**	Adjustments	**$0**	**$0.00**	**$0.00**
Occupancy at TOS	**100%**	Cash Equivalent Price	**$1,625,000**	**$127.60**	**$127.60**
Days on Market	**6**				
Property Rights	**Fee Simple**				
Transaction Component	**Real Estate**				
Tenancy	**Owner**				
Grantor	**BDK Enterprises, LLC**				
Grantee	**Red Wagon Ventures, LLC**				
Comments	**The 12,735 SF Industrial property sold for $1,625,000, or $127.60 per square foot, and was on the market for 6 days. The property is C-4 commercial zoned and was occupied by Highway 40 Garage, an automotive repair shop, after the sale. The buyer added more overhead doors after the sale, as the property only has one overhead door to the main shop area at the time of sale.**				
Verification	**4/12/2023 - Utah MLS/Public Record**				

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COMPARABLE IMPROVED SALES ADJUSTMENT GRID

COMPARABLE SALE SUMMARIES AND ADJUSTMENTS						
Property / Location	**Subject**	**Comp 1**	**Comp 2**	**Comp 3**	**Comp 4**	**Comp 5**
Property / Location	Industrial Property (APN: 00-0011-8294) 165 South 100 West Heber City, Utah	Industrial Warehouse (APN: 00-0005-9159) 90 East 900 South Heber City, UT	Industrial/Automotive Building 298 South Center Street Midway, UT	Industrial Building 1264 Utah 32 Kamas, UT	Industrial Warehouse 74 West 200 South Heber City, UT	Industrial Building 89 North 600 West Heber City, UT
Date of Sale / Status	---	Dec-24 Listing	May-24 Closed	May-23 Closed	May-22 Closed	Jan-22 Closed
Property Rights	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
Year Built	1999 & 1970's	1981	1950	2007	1976	1998
Bldg. Size (SF Net)	9,800	6,000	3,014	2,880	3,420	12,735
Site Size (Acres)	0.54	0.70	0.22	0.43	0.18	0.88
Sale Price	---	$1,249,900	$930,000	$750,000	$900,000	$1,625,000
Unadjusted Price per SF (Net)	**-----**	**$208.32**	**$308.56**	**$260.42**	**$263.16**	**$127.60**
Transactional Adjustments						
Property Rights Conveyed	***Fee Simple***	*Fee Simple*	*Fee Simple*	*Fee Simple*	*Fee Simple*	*Fee Simple*
Adjustment		0%	0%	0%	0%	0%
Financing						
Adjustment		0%	0%	0%	0%	0%
Terms/Conditions of Sale		*(Negotiations)*				
Adjustment		-10%	0%	0%	0%	0%
Expenditures After Sale						
Adjustment		0%	0%	0%	0%	0%
Market Conditions	***Nov-24***	*Dec-24*	*May-24*	*May-23*	*May-22*	*Jan-22*
Adjustment		0%	2%	5%	8%	9%
Total Transactional Adjustments		**-10%**	**2%**	**5%**	**8%**	**9%**
Adjusted Price per SF (Net)		**$187.49**	**$314.73**	**$273.44**	**$284.21**	**$139.09**
Property Adjustments						
Location		*Similar* **0%**	*Superior* **-10%**	*Slightly Inferior* **5%**	*Similar* **0%**	*Slightly inferior* **5%**
Property Size SF (Net)	***9,800***	*6,000* **-5%**	*3,014* **-10%**	*2,880* **-10%**	*3,420* **-10%**	*12,735* **5%**
Condition / Effective Age	***Average***	Average/Fair **5%**	Aveage/Fair **5%**	Average/Good **-5%**	Average **0%**	Average **0%**
Quality / Appeal	***Average***	Average/Fair **5%**	Average/Good **-5%**	Average/Fair **5%**	Good **-10%**	Fair **10%**
Exposure/Access	**Average/Good**	Average/Fair **10%**	Good **-5%**	Average/Good **0%**	Average/Good **0%**	Average **5%**
Coverage Ratio	***42%***	*20%* **-10%**	*31%* **-5%**	*15%* **-10%**	*44%* **0%**	*33%* **0%**
Clear Height(s)	***14'***	*14* **0%**	*16* **-5%**	*12* **5%**	*15* **0%**	*12* **5%**
% Office	***40%***	*5%* **10%**	*9%* **10%**	*48%* **0%**	*15%* **10%**	*26%* **5%**
Loading Door Ratio	**3.0**	**5.0** **0%**	**6.6** **-5%**	**3.5** **0%**	**5.8** **-5%**	**0.8** **5%**
Total Gross Adjustments		**45%**	**60%**	**40%**	**35%**	**40%**
Total Net Adjustments		15%	-30%	-10%	-15%	40%
Overall Comparison		**Primary**	**Primary**	**Secondary**	**Primary**	**Primary**
Indication for Subject		**$215.61**	**$220.31**	**$246.09**	**$241.58**	**$194.72**

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ADJUSTMENT PROCESS

The sales that we have utilized represent the best available information that could be compared to the subject property. The major elements of comparison for an analysis of this type include the property rights conveyed, the financial terms incorporated into a particular transaction, the conditions or motivations surrounding the sale, changes in market conditions since the sale, the location of the real estate, its physical traits and the economic characteristics of the property.

TRANSACTIONAL ADJUSTMENTS

PROPERTY RIGHTS CONVEYED

This adjustment accounts for any impact that the property rights transferred to the buyer may have on sale price. For leased fee properties, the length of leases in place and the relationship of market to contract rent could impact value. Some properties may have stronger appeal to an owner-user or an investor, resulting in a premium or discount associated with fee simple property rights. If a buyer acquires the leasehold interest in a comparable, then an adjustment may be necessary that accounts for the impact to the of ground rent and/or risk associated with the expiration of the ground lease to the sale price.

All comparables transacted with fee-simple property rights and no adjustments were required for this category.

FINANCING TERMS

This category accounts for differences in financing terms associated with the transaction. Financing arrangements that may require an adjustment include mortgage assumptions (at favorable interest rates), seller buydowns, installment sales, wrap-around loans, or any other atypical financing arrangements that do not represent cash-equivalent terms.

None of the comparables included favorable financing, thus no adjustments warranted for this category.

TERMS/CONDITIONS OF SALE

Adjustments for conditions of sale typically reflect various motivations of the buyer and/or seller. This may include such factors as seller distress (short sale, REO, auction) or buyer motivation (assemblage, etc.). In some situations, the conditions of sale may significantly affect transaction prices. Properties that are listed for sale may require adjustments herein to account for any disparity between asking prices and the achievable sale price anticipated.

None of the comparables included atypical conditions of sale, thus no adjustments warranted for this category.

EXPENDITURES IMMEDIATELY AFTER SALE

In order to arrive at the effective sale price, the actual sale price of each comparable is adjusted to account for any expenditures planned by the buyer immediately after sale, such as capital expenditures, cost to cure deferred maintenance, or lease-up costs.

None of the comparables included expenditures immediately after sale, thus no adjustments warranted for this category.

MARKET CONDITIONS

This time-adjustment category accounts for differences in economic conditions between the effective date of appraisal and the transaction date of the comparable, such as may be caused by changing supply and demand factors, rental rates, vacancy rates and/or capitalization rates.

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Market condition adjustments are based on 3.0% annual appreciation up through the as-is date of value.

PROPERTY ADJUSTMENTS

LOCATION

The appeal of a property's location to users of and/or investors in a particular property type can influence value significantly. This factor broadly considers the impact of demographics, geographical attributes, access to transportation networks and local land use trends on pricing. Comparisons of location can often be derived, or even quantified, by examining rent, vacancy, capitalization rate, and land value trends in the subject and directly competitive areas.

Comparable No. 2 was regarded superior to the subject and received a downward adjustment of 10%. Comparable No. 3 was judged inferior to the subject and received an upward adjustment of 5%. Comparable No. 5 was judged inferior to the subject and received an upward adjustment of 5%.

PROPERTY SIZE SF (NET)

Normally, all other characteristics being equal, the unit value of a property is affected by its size. Building size and price per square foot typically have an inverse relationship. Larger buildings tend to achieve lower pricing on a per-unit basis due to their economies of scale, and smaller pool of prospective buyers.

Comparable No. 1 was regarded superior to the subject and received a downward adjustment of 5%. Comparable No. 2 was regarded superior to the subject and received a downward adjustment of 10%. Comparable No. 3 was regarded superior to the subject and received a downward adjustment of 10%. Comparable No. 4 was regarded superior to the subject and received a downward adjustment of 10%. Comparable No. 5 was judged inferior to the subject and received an upward adjustment of 5%.

CONDITION / EFFECTIVE AGE

Older properties that have been well maintained could be considered to be in better condition than newer properties that have not been well maintained or that have incurred deferred maintenance. This adjustment also considers the comparables effective age. Unlike chronological age differences, this reflects differences in the amount of observed deterioration and obsolescence sustained, which may be different than physical age.

Comparable No. 1 was judged inferior to the subject and received an upward adjustment of 5%. Comparable No. 2 was judged inferior to the subject and received an upward adjustment of 5%. Comparable No. 3 was regarded superior to the subject and received a downward adjustment of 5%.

QUALITY / APPEAL

Quality adjustments reflect differences in the quality and durability of construction materials, design, general market appeal, building classification, finish-out, et cetera.

Comparable No. 1 was judged inferior to the subject and received an upward adjustment of 5%. Comparable No. 2 was regarded superior to the subject and received a downward adjustment of 5%. Comparable No. 3 was judged inferior to the subject and received an upward adjustment of 5%. Comparable No. 4 was regarded superior to the subject and received a downward adjustment of 10%. Comparable No. 5 was judged inferior to the subject and received an upward adjustment of 10%.

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EXPOSURE / ACCESS

Street exposure and access from arterials and highways is highly desirable to a variety of development impacted by traffic counts. However, depending on the property type, visibility is often a secondary factor to businesses or uses less influenced by traffic counts. Proximity to interstates, arterials and the general flow of traffic is also considered within this adjustment.

Comparable No. 1 was judged inferior to the subject and received an upward adjustment of 10%. Comparable No. 2 was regarded superior to the subject and received a downward adjustment of 5%. Comparable No. 5 was judged inferior to the subject and received an upward adjustment of 5%.

COVERAGE RATIO

This represents the gross area of the building footprint divided by the site area. Properties with a lower site coverage are generally considered superior to those with a higher ratio due to the possibility for expansion, redevelopment, outside storage, parking, et cetera.

Comparable No. 1 was regarded superior to the subject and received a downward adjustment of 10%. Comparable No. 2 was regarded superior to the subject and received a downward adjustment of 5%. Comparable No. 3 was regarded superior to the subject and received a downward adjustment of 10%.

CLEAR HEIGHT(S)

The clear height for industrial properties impacts potential uses in terms of stacking plans, overhead crane usage and other factors. Premiums may be offered for properties with higher spans when compared with similar properties with lower spans.

Comparable No. 2 was regarded superior to the subject and received a downward adjustment of 5%. Comparable No. 3 was judged inferior to the subject and received an upward adjustment of 5%. Comparable No. 5 was judged inferior to the subject and received an upward adjustment of 5%.

% OFFICE

For industrial or flex-space properties, the percentage of building area with office finish-out may bring a premium over similar properties with a lower ratio. Conversely, excessive ratios may be regarded as an over-improvement.

Comparable No. 1 was judged inferior to the subject and received an upward adjustment of 10%. Comparable No. 2 was judged inferior to the subject and received an upward adjustment of 10%. Comparable No. 4 was judged inferior to the subject and received an upward adjustment of 10%. Comparable No. 5 was judged inferior to the subject and received an upward adjustment of 5%.

LOADING DOOR RATIO

In the industrial market, tenants tend to favor buildings with a higher ratio of loading doors as it allows for greater utility of the warehouse space (1 door per 10,000 SF displayed).

Comparable No. 2 was regarded superior to the subject and received a downward adjustment of 5%. Comparable No. 4 was regarded superior to the subject and received a downward adjustment of 5%. Comparable No. 5 was judged inferior to the subject and received an upward adjustment of 5%.

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SUMMARY OF PROPERTY ADJUSTMENTS

The total gross adjustment to each comparable sale is calculated by adding the absolute values of all positive and negative adjustments. The total gross adjustments are typically the best indicator of the comparability to the subject as they reflect the overall adjustment made to a comparable; whereas net adjustments display offsetting adjustments and may not reflect a comparable that required large levels of adjusting.

The average gross adjustment between all comparables was 22%, and a median 18%. The total adjustments applied to the comparables are considered moderate and reasonable, increasing the overall credibility of the data to derive a market price per square foot conclusion.

SALES COMPARISON APPROACH CONCLUSION

SALES SUMMARY	UNADJUSTED	ADJUSTED
Minimum	$127.60	$194.72
Maximum	$308.56	$246.09
Average	$233.61	$223.66
Median	$260.42	$220.31

After adjustments, the comparable improved sales reflect a range from $194.72 to $246.09 per square foot, with an average of $223.66 per square foot. Based on the results of the preceding analysis, Comparable 1 ($215.61/SF); Comparable 2 ($220.31/SF), Comparable 4 ($241.58/SF), and Comparable 5 ($194.72/SF) are given primary consideration as they are all located in Heber/Midway, whereas, Comparable 3 ($246.09/SF) is located in Francis, which is the furthest comparable from the subject. The average of the primary comparables is $218.05/SF. Based on the data available, and the analyses presented, the indicated value of the subject property by the Sales Comparison Approach is $220.00 per square foot, calculated in the following table.

SALES COMPARISON APPROACH VALUE CONCLUSION	
Indicated Value per SF	$220.00
per SF (Net)	x 9,800
Indicated As Is Value	**$2,156,000**
Rounded to nearest $10,000	**$2,160,000**
Per SF (Net)	**$220.41**

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INCOME CAPITALIZATION APPROACH

GENERAL PROCESS

In the Income Capitalization Approach, the appraiser concludes to a value indication for the subject by converting a projected net operating income into a single present value by using either the direct capitalization or yield capitalization method.

In direct capitalization, the estimated net operating income is divided by a market-driven capitalization rate to provide an indication of value. In yield capitalization, a series of income streams are discounted over a holding period to estimate a present value. The yield capitalization approach is referred to as a discounted cash flow analysis and is most useful for properties that are not stabilized or expect to have large fluctuations in the income stream over a holding period.

The Income Capitalization Approach to value requires the following sequential steps:

Estimate Economic Gross Income	Estimate the economic gross income for the subject's space based on existing leases and market data.
Estimate Effective Gross Income	Estimate a proper vacancy and credit loss for the subject's market, then deduct this rent loss from the estimated economic gross income to arrive at an effective gross income.
Estimate the Net Operating Income	Calculate the net operating income by deducting the estimated operating expenses (fixed and variable) and a provision for replacement of short-lived building components from the estimated effective gross income.
Value Indication	Convert the net operating income into a value indication by using a market-derived capitalization rate in the case of direct capitalization and/or a market-derived discount rate in the yield capitalization analysis (discounted cash flow analysis). The yield capitalization approach also forecasts the anticipated future income streams and estimates a reversion price at the end of a presumed holding period. These future income streams are then discounted to a present value using a market-extracted discount rate based on investor expectations based on the risks associated with a property.

RENT ROLL

The subject property will be 100% owner-occupied and will therefore be unencumbered by an arm's length lease. The rental income conclusion will be based on our market rent analysis

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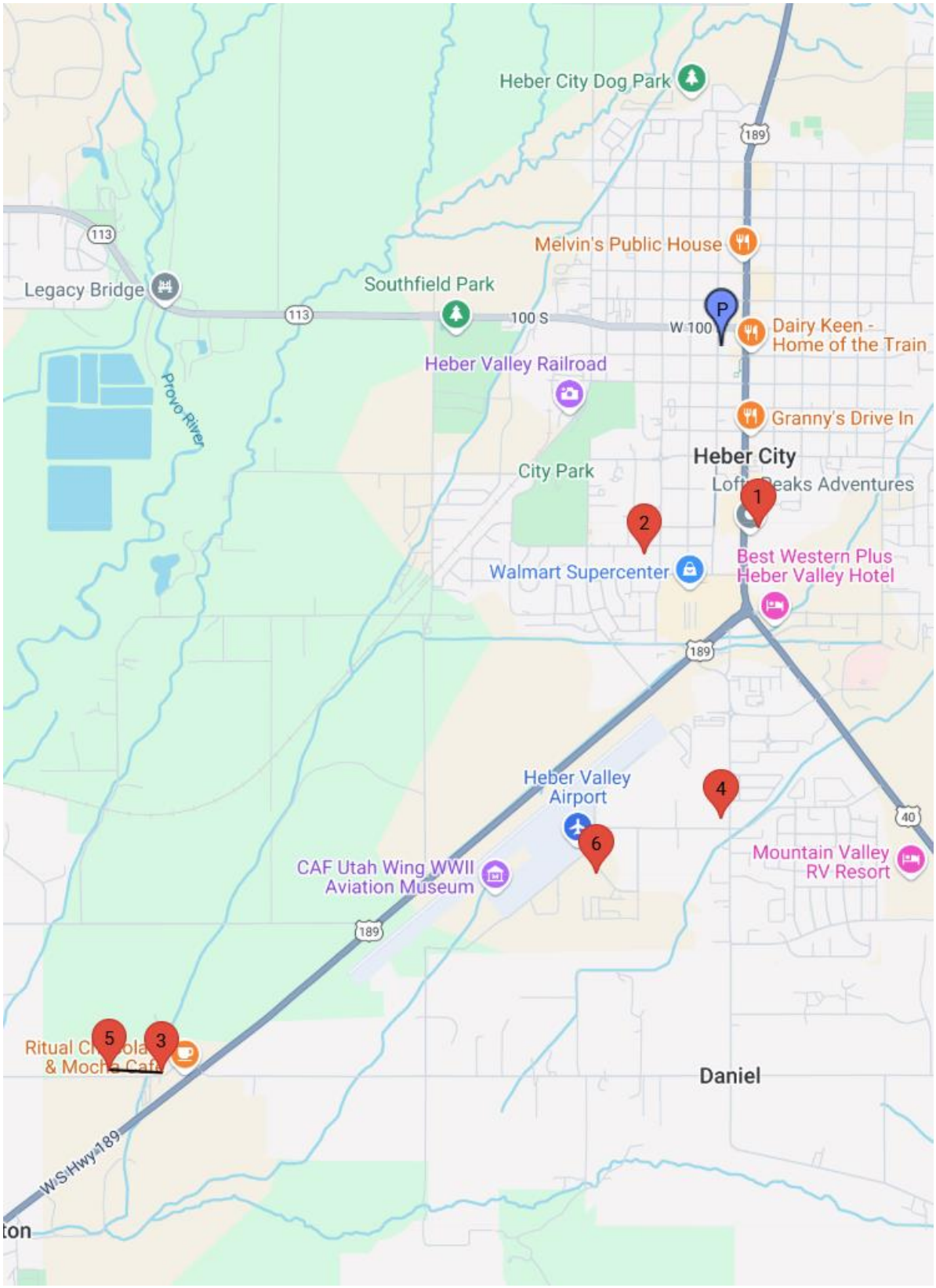
MARKET RENT

To estimate the market rental rate of the Industrial space in the subject, the rental rates of similar buildings in the subject and surrounding areas have been analyzed. Our analysis of rental rates for similar space within the market are summarized below.

COMPARABLE LEASE SURVEY									
Comp No.	Property Name / Location	Bldg. Size (SF Net)	Year Built	Tenant	Lease Start	Lease Term	Unit Size (SF)	Lease Rate ($/SF/Yr)	Expense Structure
Lease 1	Industrial w/ Yard (APN:00-0005-9134) 843 South Main Street Heber City, UT	7,680	1948	Contractor	Jun-2024	12 mos.	2,250	$18.67	Gross
Lease 2	Industrial Warehouse (APN: 00-0015-5882) 357 West 910 South Heber City, UT	10,047	1995	Ark Tiny Homes	Jan-2024	62 mos.	10,200	$14.00	NNN
Lease 3	Weathervane Warehouse Condos 2210 West 3000 South Heber City, UT	46,194	2020	Fleety Heber	Oct-2023	60 mos.	20,996	$12.60	NNN
Lease 4	Multi-Tenant Industrial 86 West Airport Road Heber City, UT	18,000	2022	Inspiration Design	Sep-2023	60 mos.	4,560	$14.40	NNN
Lease 5	5-Unit Industrial Condos 2210 West 3000 South Units 3-7 Daniel , UT	46,471	2020	Utah Spa Depot	Apr-2023	60 mos.	8,243	$10.80	NNN
Lease 6	Multi-Tenant Industrial 551 Powerline Road Heber City, UT	16,200	2022	Jorgensen Builders	Jan-2023	60 mos.	5,400	$14.40	NNN
	Minimum		1948					$10.80	
	Maximum		2022					$18.67	
	Average		2005					$14.15	
	Subject	9,800	1999 & 1970's						

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INDUSTRIAL COMPARABLE LEASE MAP

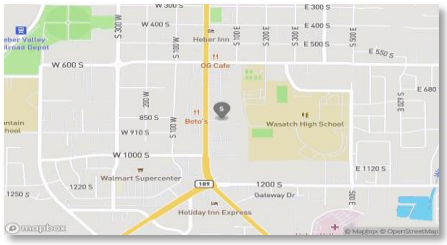


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INDUSTRIAL LEASE COMPARABLE DATA SHEETS



Lease Comparable #1
Industrial w/ Yard (APN:00-0005-9134)
843 South Main Street
Heber City, UT 84032-2464
Wasatch County
BBG Property #725525



Property Data			
Improvement Details			
Property Type/Use	**Industrial – Warehouse**	Lat/Long	**40.496799 / -111.4127**
Parcel ID #	**00-0005-9134**	Number of Buildings	**3**
Year Built	**1948**	Year Renovated	**N/A**
Gross Building Area	**7,680 SF**	Rentable Area	**7,680 SF**
Number of Stories	**1**	Land to Building Ratio	**14.29**
Site Size (Gross)	**109,771 SF (2.52 acres)**	Site Size (Net)	**109,771 SF (2.52 acres)**
Office Percentage	**5%**		
Clear Heights	**18 feet**		
Loading Doors	**11**		
Comments	**Building 1 is 2,250 SF, Building 2 is 2,880 SF, and the third building is 2,550 SF. Property includes a total of 11 grade doors, an estimated 5% office build-out. There is also a storage yard area.**		

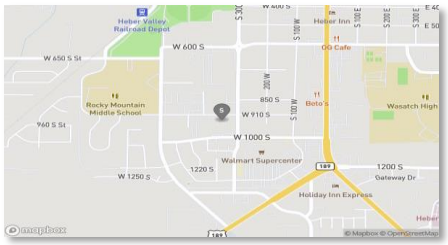
Leases

Commence	Suite	Tenant	Leased Area	Rent $/SF/Year	Term (Mos)	TI (PSF)	Escalations	Comments
6/1/2024		Contractor	2,250 SF	$18.67 Gross	12	0	Flat	Per the owner, the tenant is paying $3,500 per month SFG with no reimbursements. The lease is technically month to month and does not escalate.

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Lease Comparable #2
Industrial Warehouse (APN: 00-0015-5882)
357 West 910 South
Heber City, UT 84032-2443
Wasatch County
BBG Property #723867





Property Data			
Improvement Details			
Property Type/Use	**Industrial – Warehouse**	Lat/Long	**40.495623 / -111.4198**
Parcel ID #	**00-0015-5882**	Number of Buildings	**1**
Year Built	**1995**	Year Renovated	**N/A**
Gross Building Area	**10,047 SF**	Rentable Area	**10,047 SF**
Number of Stories	**1**	Land to Building Ratio	**4.34**
Parking	**Surface: 30** **Total: 30**	Parking Ratio	**2.99:1,000 SF of Rentable Area**
Site Size (Gross)	**43,560 SF (1.00 acres)**	Site Size (Net)	**43,560 SF (1.00 acres)**
Office Percentage	**60%**		
Clear Heights	**16 feet**		
Loading Doors	**3**		
Comments	**The property is located on the south side of 910 S. The site is located on an access street and no traffic data is available. There are two units in the building. The northern half is being utilized as a day care and is assumed to be 100% office. The southern half is being utilized as a warehouse and has an estimated office build-out of 10%. Based on our understanding of the building, we have estimated an total office build-out of 60%. The building contains 3 grade doors, resulting in a loading door ratio of 2.99.**		

Leases

Commence	Suite	Tenant	Leased Area	Rent $/SF/Year	Term (Mos)	TI (PSF)	Escalations	Comments
1/1/2024		Ark Tiny Homes	10,200 SF	$14.00 NNN	62	0	4%/Yr.	

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Lease Comparable #3
Weathervane Warehouse Condos
2210 West 3000 South
Heber City, UT 84032
Wasatch County
BBG Property #657112





Property Data			
Improvement Details			
Property Type/Use	**Industrial - Condominium**	Lat/Long	**40.470980 / -111.4500**
Parcel ID #	**00-0021-5603; 00-0021-5604; 00-0021-5605; 00-0021-5606; 00-0021-5607; 00-0021-5608; 00-0021-5609**	Number of Buildings	**1**
Year Built	**2020**	Year Renovated	**N/A**
Gross Building Area	**46,194 SF**	Rentable Area	**46,194 SF**
Number of Stories	**1**	Land to Building Ratio	**4.25**
Parking	**Total: 105**	Parking Ratio	**2.27:1,000 SF of Rentable Area**
Site Size (Gross)	**196,455 SF (4.51 acres)**	Site Size (Net)	**196,455 SF (4.51 acres)**
Office Percentage	**25%**		
Clear Heights	**28 feet**		
Loading Doors	**8**		
Comments	**This is a 7-unit industrial condominium building located along the northwest side of 3000 South, in Heber, UT. There are a total of 8 loading doors (2 dock and 6 grade) resulting in a loading door ratio of 1.7 per 10K SF. Office space is estimated to be 25%.**		

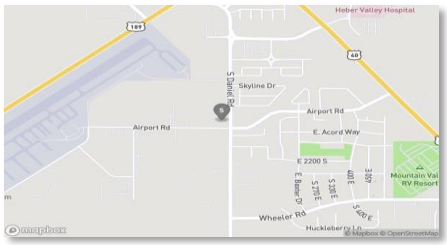
Leases

Commence	Suite	Tenant	Leased Area	Rent $/SF/Year	Term (Mos)	TI (PSF)	Escalations	Comments
10/1/2023		Fleety Heber	20,996 SF	$12.60 NNN	60	0	3%/Yr.	New 5-year lease W/ 3% yearly increases.

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Lease Comparable #4
Multi-Tenant Industrial
86 West Airport Road
Heber City, UT 84032
Wasatch County
BBG Property #724147



Property Data			
Improvement Details			
Property Type/Use	**Industrial - Multi-Tenant Industrial Building**	Lat/Long	**40.482989 / -111.4150**
Parcel ID #	**00-0021-7744**	Number of Buildings	**1**
Year Built	**2022**	Year Renovated	**N/A**
Gross Building Area	**18,000 SF**	Rentable Area	**18,000 SF**
Parking	**Total: 30**	Parking Ratio	**1.67:1,000 SF of Rentable Area**
Site Size (Gross)	**41,382 SF (0.95 acres)**	Site Size (Net)	**41,382 SF (0.95 acres)**
Office Percentage	**10%**		
Clear Heights	**24 feet**		
Loading Doors	**8**		
Comments	**The property is located on the northwest corner of W Airport Rd and S Daniels Rd, and benefits from a daily traffic count of 538 along Airport Rd. The office build-out is not known. Based on our understanding of the building, we have concluded an office build-out of 10%. The building contains 8 grade level doors, resulting in a loading door ratio of 4.44. The site has a coverage ratio of 43%.**		

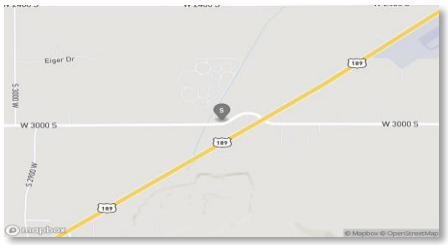
Leases

Commence	Suite	Tenant	Leased Area	Rent $/SF/Year	Term (Mos)	TI (PSF)	Escalations	Comments
9/26/2023		Inspiration Design	4,560 SF	$14.40 NNN	60	0	3%/Yr.	

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Lease Comparable #5
5-Unit Industrial Condos
2210 West 3000 South Units 3-7
Daniel, UT 84032
Wasatch County
BBG Property #649841





Property Data			
Improvement Details			
Property Type/Use	**Industrial - Condominium**	Lat/Long	**40.470980 / -111.4500**
Parcel ID #	**00-0021-5605,00-0021-5606, 00-0021-5607, 00-0021-5608, 00-0021-5609**	Number of Buildings	**1**
Year Built	**2020**	Year Renovated	**N/A**
Gross Building Area	**46,471 SF**	Rentable Area	**46,471 SF**
Number of Stories	**1**	Land to Building Ratio	**3.67**
Parking	**Total: 106**	Parking Ratio	**2.28:1,000 SF of Rentable Area**
Site Size (Gross)	**170,320 SF (3.91 acres)**	Site Size (Net)	**170,320 SF (3.91 acres)**
Office Percentage	**10%**		
Clear Heights	**28 feet**		
Loading Doors	**8**		
Comments	**Located on the north side of W 3000 South. The site is located on an accessory road and no traffic data is available. The condos were purchased in shell condition with no office build-out. We anticipate an office build-out of 10%.**		

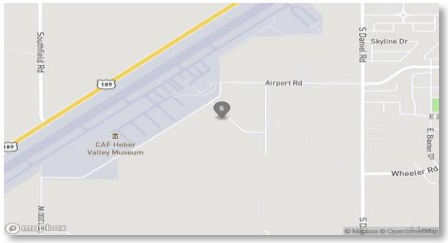
Leases

Commence	Suite	Tenant	Leased Area	Rent $/SF/Year	Term (Mos)	TI (PSF)	Escalations	Comments
4/4/2023		Utah Spa Depot	8,243 SF	$10.80 NNN	60	None	3%	This lease is for unit C. The condo contains 1 grade door, 28' clear height and is one story. The condo was leased in shell condition with no TI's as the tenant will pay for improvements themselves.

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Lease Comparable #6
Multi-Tenant Industrial
551 Powerline Road
Heber City, UT 84032
Wasatch County
BBG Property #649896



Property Data			
Improvement Details			
Property Type/Use	**Industrial - Multi-Tenant Industrial Building**	Lat/Long	**40.480410 / -111.4228**
Parcel ID #	**00-0021-2854**	Number of Buildings	**1**
Year Built	**2022**	Year Renovated	**N/A**
Gross Building Area	**16,200 SF**	Rentable Area	**16,200 SF**
Number of Stories	**1**	Land to Building Ratio	**5.57**
Parking	**Total: 25**	Parking Ratio	**1.54:1,000 SF of Rentable Area**
Site Size (Gross)	**90,169 SF (2.07 acres)**	Site Size (Net)	**90,169 SF (2.07 acres)**
Office Percentage	**5%**		
Clear Heights	**22 feet**		
Loading Doors	**9**		
Comments	**Located on the west side of Powerline Road. Office build-out is approximately 5%. All 9 loading doors are grade level with 22' clear heights, resulting in a loading door ratio of 5.6.**		

Leases

Commence	Suite	Tenant	Leased Area	Rent $/SF/Year	Term (Mos)	TI (PSF)	Escalations	Comments
1/1/2023		Jorgensen Builders	5,400 SF	$14.40 NNN	60			The leased was signed January 1, 2023, however, the tenant has not occupied the space yet.

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INDUSTRIAL LEASE COMPARABLE ADJUSTMENT GRIDS

LEASE ADJUSTMENT GRID - INDUSTRIAL							
	Subject	Lease 1	Lease 2	Lease 3	Lease 4	Lease 5	Lease 6
Property Name	Industrial Property (APN: 00-0011-8294)	Industrial w/ Yard (APN:00-0005-9134)	Industrial Warehouse (APN: 00-0015-5882)	Weathervane Warehouse Condos	Multi-Tenant Industrial	5-Unit Industrial Condos	Multi-Tenant Industrial
Property Address	165 South 100 West Heber City, Utah	843 South Main Street Heber City, 84032-2464	357 West 910 South Heber City, 84032-2443	2210 West 3000 South Heber City, 84032	86 West Airport Road Heber City, 84032	2210 West 3000 South Units 3-7 Daniel , 84032	551 Powerline Road Heber City, 84032
Year Built / Renovated	1999 & 1970's	1948	1995	2020	2022	2020	2022
Coverage Ratio %	42%	7%	23%	24%	43%	27%	18%
Clear Height	14'	18'	16'	28'	24'	28'	22'
Loading Door Ratio	3.1	14.3	3.0	1.7	4.4	1.7	5.6
Representative Lease							
Tenant		Contractor	Ark Tiny Homes	Fleety Heber	Inspiration Design	Utah Spa Depot	Jorgensen Builders
Unit Size (SF)	9,800	2,250	10,200	20,996	4,560	8,243	5,400
% Office	40%	5%	60%	25%	10%	10%	5%
Lease Start Date		Jun-24	Jan-24	Oct-23	Sep-23	Apr-23	Jan-23
Lease Term (mos)		12	62	60	60	60	60
Lease Rate ($/SF/Yr)		$18.67	$14.00	$12.60	$14.40	$10.80	$14.40
Expense Structure		Gross	NNN	NNN	NNN	NNN	NNN
$ Adjustment		-$4.00	$0.00	$0.00	$0.00	$0.00	$0.00
Conditions of Lease		(M-T-M)					
$ Adjustment		-$0.93	$0.00	$0.00	$0.00	$0.00	$0.00
Market Conditions		Jun-24	Jan-24	Oct-23	Sep-23	Apr-23	Jan-23
% Adjustment		2.5%	4.6%	5.8%	6.3%	8.3%	9.6%
Cumulative Adjusted Rent		**$14.08**	**$14.64**	**$13.34**	**$15.30**	**$11.70**	**$15.78**
Location		0%	5%	10%	5%	10%	5%
Unit Size (SF)	9,800	-10%	0%	10%	-5%	0%	-5%
Condition / Effective Age	Average	10%	0%	-10%	-10%	-10%	-10%
Quality / Appeal	Average	10%	0%	0%	-5%	25%	-10%
Exposure / Access	Average/Good	5%	5%	5%	5%	5%	5%
Coverage Ratio	42%	-10%	-5%	-5%	0%	-5%	-10%
Clear Height	14'	-5%	-5%	-15%	-10%	-15%	-10%
% Office	40%	10%	-5%	5%	10%	10%	10%
Loading Door Ratio	3.0	-10%	0%	0%	0%	0%	-5%
Subtotal Gross Adjustments		**70%**	**25%**	**60%**	**50%**	**80%**	**70%**
Subtotal Net Adjustments		0%	-5%	0%	-10%	20%	-30%
Adjusted Lease Rate per Sq.Ft.		**$14.08**	**$13.91**	**$13.34**	**$13.77**	**$14.04**	**$11.05**
Overall Comparison		**Secondary**	**Primary**	**Primary**	**Primary**	**Secondary**	**Secondary**

Lease Summary - Industrial	Adjusted
Minimum	$11.05
Maximum	$14.08
Average	$13.36
Median	$13.84
Concluded Market Rent	**$13.75**
Concluded Expense Structure	**NNN**

INDUSTRIAL MARKET RENT CONCLUSION

The lease comparables indicated an adjusted lease range from $11.05 PSF up to $14.08 PSF, with a median of $13.84 PSF and an average of $13.36 PSF. The average gross adjustments applied to the comparables was 59% with a median of 65%. The total gross adjustments are considered slightly above average due to the majority of the comparables being newer than the subject; however, the comparable information is the best local comparables that were verified and deemed reasonable and reliable to derive a market rental rate. Based on the results of the preceding analysis, Comparable 2 ($13.91/SF), Comparable 3 ($13.34/SF), and Comparable 4 ($13.77/SF) are given primary consideration for the lease rate conclusion as they required the lowest level of gross adjustments, indicating their overall similarity to the subject. The average of the primary comparables is $13.67 PSF. Based on our analysis, a market rent of $13.75 PSF per year NNN is concluded.

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SUMMARY OF MARKET RENT CONCLUSIONS

Based upon the preceding data and analysis, a summary of the concluded market rents utilized within the following analysis is presented within the following table.

MARKET RENT CONCLUSION	
	Industrial
Net Rentable Area (SF)	9,800
Percent of Total Area	100%
Comparable Lease Rate Range	$11.05 - $14.08
Concluded Market Rent ($/SF)	**$13.75**
Expense Structure	NNN
Concessions	0 - 3 Mos.
Annual Escalations	1% - 4%
Tenant Improvements ($/SF)	
New	$10.00
Renewal	$0.00
Leasing Commissions (%)	
New	6%
Renewal	3%
Average Lease Term (years)	5

VACANCY AND COLLECTION LOSS

Occupancy data for the market, submarket, lease comparables and the subject, as well as the concluded occupancy/vacancy for the subject, is shown in the following table.

VACANCY CONCLUSION	
Market Occupancy (Currently)	94%
Market Occupancy (10-Year Ave.)	96%
Submarket Occupancy (Currently)	98%
Submarket Occupancy (10-Year Ave.)	97%
Subject's Current Occupancy	100%
Subject's Stabilized Occupancy	**97.0%**
Subject's Stabilized Vacancy Loss	**3.0%**

A total vacancy loss for the subject property of 3.0% is projected. We also estimate a nominal level of collection loss which is considered within our overall vacancy conclusion. It should be noted that operating expenses during periods of vacancy is incorporated into the cap rate.

OTHER INCOME

EXPENSE RECOVERIES

The subject is owner-occupied. However, if the subject were leased, it would likely be leased on a triple net basis. The rental income conclusion assumes a triple net expense structure where the tenant (owner) pays real estate taxes, property insurance, utilities, and property maintenance, while management fees and structural reserves are incurred by the subject owner and generally not reimbursable. For the purpose of our analysis, we assume that the reimbursable expenses are paid directly.

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EXPENSE RECOVERIES					
Tenant Name	Area (SF)	Expense Structure	Management	Replacement Reserves	Total Expenses
Reimbursable ->			No	No	
Wasatch Wave (Owner Occupant)	9,800	NNN	$3,921	$980	$4,901
Total	**9,800**	-----	**$3,921**	**$980**	**$4,901**

SUBJECT'S INCOME AND EXPENSES

The subject's proforma income and expenses are detailed in the table on the following page.

SUBJECT'S INCOME & EXPENSES	BBG Proforma*	
	Total	per SF
INCOME		
Gross Potential Rent	$134,750	$13.75
Potential Gross Income	**$134,750**	**$13.75**
Physical Vacancy	-$4,043	-$0.41
Vacancy & Collection Loss	**-$4,043**	**-$0.41**
EFFECTIVE GROSS INCOME (EGI)	**$130,708**	**$13.34**
EXPENSES		
Management	$3,921	$0.40
Replacement Reserves	$980	$0.10
TOTAL EXPENSES	**$4,901**	**$0.50**
NET OPERATING INCOME (NOI)	**$125,806**	**$12.84**

* Fiscal Year Beginning Nov-24

OPERATING EXPENSE ANALYSIS AND PROJECTIONS

Each of the respective expense items is estimated in the following analysis with consideration given to comparable expense data from the local market.

OPERATING EXPENSE CONCLUSION	
Expense Item	BBG Forecast
Management	$0.40
	$3,921
Replacement Reserves	$0.10
	$980
Total Operating Expenses Per SF	**$0.50**
Total Operating Expenses	**$4,901**

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COMMENTS	
Management	This expense reflects the professional management service of the subject. The conclusion is based of typical marketing parameters that range from 2% to 6% for properties. Given the number of tenant units within the facility, a rate near the lower end of the range is concluded.
Replacement Reserves	Reserves for replacements are not typical cash expenditures, but rather the annualized cost of major expenses in the future. Reserves for replacement represent a prudent investor's or manager's cash flow model that includes a savings account to pay for the periodic replacement of building components. This expense typically ranges from $0.05 to $0.15 depending on the age and condition of the building. An estimate near the middle of the range is used in this analysis based on the subject's age and condition.

PRO FORMA OPERATIONS

Following is a summary of the income and expense projections for the subject which is a summation of the preceding analysis.

PRO FORMA		FY 2025	
Income		**$**	**Per SF**
Gross Potential Rent		$134,750	$13.75
Total Potential Gross Income		**$134,750**	**$13.75**
Less: Vacancy Loss & Collection Loss	3.0%	($4,043)	-$0.41
Effective Gross Income (EGI)		**$130,708**	**$13.34**
Expenses			
Management	3.0%	$3,921	$0.40
Replacement Reserves		$980	$0.10
Total Expenses	**3.7%**	**$4,901**	**$0.50**
NET OPERATING INCOME (NOI)		**$125,806**	**$12.84**

DIRECT CAPITALIZATION

Direct capitalization is a method used to convert a projected single year's income expectancy into an indication of value. Dividing a property's net operating income by an appropriate market-derived capitalization rate provides a value indication. This capitalization rate is known as the overall rate.

There are several methods that can be used in deriving an overall rate that can be used to capitalize the net operating income that was projected in the previous Pro Forma Operating Statement.

MARKET DERIVATION

When adequate data is available, the overall rate is best derived from the comparable sales employed in the Sales Comparison Approach. The following table summarizes capitalization rates extracted from the comparable sales transactions.

SUPPLEMENTAL MARKET CAP RATES

Due to the subject's fee-simple interest, all sales used within the Sales Comparison Approach are also owner-user fee-simple sales; therefore, the following table presents a summary of supplemental leased-fee comparable sales located within the subject's market, and the capitalization rates from each of those sales.

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MARKET DERIVED CAPITALIZATION RATE SUMMARY (SUPPLEMENTAL)								
No.	Property / Location	Date of Sale	Year Built	Occup.	Sale Price	NOI	Sale Price PSF	Capitalization Rate
1	Multi-Tenant Industrial 215 East 700 South Clearfield, UT	04/26/2024	2008	100%	$1,755,000	$101,675	$ 132.65	5.79%
2	Industrial Warehouse W/ Yard 2280 Alexander Street West Valley City, UT	11/22/2023	1979	100%	$6,000,000	$384,000	$ 197.46	6.40%
3	Industrial Condo Unit-101 13863 South 2700 West Bluffdale, UT	08/11/2023	2020	100%	$2,400,000	$152,160	$ 310.00	6.34%
4	Multi-Tenant Warehouse 2900-2912 South West Temple Street South Salt Lake, UT	08/10/2023	1983	100%	$2,500,000	$185,479	$ 188.36	6.74%
5	Industrial W/ Yard 343 West 5560 South Murray, UT	07/24/2023	1990	100%	$1,800,000	$110,047	$ 509.34	6.11%
6	Multi-Tenant Industrial 86 West Airport Road Heber City, UT	03/17/2023	2022	100%	$3,950,000	$240,108	$ 219.44	6.08%
7	Industrial Warehouse W/ Yard 4080 South West Temple Murray, UT	03/06/2023	1979	100%	$6,637,000	$384,943	$ 217.24	5.80%
8	Industrial Condominium 3855 South 500 West Unit D Salt Lake City, UT	01/03/2023	1979	100%	$650,000	$36,140	$ 162.50	5.56%
Low								5.56%
High								6.74%
Median								6.10%
Average								6.10%
Appraiser's Concluded Range								**5.50% - 6.75%**

The sales above indicate a wide range of capitalization rates from Click or tap here to enter text. to Click or tap here to enter text. with an average of Click or tap here to enter text. and a median of Click or tap here to enter text.. All comparables are somewhat recent transactions (past 24-months) that have occurred within the subject market. Therefore, the subject should achieve a capitalization rate below the average of the sales. Based on the data available and the analyses presented, the subject warrants a capitalization rate between Click or tap here to enter text..

INVESTOR SURVEYS

INVESTOR SURVEYS		
Survey/Investment Type	OAR Range	Average
PwC Real Estate Investor Survey (3Q24)		
Warehouse	4.00% - 8.50%	5.55%
Situs RERC Real Estate Report (3Q24)		
Warehouse	4.80% - 6.00%	5.50%
Flex	5.80% - 7.00%	6.70%
Indicated OAR:	**4.00% - 8.50%**	**5.92%**

The subject property represents a Class C property in a secondary market. Due to the size of the property, it would not like likely attract the attention of institutional investors. Thus, the subject warrants a capitalization rate above the reported average of investor surveys.

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MARKET PARTICIPANT INTERVIEWS

The following table indicates data from market participant interviews relative to capitalization rates for the subject and/or similar properties.

MARKET PARTICIPANT INTERVIEWS				
Respondent	**Company**	**Property Type**	**Survey Date**	**Cap Rate Range**
Christopher Liddell, Broker	CBRE	Industrial	4Q 2024	5.25% - 6.50%
Mr. Liddell, a prominent industrial broker along the Wasatch Front indicated that the market is currently experiencing downward pressure on both values and lease rates due to the extended time period interest rates have been elevated. Additionally, with the higher vacancy rate in the market due to the availability of first generation tilt-up product, tenants are better able to negotiate/lease new space at lower rates than what has been available over the past several years. On the other hand, 2nd generation space owners likely have more wiggle room to entice tenants. It was indicated that concessions are increasing and TI's are being provided whereas, those have been absent from the market over the past decade. Regarding cap rates, tilt-up distribution building are still being acquired as low as 5.25%; however, they are typically leased below market and buyer's will take a small rent loss in hopes to re-sign tenants at market rates over the next 3-5 years. Ultimately, their pro-forma cap rates are more inline of 6.00% up to 6.50% when considering rent-loss and future potential rents. 2nd generation cap will gernally transact near the higher end of the provided range (as-is).				
Kelsie Akiyama, Broker	Newmark	Industrial Warehouse	3Q 2024	5.75% - 6.50%
Mr. Akiyama indicated that cap rates have generally remained stable over the past year between the 5.75% - 6.50% range.				
Reported Range				**5.75% - 6.50%**

BAND OF INVESTMENT

The band of investment calculation is summarized in the following table.

BAND OF INVESTMENT				
Loan Parameters				
Loan-to-Value (LTV)				70%
Amortization Period (yrs)				30
Interest Rate				6.25%
Mortgage Constant				0.07389
Equity Dividend Rate				5.00%
Calculation				
0.70 LTV	x 0.07389	Mortgage Constant	=	0.05172
0.30 Equity	x 0.05000	Equity Dividend Rate	=	0.01500
Capitalization Rate				**6.67%**

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CAPITALIZATION RATE SUMMARY AND CONCLUSIONS

The capitalization rates derived from the various techniques are summarized in the following table.

SUMMARY CAPITALIZATION RATE AND CONCLUSION	
Method	**Capitalization Rate**
Market Extraction (Supplemental)	5.50% - 6.75%
Market Extraction Ave (Supplemental)	6.10%
Investor Surveys	5.92%
Market Participants	5.75% - 6.50%
Band of Investment	6.67%
Primary Weight	**Market Extraction, Market Participants**
Secondary Weight	**Investor Surveys, BOI**
Capitalization Rate Conclusion	**6.00%**

Typically, most weight is placed on the rates derived from sources most closely associated with the subject's immediate market, that is, comparable sales, particularly if the comparable sales have a similar risk profile to the subject property. Based on all available data sources, we conclude to a **6.00%** capitalization rate.

VALUE INDICATION FROM DIRECT CAPITALIZATION

A value indication by the Direct Capitalization Method is calculated by dividing the net operating income (NOI), derived earlier in this section by the appropriate capitalization rate. Our conclusion via the Direct Capitalization Method is as follows.

DIRECT CAPITALIZATION METHOD VALUE CONCLUSION - AS IS		
NET OPERATING INCOME	**$125,806**	**$12.84**
Based on Most Probable Rate of 6.00%	$2,096,771	$213.96
Indicated As Is Value	**$2,096,771**	**$213.96**
Rounded to nearest $10,000	**$2,100,000**	**$214.29**

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RECONCILIATION AND FINAL VALUE

SUMMARY OF VALUE INDICATIONS

VALUE INDICATIONS		
As Is as of November 26, 2024		
Sales Comparison Approach	$2,160,000	$220.41 Per Square Foot (NRA)
Income Capitalization Approach		
Direct Capitalization	$2,100,000	$214.29 Per Square Foot (NRA)
Approach Reliance		
Direct Capitalization	**$2,160,000**	**$220.41** Per Square Foot (NRA)
Exposure Time (Months)	6 Months or Less	
Marketing Time (Months)	6 Months or Less	

MARKET VALUE - VALUATION RELIANCE

The Sales Comparison Approach is primarily used by owner-users in making purchase decisions. The subject has high appeal to an owner-user due to the size and use of the property. Reasonable sale comparable data was available for analysis. For these reasons, the Sales Comparison Approach was given primary weight in the final conclusion of value.

The Income Approach is the valuation method most commonly used by investors in making purchase decisions for investment properties. The subject lends more to an owner-user due to its size location and buyer pool. As such, the Income Approach is given secondary emphasis in our reconciliation.

FINAL OPINION(S) OF VALUE

Based on the inspection of the property and the investigation and the analysis undertaken, we have developed the following value opinion(s).

MARKET VALUE CONCLUSION(S)			
Appraisal Premise	**Interest Appraised**	**Date of Value**	**Value Conclusion**
Market Value - As Is	Fee Simple	November 26, 2024	$2,160,000

MARKETING TIME AND EXPOSURE TIME

The sales used in the Sales Comparison Approach were formally marketed and purchased after being exposed to the market in a range from off market (no exposure time) to approximately six months.

Financing for industrial properties purchased for owner user purposes is generally available, however, with the recent increase in interest rates, there appears to be a slight reduction in the pool of potential buyers for this property type. Therefore, we do not believe the increased cost of financing has any major negative impact on the marketability of the subject, and we believe it would have a marketing time of 6 months or less at the appraised market value (marketing time occurs after the effective date of value). The exposure time (time preceding the effective date of value) is also estimated at 6 months or less.

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CERTIFICATION

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

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
3. I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved with this assignment.
4. I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
5. My engagement in this assignment was not contingent upon developing or reporting predetermined results.
6. My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of 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.
7. This appraisal assignment was not based upon a requested minimum valuation, a specific valuation, or the approval of a loan.
8. My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice, as well as the requirements of the state of Utah.
9. The reported analyses, opinions, and Value Indications were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics, the Standards of Professional Practice of the Appraisal Institute.
10. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
11. As of the date of this report, John Blaser, MAI has completed the continuing education program for Designated Members of the Appraisal Institute.
12. John Blaser, MAI has made a personal inspection of the property that is the subject of this report.
13. Brady D. Hagblom (Trainee License Number 5997229-TR00) provided significant real property appraisal assistance to the appraiser signing this certification. Assistance included gathering regional, neighborhood, zoning, and tax information, highest & best use analysis, confirming the comparable data and assisting in the valuation analysis and reconciliation analysis under guidance and review of the appraiser.
14. John Blaser, MAI has provided 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 the agreement to perform this assignment.



John Blaser, MAI
UT Certified General Appraiser
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jblaser@bbgres.com

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STANDARD ASSUMPTIONS AND LIMITING CONDITIONS

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

1) Notwithstanding that Appraiser may comment on, analyze or assume certain conditions in the appraisal, BBG, Inc. shall have no monetary liability or responsibility for alleged claims or damages pertaining to: (a) title defects, liens or encumbrances affecting the property; (b) the property's compliance with local, state or federal zoning, planning, building, disability access and environmental laws, regulations and standards; (c) building permits and planning approvals for improvements on the property; (d) structural or mechanical soundness or safety; (e) contamination, mold, pollution, storage tanks, animal infestations or other hazardous conditions affecting the property; and (f) other conditions and matters for which licensed real estate appraisers are not customarily deemed to have professional expertise. Accordingly:
   a) The Appraiser has not conducted any engineering or architectural surveys in connection with this appraisal assignment. Information reported pertaining to dimensions, sizes, and areas is either based on measurements taken by the Appraiser or the Appraiser's staff or was obtained or taken from referenced sources and is considered reliable. The Appraiser and BBG, Inc. shall not be monetarily liable or responsible for or assume the costs of preparation or arrangement of geotechnical engineering, architectural, or other types of studies, surveys, or inspections that require the expertise of a qualified professional.
   b) Unless otherwise stated in the report, only the real property is considered, so no consideration is given to the value of personal property or equipment located on the premises or the costs of moving or relocating such personal property or equipment. Further, unless otherwise stated, it is assumed that there are no subsurface oil, gas or other mineral deposits or subsurface rights of value involved in this appraisal, whether they are gas, liquid, or solid. Further, unless otherwise stated, it is assumed that there are no rights associated with extraction or exploration of such elements considered. Unless otherwise stated it is also assumed that there are no air or development rights of value that may be transferred.
   c) Any legal description or plats reported in the appraisal are assumed to be accurate. Any sketches, surveys, plats, photographs, drawings or other exhibits are included only to assist the intended user to better understand and visualize the subject property, the environs, and the competitive data. BBG, Inc. has made no survey of the property and assumes no monetary liability or responsibility in connection with such matters.
   d) Title is assumed to be good and marketable, and in fee simple, unless otherwise stated in the report. The property is considered to be free and clear of existing liens, easements, restrictions, and encumbrances, except as stated. Further, BBG, Inc. assumes there are no private deed restrictions affecting the property which would limit the use of the subject property in any way.
   e) The appraisal report is based on the premise that there is full compliance with all applicable federal, state, and local environmental regulations and laws unless otherwise stated in the appraisal report; additionally, that all applicable zoning, building, and use regulations and restrictions of all types have been complied with unless otherwise stated in the appraisal report. Further, it is assumed that all required licenses, consents, permits, or other legislative or administrative authority, local, state, federal and/or private entity or organization have been or can be obtained or renewed for any use considered in the value opinion. Moreover, unless otherwise stated herein, it is assumed that there are no encroachments or violations of any zoning or other regulations affecting the subject property, that the utilization of the land and improvements is within the boundaries or property lines of the property described, and that there are no trespasses or encroachments.

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f) The American Disabilities Act (ADA) became effective January 26, 1992. The Appraiser has not made a specific compliance survey or analysis of the property to determine whether or not it is in conformity with the various detailed requirements of ADA. It is possible that a compliance survey of the property and a detailed analysis of the requirements of the ADA would reveal that the property is not in compliance with one or more of the requirements of the Act. If so, this fact could have a negative impact upon the value of the property. Since the Appraiser has no direct evidence relating to this issue, possible noncompliance with the requirements of ADA was not considered in estimating the value of the property.

g) No monetary liability or responsibility is assumed for conformity to specific governmental requirements, such as fire, building, safety, earthquake, or occupancy codes, except where specific professional or governmental inspections have been completed and reported in the appraisal report.

h) It is assumed the subject property is not adversely affected by the potential of floods; unless otherwise stated herein. Further, it is assumed all water and sewer facilities (existing and proposed) are or will be in good working order and are or will be of sufficient size to adequately serve any proposed buildings.

i) Unless otherwise stated within the appraisal report, the depiction of the physical condition of the improvements described therein is based on visual inspection. No monetary liability or responsibility is assumed for (a) the soundness of structural members since no engineering tests were conducted; (b) the condition of mechanical equipment, plumbing, or electrical components, as complete tests were not made; and (c) hidden, unapparent or masked property conditions or characteristics that were not clearly apparent during the Appraiser's inspection.

j) If building improvements are present on the site, it is assumed that no significant evidence of termite damage or infestation was observed during physical inspection, unless so stated in the appraisal report. Further, unless so stated in the appraisal report, no termite inspection report was available. No monetary liability or responsibility is assumed for hidden damages or infestation.

k) Unless subsoil opinions based upon engineering core borings were furnished, it is assumed there are no subsoil defects present, which would impair development of the land to its maximum permitted use or would render it more or less valuable. No monetary liability or responsibility is assumed for such conditions or for engineering which may be required to discover them.

l) BBG, Inc., excepting employees of BBG Assessment, Inc., and the appraiser(s) are not experts in determining the presence or absence of hazardous substances toxic materials, wastes, pollutants or contaminants (including, but not limited to, asbestos, PCB, UFFI, or other raw materials or chemicals) used in construction or otherwise present on the property. BBG, Inc. and the appraiser(s) assume no monetary liability or responsibility for the studies or analyses which would be required to determine the presence or absence of such substances or for loss as a result of the presence of such substances. The Client is free to retain an expert on such matters in this field; however, Client retains such expert at Client's own discretion, and any costs and/or expenses associated with such retention are the responsibility of Client.

m) BBG, Inc. is not an expert in determining the habitat for protected or endangered species, including, but not limited to, animal or plant life (such as bald eagles, gophers, tortoises, etc.) that may be present on the property. BBG, Inc. assumes no monetary liability or responsibility for the studies or analyses which would be required to determine the presence or absence of such species or for loss as a result of the presence of such species. The Appraiser hereby reserves the right to alter, amend, revise, or rescind any of the value opinions contained within the appraisal repot based upon any subsequent endangered species impact studies, research, and investigation that may be provided. However, it is assumed that no environmental impact studies were either requested or made in conjunction with this analysis, unless otherwise stated within the appraisal report.

2) If the Client instructions to the Appraiser were to inspect only the exterior of the improvements in the appraisal process, the physical attributes of the property were observed from the street(s) as of the

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inspection date of the appraisal. Physical characteristics of the property were obtained from tax assessment records, available plans, if any, descriptive information, and interviewing the client and other knowledgeable persons. It is assumed the interior of the subject property is consistent with the exterior conditions as observed and that other information relied upon is accurate.

3) If provided, the estimated insurable value is included at the request of the Client and has not been performed by a qualified insurance agent or risk management underwriter. This cost estimate should not be solely relied upon for insurable value purposes. The Appraiser is not familiar with the definition of insurable value from the insurance provider, the local governmental underwriting regulations, or the types of insurance coverage available. These factors can impact cost estimates and are beyond the scope of the intended use of this appraisal. The Appraiser is not a cost expert in cost estimating for insurance purposes.
4) The dollar amount of any value opinion herein rendered is based upon the purchasing power and price of the United States Dollar as of the effective date of value. This appraisal is based on market conditions existing as of the date of this appraisal.
5) The value opinions reported herein apply to the entire property. Any proration or division of the total into fractional interests will invalidate the value opinions, unless such proration or division of interests is set forth in the report. Any division of the land and improvement values stated herein is applicable only under the program of utilization shown. These separate valuations are invalidated by any other application.
6) Any projections of income and expenses, including the reversion at time of resale, are not predictions of the future. Rather, they are BBG, Inc.'s best estimate of current market thinking of what future trends will be. No warranty or representation is made that such projections will materialize. The real estate market is constantly fluctuating and changing. It is not the task of an appraiser to estimate the conditions of a future real estate market, but rather to reflect what the investment community envisions for the future in terms of expectations of growth in rental rates, expenses, and supply and demand. The forecasts, projections, or operating estimates contained herein are based on current market conditions, anticipated short-term supply and demand factors, and a continued stable economy. These forecasts are, therefore, subject to changes with future conditions.
7) The Appraiser assumes no monetary liability or responsibility for any changes in economic or physical conditions which occur following the effective date of value within this report that would influence or potentially affect the analyses, opinions, or conclusions in the report. Any subsequent changes are beyond the scope of the report.
8) Any proposed or incomplete improvements included in the appraisal report are assumed to be satisfactorily completed in a workmanlike manner or will be thus completed within a reasonable length of time according to plans and specifications submitted.
9) If the appraisal report has been prepared in a so-called "public non-disclosure" state, real estate sales prices and other data, such as rents, prices, and financing, are not a matter of public record. If this is such a "non-disclosure" state, although extensive effort has been expended to verify pertinent data with buyers, sellers, brokers, lenders, lessors, lessees, and other sources considered reliable, it has not always been possible to independently verify all significant facts. In these instances, the Appraiser may have relied on verification obtained and reported by appraisers outside of our office. Also, as necessary, assumptions and adjustments have been made based on comparisons and analyses using data in the report and on interviews with market participants. The information furnished by others is believed to be reliable, but no warranty is given for its accuracy.
10) Although the Appraiser has made, insofar as is practical, every effort to verify as factual and true all information and data set forth in this report, no responsibility is assumed for the accuracy of any information furnished the Appraiser either by the Client or others. If for any reason, future investigations should prove any data to be in substantial variance with that presented in this report, the Appraiser reserves the right to alter or change any or all analyses, opinions, or conclusions and/or opinions of value.

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11) The right is reserved by the Appraiser to make adjustments to the analyses, opinions, and conclusions set forth in the appraisal report as may be required by consideration of additional or more reliable data that may become available. No change of this report shall be made by anyone other than the Appraiser. The Appraiser shall have no monetary liability or responsibility for any unauthorized change(s) to the report.
12) The submission of the appraisal report constitutes completion of the services authorized and agreed upon. Such appraisal report is submitted on the condition the Client will provide reasonable notice and customary compensation, including expert witness fees, relating to any subsequent required attendance at conferences, depositions, or judicial or administrative proceedings. In the event the Appraiser is subpoenaed for either an appearance or a request to produce documents, a best effort will be made to notify the Client immediately. The Client has the sole responsibility for obtaining a protective order, providing legal instruction not to appear with the appraisal report and related work files, and will answer all questions pertaining to the assignment, the preparation of the report, and the reasoning used to formulate the opinion of value. Unless paid in whole or in part by the party issuing the subpoena or by another party of interest in the matter, the Client is responsible for all unpaid fees resulting from the appearance or production of documents regardless of who orders the work.
13) Client shall not disseminate, distribute, make available or otherwise provide any Appraisal Report prepared hereunder to any third party (including without limitation, incorporating or referencing the Appraisal Report , in whole or in part, in any offering or other material intended for review by other parties) except to (a) any third party expressly acknowledged in a signed writing by Appraiser as an "Intended User" of the Appraisal Report provided that either Appraiser has received an acceptable release from such third party with respect to such Appraisal Report or Client provides acceptable indemnity protections to Appraiser against any claims resulting from the distribution of the Appraisal Report to such third party, (b) any third party service provider (including rating agencies and auditors) using the Appraisal Report in the course of providing services for the sole benefit of an Intended User, or (c) as required by statute, government regulation, legal process, or judicial decree. In the event Appraiser consents, in writing, to Client incorporating or referencing the Appraisal Report in any offering or other materials intended for review by other parties, Client shall not distribute, file, or otherwise make such materials available to any such parties unless and until Client has provided Appraiser with complete copies of such materials and Appraiser has approved all such materials in writing. Client shall not modify any such materials once approved by Appraiser. In the absence of satisfying the conditions of this paragraph with respect to a party who is not designated as an Intended User, the receipt of an Appraisal Report by such party shall not confer any right upon such party to use or rely upon such report, and Appraiser shall have no liability for such unauthorized use or reliance upon such report. In the event Client breaches the provisions of this paragraph, Client shall indemnify, defend and hold Appraiser, and its affiliates and their officers, directors, employees, contractors, agents and other representatives (Appraiser and each of the foregoing an "Indemnified Party" and collectively the "Indemnified Parties"), fully harmless from and against all losses, liabilities, damages and expenses (collectively, "Damages") claimed against, sustained or incurred by any Indemnified Party arising out of or in connection with such breach, regardless of any negligence on the part of any Indemnified Party in preparing the Appraisal Report.

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BBG
REAL ESTATE SERVICES



Company Overview

BBG OVERVIEW

BBG is one of the nation's largest real estate services firms with more than 45 offices across the country serving more than 4,500 clients. We deliver best-in-class valuation, advisory and assessment services with a singular focus of meeting our clients' needs.

Our professional team offers broad industry expertise and deep market knowledge to help clients meet their objectives throughout the real estate life cycle.

BBG clients include commercial real estate professionals, investors, lenders, attorneys, accountants and corporations.

THE BBG DIFFERENCE

National Footprint. BBG is one of only two national firms offering in-house valuation and environmental and property condition assessment services for all commercial property types.

Customer-focused Growth. BBG is one of the largest national due diligence firms because we deliver best-in-class work product and provide excellent customer care.

Qualified Team. Over 50 percent of BBG appraisers are MAI designated and offer deep industry expertise gained through real-world experience.

Unbiased Independence. By focusing exclusively on due diligence services, BBG guarantees an independent perspective free from potential conflicts of interest.

Innovative Technology. BBG has made significant analytics and IT investments to continually improve our data and report quality.

For more information, please visit www.bbgres.com

SERVICES

Valuation

+ Single Asset Valuation
+ Portfolio Valuation
+ Institutional Asset Valuation
+ Appraisal Review
+ Appraisal Management
+ Lease and Cost Analysis
+ Insurance Valuation
+ Arbitration & Consulting
+ Feasibility Studies
+ Highest and Best Use Studies
+ Evaluation
+ Investment analysis
+ Tax appeals
+ Litigation Support
+ Manufactured Housing and Campgrounds

Advisory

+ ASC 805 Business combinations
+ ASC 840 Leases
+ Purchase Price Allocations
+ Portfolio Valuations for reporting net asset values (NAV)
+ Public and non-traded REIT valuations
+ Valuations for litigation and litigation support
+ Sale-leaseback valuation analysis
+ Valuations for bankruptcy/fresh start accounting
+ Cost segregation analysis

Assessment

+ Environmental due diligence
+ Building Services
+ Construction Risk Management
+ HUD
+ Energy Efficiency Services
+ Land Surveying
+ Zoning

Valuation + Assessment

ADDENDA

Glossary ..... **A**

Letter of Engagement ..... **B**

Appraiser Qualifications and Licenses ..... **C**

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GLOSSARY

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Appraisal: (noun) the act or process of developing an opinion of value; an opinion of value. (adjective) of or pertaining to appraising and related functions such as appraisal practice or appraisal services.[7]

Appraisal Practice: valuation services performed by an individual acting as an appraiser, including but not limited to appraisal and appraisal review.[7]

Appraisal Review: (noun) the act or process of developing an opinion about the quality of another appraiser's work (i.e., a report, part of a report, a workfile, or some combination of these), that was performed as part of an appraisal or appraisal review assignment, (adjective) of or pertaining to an opinion about the quality of another appraiser's work that was performed as part of an appraisal or appraisal review assignment.[7]

Appraiser: one who is expected to perform valuation services competently and in a manner that is independent, impartial and objective.[7]

Appraiser's Peers: other appraisers who have expertise and competency in a similar type of assignment.[7]

Assessed Value: The value of a property according to the tax rolls in ad valorem taxation; may be higher or lower than market value, or based on an assessment ratio that is a percentage of market value. [1]

Asset:

1. Any item, the rights to which may have economic value, including financial assets (cash or bonds), business interests, intangible assets (copyrights and trademarks), and physical assets (real estate and personal property).
2. In general business usage, something owned by a business and reflected in the owner's business sheet.

Asset: A resource controlled by the entity as a result of past events and from which future economic benefits are expected to flow to the entity. [2]

Assignment: a valuation service that is provided by an appraiser as a consequence of an agreement with a client.[7]

Assignment Conditions: Assumptions, extraordinary assumptions, hypothetical conditions, laws and regulation, jurisdictional exceptions, and other conditions that affect the scope of work.[7]

Assignment Elements: Specific information needed to identify the appraisal or appraisal review problem: client and any other intended users, intended use of the appraiser's opinions and conclusions, type and definition of value; effective date of the appraiser's opinions and conclusions; subject of the assignment and its relevant characteristics; and assignment conditions.[7]

Assignment Results: An appraiser's opinions or conclusions, not limited to value, that were developed when performing an appraisal assignment, an appraisal review assignment, or a valuation service other than an appraisal or appraisal review.[7]

Bias: a preference or inclination that precludes an appraiser's impartiality, independence, or objectivity in an assignment.[7]

Business Enterprise: an entity pursuing an economic activity.[7]

Business Equity: the interests, benefits, and rights inherent in the ownership of a business enterprise or a part thereof in any form (including, but not necessarily limited to, capital stock, partnership interests, cooperatives, sole proprietorships, options, and warrants).[7]

Capital Expenditure: Investments of cash (or the creation of liability) to acquire or improve an asset, e.g., land, buildings, building additions, site improvements, machinery, equipment; as distinguished from cash outflows for expense items that are normally considered part of the current period's operations. Also referred to as Cap Ex.[1]

Cash Equivalency Analysis: An analytical process in which the sale price of a transaction with nonmarket financing or financing with unusual conditions or incentives is converted into a price expressed in terms of cash or its equivalent.[1]

Client: the party or parties (i.e., individual, group or entity) who engage an appraiser by employment or contract in a specific assignment, whether directly or through an agent.[7]

Condominium Ownership: A form of fee ownership of separate units or portions of multiunit buildings that provides for formal filing and recording of a divided interest in real estate.[1]

Confidential Information:

1: information that is either:

- Identified by the client as confidential when providing it to a valuer and that is not available from any other source, or
- Classified as confidential or private by applicable law or regulation.

2: Information that is either

- Identified by the client as confidential when providing it to an appraiser and that is not available from any other source; or
- Classified as confidential or private by applicable law or regulation *
- NOTICE: For example, pursuant to the passage of the Gramm-Leach-Bliley Act in November 1999, some public agencies have adopted privacy regulations that affect appraisers. The Federal Trade Commission (FTC) issued two rules. The first rule (16 CFR 313) focuses on the protection of "non-public personal information" provided by consumers to those involved in financial activities "found to be closely related to banking or usual in connection with the transaction of banking." These activities include "appraising real or personal property." The second rule (16 CFR 314) requires appraisers to safeguard customer non-public personal information. Significant liability exists for appraisers should they fail to comply with these FTC rules. [7]

Cost: the actual or estimated amount required to create, reproduce, replace or obtain a property.[7]

Cost Approach: A set of procedures through which a value indication is derived for the fee simple interest in a property by estimating the current cost to construct a reproduction of (or replacement for) the existing structure, including an entrepreneurial incentive, deducting depreciation from the total cost, and adding the estimated land value. Adjustments may then be made to the indicated fee simple value of the subject property to reflect the value of the property interest being appraised. [1]

Credible: worthy of belief.[7]

Deferred Maintenance: Items of wear and tear on a property that should be fixed now to protect the value or income-producing ability of the property, such as a broken window, a dead tree, a leak in the roof, or a faulty roof that must be completely replaced. These items are almost always curable.[1]

Disposition Value: The most probable price that a specified interest in real property should bring under the following conditions: 1) Consummation of a sale within a specific time, which is short than the typical exposure time for such a property in that market. 2) The property is subjected to market conditions prevailing as of the date of valuation. 3) Both the buyer and seller are acting prudently and knowledgeably. 4) The seller is under compulsion to sell. 5) The buyer is typically motivated. 6) Both parties are acting in what they consider to be their best interests. 7) An adequate marketing effort will be made during the exposure time. 8) Payment will be made in cash in U.S. dollars (or the local currency) or in terms of financial arrangements comparable thereto. 9) The price represents the normal consideration of the property sold, unaffected by special or creative financing or sales concessions granted by anyone associated with the sale. This definition can also be modified to provide for valuation with specified financing terms. [1]

Economic Life: The period over which improvements to real estate contribute to property value. [1]

Effective Date: the date to which the appraiser's analysis, opinions and conclusions apply, also referred to as date of value.[7]

Effective Gross Income Multiplier (EGIM): The ratio between the sale price (or value) of a property and its effective gross income.[1]

Effective Rent: Total base rent, or minimum rent stipulated in a lease, over the specified lease term minus rent concessions, the rent that is effectively paid by a tenant net of financial concessions provided by a landlord. [1]

Exposure Time: an opinion, based on supporting market data, of the length of time that the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at the market value on the effect date of the appraisal.[7]

Extraordinary Assumption: an assignment-specific assumption as of the effective date regarding uncertain information used in an analysis which, if found to be false, could alter the appraiser's opinions or conclusions.[7]

Fair Market Value:

1. In nontechnical usage, a term that is equivalent to the contemporary usage of market value.
2. As used in condemnation, litigation, income tax, and property tax situations, a term that is similar in concept to market value but may be defined explicitly by the relevant agency. For example, one definition of *fair market value* provided by the Internal Revenue Service for certain purposes is as follows: The price at which the property would change hands between a willing buyer and a willing seller, neither being under any compulsion to buy or to sell and both having reasonable knowledge of relevant facts. The fair market value of a particular item of property includible in the decedent's gross estate is not to be determined by a forced sale price. Nor is the fair market value of an item of property to be determined by the sale price of the item in a market other than that in which such item is most commonly sold to the public, taking into account the location of the item wherever appropriate. (IRS Regulation §20.2031-1) [1]

Fair Share:

1. A share of a fund or deposit that is divided or distributed proportionately.
2. A share of a burden or obligation that is divided proportionately; e.g., a tenant in a multitenant building or development may be required to pay a pro rata share of the building's operating expenses based on the number of square feet the tenant occupies. In a shopping center, the tenant's share of operating costs is often stated as a fraction, with the gross leasable area of the tenant's premises as the numerator and the gross leasable area or gross leased area of the entire shopping center as the denominator.
3. The share of a trade area that a retail facility is likely to capture; assumes that capture is a function of property size as a proportion of the overall inventory of competitive space in the trade area, i.e., that the facility captures a "fair share" of the trade area.[1]

Fair Value:

1. The price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. (FASB)
2. The estimated price for the transfer of an asset or liability between identified knowledgeable and willing parties that reflects the respective interests of those parties. (This does not apply to valuations for financial reporting.) (IVS).[1]
3. The price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.[2]

Feasibility Analysis: a study of the cost benefit relationship of an economic endeavor.[1]

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. [1]

Floor Area Ratio (FAR): The relationship between the above-ground floor area of a building, as described by the zoning or building code, and the area of the plot on which it stands; in planning and zoning, often expressed as a decimal, e.g., a ratio of 2.0 indicates that the permissible floor area of a building is twice the total land area. [1]

Going Concern:

1. An established and operating business having an indefinite future life.
2. An organization with an indefinite life that is sufficiently long that, over time, all currently incomplete transformations [transforming resources from one form to a different, more valuable form] will be completed. [1]

Gross Building Area (GBA):

1. Total floor area of a building, excluding unenclosed areas, measured from the exterior of the walls of the above-grade area. This includes mezzanines and basements if and when typically included in the market area of the type of property involved.
2. Gross leasable area plus all common areas.
3. For residential space, the total area of all floor levels measured from the exterior of the walls and including the super structure and substructure basement; typically does not include garage space. [1]

Highest and Best Use:

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

Hypothetical Condition: a condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis.[7]

Income Capitalization Approach: Specific appraisal techniques applied to develop a value indication for a property based on its earning capability and calculated by the capitalization of property income. [1]

Inspection: Personal observation of the exterior or interior of the real estate that is the subject of an assignment performed to identify the property characteristics that are relevant to the assignment, such as amenities, general physical condition, and functional utility. Note that this is not the inspection process performed by a licensed or certified building inspector. [1]

Insurable Value: A type of value for insurance purposes. [1]

Intangible Property (intangible Assets): Nonphysical assets, including but not limited to franchises, trademarks, patents, copyrights, goodwill, equities, securities, and contracts as distinguished from physical assets such as facilities and equipment.[7]

Intended Use: the user(s) of an appraiser's reported appraisal or appraisal review assignment results, as identified by the appraiser based on communication with the client at the time of the assignment.[7]

Intended User: the client and any other party as identified, by name or type, as users of the appraisal or appraisal review report by the appraiser, based on communication with the client at the time of the assignment.[7]

Internal Rate of Return ("IRR"): The annualized yield rate or rate of return on capital that is generated or capable of being generalized within an investment of portfolio over a period of ownership. Alternatively, the indicated return of capital associated with a projected or pro forma income stream. The discount rate that equates the present value of the net cash flows of a project with the present value of the capital investment. It is the rate at which the Net Present Value (NPV) equals zero. The IRR reflects both the return on invested capital and the return of the original investment, which are basic considerations of potential investors. Therefore, deriving the IRR from analysis of market transactions of similar properties having comparable income patterns is a proper method for developing market discount rates for use in valuations to arrive at Market Value. Used in discounted cash flow analysis to find the implied or expected rate of return of the project, the IRR is the rate of return which gives a zero net present value (NPV). See also equity yield rate (YE); financial management rate of return (FMRR); modified internal rate of return (MIRR); yield rate (Y). [1]

Investment Value: 1) The value of a property to a particular investor or class of investors based on the investor's specific requirements. Investment value may be different from market value because it depends on a set of investment criteria that are not necessarily typical of the market. 2) The value of an asset to the owner or a prospective owner for individual investment or operational objectives. (IVS) [1]

Jurisdictional Exception: an assignment condition established by applicable law or regulation, which precludes an appraiser from complying with a part of USPAP.[7]

Leasehold Interest: The right held by the lessee to use and occupy real estate for a stated term and under the conditions specified in the lease. [1]

Leased Fee Interest: The ownership interest held by the lessor, which includes the right to receive the contract rent specified in the lease plus the reversionary right when the lease expires.[1]

Liquidation Value: The most probable price that a specified interest in real

property should bring under the following conditions: 1) Consummation of a sale within a short time period; 2) The property is subjected to market conditions prevailing as of the date of valuation; 3) Both the buyer and seller are acting prudently and knowledgeably; 4) The seller is under extreme compulsion to sell; 5) The buyer is typically motivated. 6) Both parties are acting in what they consider to be their best interests. 7) A normal marketing effort is not possible due to the brief exposure time 8) Payment will be made in cash in U.S. dollars or in terms of financial arrangements comparable thereto. 9) 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. This definition can also be modified to provide for valuation with specified financing terms.[1]

Load Factor: A measure of the relationship of common area to useable area and therefore the quality and efficiency of building area layout, with higher load factors indicating a higher percentage of common area to overall rentable space than lower load factors; calculated by subtracting the amount of usable area from the rentable area and then dividing the difference by the usable area: [1]

Load Factor =

(Rentable Area – Useable Area) Usable Area

Market Value: a type of value stated as an opinion, that presumes the transfer of a property (i.e., a right of ownership or a bundle of such rights), as of a certain date, under specific conditions set forth in the value definition that is identified by the appraiser as applicable in an appraisal.[7]

Market Value "As If Complete" On The Appraisal Date: Market value as if complete on the effective date of the appraisal is an estimate of the market value of a property with all construction, conversion, or rehabilitation hypothetically completed, or under other specified hypothetical conditions as of the date of the appraisal. With regard to properties wherein anticipated market conditions indicate that stabilized occupancy is not likely as of the date of completion, this estimate of value should reflect the market value of the property as if complete and prepared for occupancy by tenants.

Market Value "As Is" On The Appraisal Date: Value As Is -The value of specific ownership rights to an identified parcel of real estate as of the effective date of the appraisal; relates to what physically exists and is legally permissible and excludes all assumptions concerning hypothetical market conditions or possible rezoning. See also effective date; prospective value opinion.

Market Value of the Total Assets of the Business: The market value of the total assets of the business is the market value of all of the tangible and intangible assets of a business as if sold in aggregate as a going concern. This assumes that the business is expected to continue operations well into the future. [4]

Marketing Time: An opinion of the amount of time it might take to sell a real or personal property interest at the concluded market value level during the period immediately after the effective date of an appraisal. Marketing time differs from exposure time, which is always presumed to precede the effective date of an appraisal. (Advisory Opinion 7 of the Appraisal Standards Board of The Appraisal Foundation and Statement on Appraisal Standards No. 6, "Reasonable Exposure Time in Real Property Market Value Opinions" address the determination of reasonable exposure and marketing time.). [3]

Mass Appraisal: the process of valuing a universe of properties as of a given date using standard methodology, employing common data and allowing for statistical testing.[7]

Mass Appraisal Model: a mathematical expression of how supply and demand factors interact in a market.[7]

Misleading: intentionally or unintentionally misrepresenting, misstating or concealing relevant facts or conclusions.[7]

Net Lease: A lease in which the landlord passes on all expenses to the tenant. See also lease. [1]

Net Rentable Area (NRA): 1) The area on which rent is computed. 2) The Rentable Area of a floor shall be computed by measuring to the inside finished surface of the dominant portion of the permanent outer building walls, excluding any major vertical penetrations of the floor. No deductions shall be made for columns and projections necessary to the building. Include space such as mechanical room, janitorial room, restrooms, and lobby of the floor.[5]

Penetration Ratio (Rate): The rate at which stores obtain sales from within a trade area or sector relative to the number of potential sales generated; usually applied to existing facilities. Also called: penetration factor.[1]

Personal Inspection: a physical observation performed to assist in identifying relevant property characteristics in a valuation service.[7]

Personal Property: any tangible or intangible article that is subject to ownership and not classified as real property, including identifiable tangible objects that are considered by the general public as being "personal", such as furnishings, artwork, antiques, gems and jewelry, collectibles, machinery and equipment, and intangible property that is created and stored electronically such as plans for installation art, choreography, emails or designs for digital tokens.[7]

Physical Characteristics: attributes of a property that are observable or measurable as a matter of fact, as distinguished from opinions and conclusions, which are the result of some level of analysis or judgement.[7]

Price: the amount asked, offered or paid for a property.[7]

Prospective opinion of value. A value opinion effective as of a specified future date. The term does not define a type of value. Instead it identifies a value opinion as being effective at some specific future date. An opinion of value as of a prospective date is frequently sought in connection with projects that are proposed, under construction, or under conversion to a new use, or those that have not yet achieved sellout or a stabilized level of long-term occupancy. [1]

Real Estate: an identified parcel or tract of land, including improvements, if any.[7]

Real Property: the interests, benefits and rights inherent in the ownership of real estate.[7]

Reconciliation: A phase of a valuation assignment in which two or more value indications are processed into a value opinion, which may be a range of value, a single point estimate, or a reference to a benchmark value. [1]

Relevant Characteristics: features that may affect a property's value or marketability such as legal, economic or physical characteristics.[7]

Reliable Measurement: [The IAS/IFRS framework requires that] neither an asset nor a liability is recognized in the financial statements unless it has a cost or value that can be measured reliably.[2]

Remaining Economic Life: The estimated period over which existing improvements are expected to contribute eco-nomically to a property; an estimate of the number of years remaining in the economic life of a structure or structural components as of the effective date of the appraisal; used in the economic age-life method of estimating depreciation. [1]

Replacement Cost: The estimated cost to construct, at current prices as of the effective appraisal date, a substitute for the building being appraised, using modern materials and current standards, design, and layout. [1]

Report: any communication, written or oral, of an appraisal or appraisal review that is transmitted to the client or a party authorized by the client upon completion of an assignment.[7]

Retrospective Value Opinion: A value opinion effective as of a specified historical date. The term retrospective does not define a type of value. Instead, it identifies a value opinion as being effective at some specific prior date. Value as of a historical date is frequently sought in connection with property tax appeals, damage models, lease renegotiation, deficiency judgments, estate tax, and condemnation. Inclusion of the type of value with this term is appropriate, e.g., "retrospective market value opinion." [1]

Sales Comparison Approach: The process of deriving a value indication for the subject property by comparing sales of similar properties to the property being appraised, identifying appropriate units of comparison, and making adjustments to the sale prices (or unit prices, as appropriate) of the comparable properties based on relevant, market-derived elements of comparison. The sales comparison approach may be used to value improved properties, vacant land, or land being considered as though vacant when an adequate supply of comparable sales is available. [1]

Scope of Work: the type and extent of research and analyses in an appraisal or appraisal review assignment.[7]

Signature: personalized evidence indicating authentication of the work performed by the appraiser and the acceptance of the responsibility for content, analyses and the conclusions in the report.[7]

Stabilized value: A value opinion that excludes from consideration any abnormal relationship between supply and demand such as is experienced in boom periods when cost and sale price may exceed the long-term value, or during periods of depression, when cost and sale price may fall short of long-term value. It is also a value opinion that excludes from consideration any transitory condition that may cause excessive construction costs, e.g., a premium paid due to a temporary shortage of supply.

Substitution: The principle of substitution states that when several similar or commensurate commodities, goods, services are available, the one with the lowest price will attract the greatest demand and widest distribution. This is the primary principle upon which the cost and sales comparison approaches are based. [3]

Total Assets of a Business: Total assets of a business is defined by the Appraisal Institute as "the tangible property (real property and personal property, including inventory and furniture, fixtures and equipment) and intangible property (cash, workforce, contracts, name, patents, copyrights, and other residual intangible assets, to include capitalized economic profit)."

Use Value:

The value of a property assuming a specific use, which may or may not be the property's highest and best use on the effective date of the appraisal. Use value may or may not be equal to market value but is different conceptually. [1]

Valuation Service: a service pertaining to an aspect of property value, regardless of the type of service and whether it is performed by appraisers or by others.[7]

Value: the monetary relationship between properties and those who buy and sell, or use those properties, expressed as an opinion of the worth of a property at a given time.[7]

Workfile: data, information and documentation necessary to support the appraiser's opinions and conclusions and to show compliance with USPAP.[7]

[1]Appraisal Institute, *The Dictionary of Real Estate Appraisal, 6*th ed. (Chicago: Appraisal Institute 2010). [2]Appraisal Institute, *International Financial Reporting Standards for Real Property Appraiser, IFRS Website, www.ifrs-ebooks.com/index.html*. [3]Appraisal Institute, *The Appraisal of Real Estate,* 13th ed. (Chicago: Appraisal Institute 2008). [4] This definition is taken from "Allocation of Business Assets Into Tangible and Intangible Components: A New Lexicon," Journal of Real Estate Appraisal, January 2002, Volume LXX, Number 1. This terminology is to replace former phrases such as: value of the going concern. [5]Financial Publishing Company, *The Real Estate Dictionary*, 7 ed. [6] U.S. Treasury Regulations. [7]USPAP 2020-2021

LETTER OF ENGAGEMENT

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BBG
REAL ESTATE SERVICES

November 18, 2024

Matt Brower
City Manager
Heber City
75 N Main Street
Heber City, UT 84032

Phone: 435-657-7885
Email: mbrower@Heberut.gov

RE: Appraisal Report | Commercial Properties located at Heber City, Utah (Parcel 00-0011-8294, 00-0004-7584, and 00-0004-7592)

Dear Brower,

We are pleased to submit this proposal and our Terms and Conditions for the above-referenced real estate.

PROPOSAL SPECIFICATIONS

Valuation Premise:	Form an opinion of the Market Value
Property Rights Appraised:	Fee Simple Estate
Intended Use:	Internal business purposes
Intended Users:	Heber City 75 N Main Street Heber City, UT 84032
Scope of Work:	All Applicable Approaches
Inspection:	BBG Inspection
Site/Property Contact:	**Name:** Paul McFee **Phone:** 435-671-8314 **Email:** paul@wasatchwave.com
Appraisal Standards:	Uniform Standards of Professional Appraisal Practice (USPAP), the Code of Professional Ethics, and the Standards of Professional Appraisal Practice of the Appraisal Institute

Report Type: Appraisal Report

Report Format: Narrative

Fee: 1) Parcel ID 00-0011-8294 (Owner: Richard and Susan Buys) - $3,000
2) Parcel ID 00-0004-7584 (Owner: Albert Merryweather) - $3,000
3) Parcel ID 00-0004-7592 (Owner: Albert Merryweather) - $3,000

Total: $9,000
The fee includes up to two hours of consultation time after the delivery of the final reports. Any time incurred thereafter will be billed at an hourly rate.

Please indicate below who is responsible for payment:

Name: Matt Brower

Company: Heber City

Address: 75 N. Main, Heber, UT 84032

Phone: 435-315-8060

Email: mbrower@heberut.gov

Signature:

Retainer: **None**
Wire Payment/ACH Information Below:
Bank of America
Acct#: 488038497058
Wire Payment Routing#: 026009593
ACH Payment Routing#: 111000025

Payment Terms: Balance is due and payable upon delivery of the final report or within 30 days of your receipt of our draft report, whichever is sooner. If a draft report is requested, the fee is considered earned upon delivery of our draft report.

Payment Options:

- Credit card (a 3% fee is applied)
- Wire or ACH payment. (See the information below for sending the wire or ACH)
- A check mailed to BBG, Inc., 8343 Douglas Avenue, Suite 700, Dallas, TX 75225

Payment Options (cont.):

If you would like to pay by credit card, please pay the invoice online directly from our website at www.bbgres.com

1. The client can access the credit card portal by choosing "Pay Your Invoice" in the right-hand corner of the website.
2. A 3% convenience fee is automatically applied to all credit card payments.
3. Please add the Accounting BBG email (eft@bbgres.com) as a correspondent for remit payment (BBG Email Contact), so that we can get this applied to our system on time.
4. Please include the BBG Invoice # in your credit card submission. If you have not yet received an invoice number, please use the drop-down tool to select 'Property Details' and include the property's address.
5. A copy of the receipt will be sent directly to you once the payment has been made.

If you choose to pay by wire or ACH, please let us know once the wire or ACH has been initiated and forward the bank confirmation.
Be sure to include the address as a reference whenever sending any wire payment.

BBG Appraisal Wiring and ACH Instructions:

Bank of America Account # 488038497058
Payment via ACH Routing # 111000025
Payment via Wire Routing # 026009593
Bank Address: Bank of America
6019 Berkshire Lane
Dallas, TX 75225

Due to the limited capability to provide complete remittance details in ACH and Wire payments, please send all payment remittance details, including applicable invoice numbers, to eft@bbgres.com to ensure a timely and accurate payment application.

Report Copies: 1 Final PDF
Delivery Date: 3 weeks
Report Delivery Recipients: If any other person(s) is authorized to be included in the delivery of the report, please include their information in the space below:
Name(s): _____
Email(s): _____

Acceptance Date: Date of Execution 11/20/24

Property Information Request:

The following list of items will be needed within 2 days to meet the above-referenced delivery date:

Do not provide Personally Identifiable Information (PII) to BBG, Inc. or any of its agents. PII is any piece of information meant to identify a specific individual. This includes data such as a Social Security number, driver's license number, and financial account numbers.

The attached Terms and Conditions of the Engagement are deemed part of this Appraisal Services Agreement and are incorporated fully herein by reference and shall apply to any appraisal reports, contracts, or orders into which they are incorporated. In addition, with respect to any appraisal report, any use of or reliance on the appraisal by any party, regardless of whether the use or reliance is authorized or known by BBG, Inc. and its agents, servants, employees, principals, affiliated companies and all those in privity with them, constitutes acceptance of such Terms and Conditions of the Engagement, as well as acceptance of all other appraisal statements, limiting conditions and assumptions stated in the appraisal report. Use of this appraisal report constitutes acknowledgment and acceptance of the Terms and Conditions of the Engagement, special assumptions (if any), extraordinary assumptions (if any), and hypothetical conditions (if any) on which this estimate of market value is based. This appraisal report has been prepared for the exclusive benefit of the client. It may not be used or relied upon by any other party. Any other party who is not the identified client within this report who uses or relies upon any information in this report does so at their own risk.

Client acknowledges and agrees that BBG may anonymize all property and operational information ("Client Data") provided and aggregate with other anonymized data from other Clients and/or other sources and use such aggregated, anonymized Client Data in existing or future BBG product offerings. BBG shall process the Client Data in a manner that renders the form and source of the Client Data unidentifiable to any other Client or third party.

We appreciate this opportunity to be of service to you on this assignment. If you have additional questions, please contact us.

As Agent for BBG, Inc.
John Blaser | MAI
Managing Director
BBG, Inc.
6965 South Union Park Ave, Suite 460
Cottonwood Heights, UT 84047

AGREED AND ACCEPTED

Client Signature

11/20/24
Date

Terms and Limiting Conditions of the Engagement

The Terms and Conditions of the Engagement are deemed part of the attached Proposal Specifications and Appraisal and Consulting Services Agreement and are incorporated fully therein, and shall apply to any appraisal services, consulting services, oral testimony, reports, contracts, or orders into which they may be incorporated.

A) Definitions. In the Terms and Conditions of the Engagement:

1. "BBG, Inc." means BBG, Inc. and its agents, successors, assigns, servants, employees, principals, affiliated companies, and all those in privity with them.
2. "Appraiser" means the appraiser(s) performing part or all of the appraisal services and/or signing an appraisal report. "Appraiser" may also mean "Consultant" in a consulting assignment.
3. "Appraisal and Consulting Services Agreement" means any written agreement with the Client for performance of the appraisal services by Appraiser, including any agreement entered into electronically.
4. "Client" means any party identified expressly as a client in an Appraisal and Consulting Services Agreement and also any party identified expressly as a client by the Appraiser in an appraisal report.
5. "Appraisal" means any appraisal or consulting report(s) prepared by or oral report and/or testimony presented by BBG, Inc.
6. "Report" means a written or oral report prepared by and/or oral testimony presented by BBG, Inc.

B) Venue and Jurisdiction

THIS APPRAISAL SERVICES AGREEMENT WILL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE DOMESTIC SUBSTANTIVE LAWS OF THE STATE OF UTAH, WITHOUT GIVING EFFECT TO ANY CHOICE OR CONFLICT OF LAW PROVISION. IF ANY ACTION RELATING TO THIS APPRAISAL SERVICES AGREEMENT OR THE CONTEMPLATED TRANSACTIONS IS BROUGHT BY A PARTY HERETO AGAINST ANY OTHER PARTY HERETO, THE PREVAILING PARTY IN SUCH ACTION WILL BE ENTITLED TO RECOVER ALL REASONABLE EXPENSES RELATING THERETO (INCLUDING ATTORNEYS' FEES AND EXPENSES) FROM THE NON-PREVAILING PARTY.

Each party to this Appraisal Services Agreement (a) hereby irrevocably submits to the exclusive jurisdiction and venue of the state courts located in Salt Lake County, Utah (or, if but only if such court lacks jurisdiction, the United States District Court for the Utah District of Utah) for the purpose of any Action between any of the parties hereto arising in whole or in part under or in connection with this Appraisal Services Agreement, any Ancillary Agreement, or the Contemplated Transactions, (b) hereby waives and agrees not to assert any claim that he, she or it is not subject personally to the jurisdiction of the above-named courts or that any such Action brought in the above-named courts should be dismissed on grounds of forum non convenience. Notwithstanding the foregoing, a party hereto may commence any Action in a court other than the above-named courts solely for the purpose of enforcing an order or judgment issued by the above-named courts.

C) Limitations of Liability

It is expressly agreed that in any action which may be brought against BBG, Inc., arising out of, relating to, or in any way pertaining to this engagement, this Appraisal and Consulting Services Agreement, or any services, reports, information, or opinions contained therein or presented, BBG, Inc. shall not be responsible or liable for any incidental or consequential losses, unless the same was fraudulent or prepared with gross negligence. It is further agreed that the collective liability of BBG, Inc. in any such action shall not exceed the fees paid for the preparation of the respective report or services unless the same was fraudulent or prepared with gross negligence. Finally, it is agreed that the fees charged herein are in reliance upon the foregoing limitations of liability.

Client hereby agrees to indemnify, defend, protect, and hold BBG, Inc. harmless from and against all claims, damages, losses, and expenses, including attorneys' fees, expenses, and costs, incurred upon investigating and defending any claim, action, or proceeding arising from, or in any way connected to, relating to, or in any way

Terms and Limiting Conditions of the Engagement

pertaining to this engagement, this Appraisal and Consulting Services Agreement, or any services, reports, information, or opinions contained therein or presented.

Further, you acknowledge that any opinions and conclusions expressed by professionals employed by BBG, Inc. related to this agreement are representations made by them as employees and not as individuals. BBG, Inc.'s responsibility is limited to you as a Client. The use of BBG, Inc.'s product by third parties is not intended unless expressly stated and shall be solely at the risk of you and/or third parties. BBG, Inc. acknowledges that Client will be the end-user of, and can rely upon, the opinion and conclusions of BBG, Inc.

D) Confidentiality

The parties agree that (i) this Appraisal and Consulting Services Agreement and the terms contained herein, (ii) opinions or valuation conclusions, (iii) the identity of the analyst or the firm and any reference to the professional organization of which the appraiser is affiliated or to the designations thereof, and (iv) all information regarding the property of whatever nature made available to either party by the other (including all versions of BBG, Inc.'s final report and all prior drafts of same) and methods of each party revealed during the performance of the Services (altogether, collectively, the "Confidential Information") shall be treated as strictly confidential. Accordingly, neither party nor any employee, agent, or affiliate thereof shall disclose the same to any third party without the written consent of the other party and approval of the Appraiser; provided, however, that, a party shall not hereby be precluded from disclosure of Confidential Information that may be compelled by legal requirements, or from disclosing this Appraisal and Consulting Services Agreement (and the terms contained herein) to its attorneys, accountants, auditors, lenders, and other professionals who may be bound to that party by duties of confidence.

Do not provide Personally Identifiable Information (PII) to BBG, Inc. or any of its agents. PII is any piece of information meant to identify a specific individual. This includes data such as a Social Security number, driver's license number, and financial account numbers.

E) General Assumptions and Limiting Conditions

Appraisal services have been provided with the following general assumptions:

1. Notwithstanding that the Appraiser may comment on, analyze or assume certain conditions in the appraisal or consulting assignment, BBG, Inc. shall have no monetary liability or responsibility for alleged claims or damages pertaining to: (a) title defects, liens or encumbrances affecting the property; (b) the property's compliance with local, state or federal zoning, planning, building, disability access and environmental laws, regulations, and standards; (c) building permits and planning approvals for improvements on the property; (d) structural or mechanical soundness or safety; (e) contamination, mold, pollution, storage tanks, animal infestations or other hazardous conditions affecting the property; and (f) other conditions and matters for which licensed real estate appraisers are not customarily deemed to have professional expertise. Accordingly:

    a) The Appraiser has not conducted any engineering or architectural surveys in connection with this appraisal or consulting assignment. Information reported pertaining to dimensions, sizes, and areas is either based on measurements taken by the Appraiser or the Appraiser's staff or was obtained or taken from referenced sources and is considered reliable. The Appraiser and BBG, Inc. shall not be monetarily liable or responsible for or assume the costs of preparation or arrangement of geotechnical engineering, architectural, or other types of studies, surveys, or inspections that require the expertise of a qualified professional.
    b) Unless otherwise stated in the written report or oral report, only the real property is considered, so no consideration is given to the value of personal property or equipment located on the premises or the costs of moving or relocating such personal property or equipment. Further, unless otherwise stated, it is assumed that there are no subsurface oil, gas, or other mineral deposits or subsurface rights of

Terms and Limiting Conditions of the Engagement

value involved in this appraisal, whether they are gas, liquid, or solid. Further, unless otherwise stated, it is assumed that there are no rights associated with extraction or exploration of such elements considered. Unless otherwise stated it is also assumed that there are no air or development rights of value that may be transferred.

c) Any legal description or plats reported in the appraisal are assumed to be accurate. Any sketches, surveys, plats, photographs, drawings or other exhibits are included only to assist the intended user to better understand and visualize the subject property, the environs, and the competitive data. BBG, Inc. has made no survey of the property and assumes no monetary liability or responsibility in connection with such matters.

d) Title is assumed to be good and marketable, and in fee simple, unless otherwise stated in the report. The property is considered to be free and clear of existing liens, easements, restrictions, and encumbrances, except as stated. Further, BBG, Inc. assumes there are no private deed restrictions affecting the property which would limit the use of the subject property in any way, except as stated.

e) The appraisal report is based on the premise that there is full compliance with all applicable federal, state, and local environmental regulations and laws unless otherwise stated in the report; additionally, that all applicable zoning, building, and use regulations and restrictions of all types have been complied with unless otherwise stated in the report. Further, it is assumed that all required licenses, consents, permits, or other legislative or administrative authority, local, state, federal and/or private entity or organization have been or can be obtained or renewed for any use considered in the value opinion. Moreover, unless otherwise stated herein, it is assumed that there are no encroachments or violations of any zoning or other regulations affecting the subject property, that the utilization of the land and improvements is within the boundaries or property lines of the property described, and that there are no trespasses or encroachments.

f) The American Disabilities Act (ADA) became effective January 26, 1992. The Appraiser has not made a specific compliance survey or analysis of the property to determine whether it is in conformity with the various detailed requirements of ADA. It is possible that a compliance survey of the property and a detailed analysis of the requirements of the ADA would reveal that the property is not in compliance with one or more of the requirements of the Act. If so, this fact could have a negative impact upon the value of the property. Since the Appraiser has no direct evidence relating to this issue, possible noncompliance with the requirements of ADA was not considered in estimating the value of the property.

g) No monetary liability or responsibility is assumed for conformity to specific governmental requirements, such as fire, building, safety, earthquake, or occupancy codes, except where specific professional or governmental inspections have been completed and reported in the appraisal report or oral report.

h) It is assumed the subject property is not adversely affected by the potential of floods unless otherwise stated herein. Further, it is assumed all water and sewer facilities (existing and proposed) are or will be in good working order and are or will be of sufficient size to adequately serve any existing or proposed buildings.

i) Unless otherwise stated within the appraisal report or oral report, the depiction of the physical condition of the improvements described therein is based on visual inspection. No monetary liability or responsibility is assumed for (a) the soundness of structural members since no engineering tests were conducted; (b) the condition of mechanical equipment, plumbing, or electrical components, as complete tests were not made; and (c) hidden, unapparent or masked property conditions or characteristics that were not clearly apparent during the Appraiser's or Consultant's inspection.

j) If building improvements are present on the site, it is assumed that no significant evidence of termite damage or infestation was observed during physical inspection, unless so stated in the appraisal report

Terms and Limiting Conditions of the Engagement

or oral report. Further, unless so stated in the report or oral report, no termite inspection report was available. No monetary liability or responsibility is assumed for hidden damages or infestation.

k) Unless subsoil opinions based upon engineering core borings were furnished, it is assumed there are no subsoil defects present, which would impair development of the land to its maximum permitted use or would render it more or less valuable. No monetary liability or responsibility is assumed for such conditions or for engineering which may be required to discover them.

l) BBG, Inc., excepting employees of BBG Assessment, Inc., and the appraiser(s) are not experts in determining the presence or absence of hazardous substances toxic materials, wastes, pollutants or contaminants (including, but not limited to, asbestos, PCB, UFFI, or other raw materials or chemicals) used in construction or otherwise present on the property. BBG, Inc. and the appraiser(s) assume no monetary liability or responsibility for the studies or analyses which would be required to determine the presence or absence of such substances or for loss as a result of the presence of such substances. The Client is free to retain an expert on such matters in this field; however, Client retains such expert at Client's own discretion, and any costs and/or expenses associated with such retention are the responsibility of Client.

m) BBG, Inc. is not an expert in determining the habitat for protected or endangered species, including, but not limited to, animal or plant life (such as bald eagles, gophers, tortoises, etc.) that may be present on the property. BBG, Inc. assumes no monetary liability or responsibility for the studies or analyses which would be required to determine the presence or absence of such species or for loss as a result of the presence of such species. The Appraiser hereby reserves the right to alter, amend, revise, or rescind any of the value opinions contained within the appraisal report based upon any subsequent endangered species impact studies, research, and investigation that may be provided. However, it is assumed that no environmental impact studies were either requested or made in conjunction with this analysis, unless otherwise stated within the report.

2. If the Client instructions to the Appraiser were to inspect only the exterior of the improvements in the appraisal process, the physical attributes of the property were observed from the street(s) as of the inspection date of the appraisal. Physical characteristics of the property were obtained from tax assessment records, available plans, if any, descriptive information, and interviewing the client and other knowledgeable persons. It is assumed the interior of the subject property is consistent with the exterior conditions as observed and that other information relied upon is accurate.
3. If provided, the estimated insurable value or cost is included at the request of the Client and has not been performed by a qualified insurance agent or risk management underwriter. This cost estimate should not be solely relied upon for insurable value or cost purposes. The Appraiser is not familiar with the definition of insurable value from the insurance provider, the local governmental underwriting regulations, or the types of insurance coverage available. These factors can impact cost estimates and are beyond the scope of the intended use of this appraisal. The Appraiser is not a cost expert in cost estimating for insurance purposes.
4. The dollar amount of any value opinion herein rendered is based upon the purchasing power and price of the United States Dollar as of the effective date of value. Any appraisal report is based on market conditions existing as of the effective date.
5. Any value opinions reported or expressed apply to the entire property. Any proration or division of the total into fractional interests will invalidate the value opinions, unless such proration or division of interests is set forth in the report. Any division of the land and improvement values stated herein is applicable only under the program of utilization shown. These separate valuations are invalidated for any other application.
6. Any projections of income and expenses, including the reversion at time of resale, are not predictions of the future. Rather, they are BBG, Inc.'s best estimate of current market thinking of what future trends will be. No warranty or representation is made that such projections will materialize. The real estate market is constantly fluctuating and changing. It is not the task of an appraiser to estimate the conditions of a future

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real estate market, but rather to reflect what the investment community envisions for the future in terms of expectations of growth in rental rates, expenses, and supply and demand. The forecasts, projections, or operating estimates contained herein are based on current market conditions, anticipated short-term supply and demand factors, and a continued stable economy. These forecasts are, therefore, subject to changes with future conditions.

7. The Appraiser assumes no monetary liability or responsibility for any changes in economic or physical conditions which occur following the effective date of value within this report that would influence or potentially affect the analyses, opinions, or conclusions in the report. Any subsequent changes are beyond the scope of the report.
8. Any proposed or incomplete improvements included in the appraisal report are assumed to be satisfactorily completed in a workmanlike manner or will be thus completed within a reasonable length of time according to plans and specifications submitted.
9. If the appraisal report has been prepared in a so-called "public non-disclosure" state, real estate sales prices and other data, such as rents, prices, and financing, are not a matter of public record. If this is such a "non-disclosure" state, although extensive effort has been expended to verify pertinent data with buyers, sellers, brokers, lenders, lessors, lessees, and other sources considered reliable, it has not always been possible to independently verify all significant facts. In these instances, the Appraiser may have relied on verification obtained and reported by appraisers outside of our office. Also, as necessary, assumptions and adjustments have been made based on comparisons and analyses using data in the report and on interviews with market participants. The information furnished by others is believed to be reliable, but no warranty is given for its accuracy.
10. Although the Appraiser has made, insofar as is practical, every effort to verify as factual and true all information and data set forth in this report, no responsibility is assumed for the accuracy of any information furnished the Appraiser either by the Client or others. If for any reason, future investigations should prove any data to be in substantial variance with that presented in this report, the Appraiser reserves the right to alter or change any or all analyses, opinions, or conclusions and/or opinions of value.
11. The right is reserved by the Appraiser to make adjustments to the analyses, opinions, and conclusions set forth in the appraisal report as may be required by consideration of additional or more reliable data that may become available. No change of this report shall be made by anyone other than the Appraiser or Consultant. The Appraiser shall have no monetary liability or responsibility for any unauthorized change(s) to the report.
12. The submission of the appraisal report constitutes completion of the services authorized and agreed upon unless other services are provided for in this agreement. Such report is submitted on the condition the Client will provide reasonable notice and customary compensation, including expert witness fees, relating to any subsequent required attendance at conferences, depositions, or judicial or administrative proceedings, unless otherwise defined herein. In the event the Appraiser is subpoenaed for either an appearance or a request to produce documents, a best effort will be made to notify the Client immediately. Unless paid in whole or in part by the party issuing the subpoena or by another party of interest in the matter, the Client is responsible for all unpaid fees resulting from the appearance or production of documents regardless of who orders the work. A payment agreement must be reached in advance of the Appraiser providing such services.
13. Client shall not disseminate, distribute, make available or otherwise provide any appraisal report prepared hereunder to any third party (including without limitation, incorporating or referencing the report , in whole or in part, in any offering or other material intended for review by other parties) except to (a) any third party expressly acknowledged in a signed writing by Appraiser as an "Intended User" of the report provided that either Appraiser has received an acceptable release from such third party with respect to such report or Client provides acceptable indemnity protections to Appraiser against any claims resulting from the distribution of the report to such third party, (b) any third party service provider (including rating agencies

Terms and Limiting Conditions of the Engagement

and auditors) using the report in the course of providing services for the sole benefit of an Intended User, or (c) as required by statute, government regulation, legal process, or judicial decree. In the event Appraiser consents, in writing, to Client incorporating or referencing the report in any offering or other materials intended for review by other parties, Client shall not distribute, file, or otherwise make such materials available to any such parties unless and until Client has provided Appraiser with complete copies of such materials and Appraiser has approved all such materials in writing. Client shall not modify any such materials once approved by Appraiser. In the absence of satisfying the conditions of this paragraph with respect to a party who is not designated as an Intended User, the receipt of a report by such party shall not confer any right upon such party to use or rely upon such report, and Appraiser shall have no liability for such unauthorized use or reliance upon such report. In the event Client breaches the provisions of this paragraph, Client shall indemnify, defend and hold Appraiser, and its affiliates and their officers, directors, employees, contractors, agents and other representatives (Appraiser and each of the foregoing an "Indemnified Party" and collectively the "Indemnified Parties"), fully harmless from and against all losses, liabilities, damages and expenses (collectively, "Damages") claimed against, sustained or incurred by any Indemnified Party arising out of or in connection with such breach, regardless of any negligence on the part of any Indemnified Party in preparing the report.

Millie Reyes

From: John Blaser
Sent: Thursday, November 21, 2024 8:52 AM
To: Trina Cooke
Cc: Millie Reyes
Subject: Re: Heber City Appraisal Report
Attachments: 3524_001.pdf

Follow Up Flag: Follow up
Flag Status: Completed

Thanks Trina. We will attach this email to the engagement letter as authorization to value this fourth parcel at $3,000 and 3 weeks per my original bid with Matt.

We will get going on these four reports.

Thanks,

BBG
REAL ESTATE SERVICES

John Blaser, MAI
Managing Director
Valuation
6965 S. Union Park Center, Suite 460 Cottonwood Heights, UT 84047
P 801-618-1881 **C** 702-343-7882
E jblaser@bbgres.com

Valuation + Assessment

From: Trina Cooke <tcooke@Heberut.gov>
Sent: Thursday, November 21, 2024 8:45 AM
To: John Blaser <jblaser@bbgres.com>
Subject: Heber City Appraisal Report

CAUTION: EXTERNAL EMAIL

Hello John –

Matt Brower asked me to forward the attached appraisal agreement and ask you for a second appraisal (or to amend the attached agreement to include the second appraisal if easier). The other property is parcel 00-0004-9101-671-0617 and is owned by Kirk North: kirknorth3@gmail.com. Let me know if you have any questions.

Thank you –

Trina Cooke, CMC
City Recorder

Heber City
75 North Main Street, Heber City, UT 84032
Phone: 435-657-7886
Email: tcooke@Heberut.gov

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APPRAISER QUALIFICATIONS AND LICENSES

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John M. Blaser, MAI
Managing Director
Work: 702-343-7882
JBlaser@bbgres.com

Profile

John is the Managing Director at BBG of the Salt Lake City region office. His experience includes valuation in multi-family properties throughout the Utah, Nevada, Idaho, and Wyoming regions. John also has experience across many other property types including LIHTC multifamily properties, single and multi-tenant retail properties, single and multi-tenant industrial properties, single and multi-tenant office properties, self-storage properties, hospitality properties, medical properties, senior housing properties, manufactured housing properties, specialty properties, and vacant land. John has performed work in primary, secondary, and tertiary markets throughout the United States.

Employment with BBG Inc. began in February 2022 as a Managing Director in Utah, Nevada, Idaho, and Wyoming regions. Prior experience John was the Managing Director for the Salt Lake City office at Colliers International Valuation & Advisory Services. John directed the valuation services for a growing office of professionals throughout a multi-state area from 2014 to 2022. John began his valuation career as a Real Estate Analyst in the newly formed Las Vegas office of PGP Valuation (acquired by Colliers) in 2006. Prior to this, John worked as a credit analyst with a regional commercial bank.

Professional Affiliations

Certified General Appraiser, State of Utah (License No. 8739330-CG00)
Certified General Appraiser, State of Idaho (License No. CGA-3465)
Certified General Appraiser, State of Nevada (License No. A.0205932-CG)
Certified General Appraiser, State of Wyoming (License No. AP-1308)
Certified General Appraiser, State of California (License No. AG044409)

Education

Brigham Young University, Provo, UT
BS Finance, 2005 - (Elective Coursework in Bank & Financial Institution Management and Real Estate)

Coursework

- 15-Hour USPAP
- Basic Appraisal Principles, Appraisal I
- Basic Appraisal Procedures, Appraisal II
- Appraisal Institute's, General Appraiser Income Approach, Part I
- Appraisal Institute's, General Appraiser Income Approach, Part II
- General Appraiser Sales Comparison Approach
- General Appraiser Market Analysis and H&BU
- General Appraiser Site Valuation & Cost Approach
- General Appraiser Report Writing and Case Studies
- Statistics, Modeling, and Finance
- Appraisal Institute's – Business Practices & Ethics
- Comparative Analysis, 2017
- Small Hotel/Motel Valuation, 2017
- Rates and Ratios, Making Sense of GIMs, OARs, and DCF, 2017
- Appraisal of Small Apartments, 2018
- Appraisal of Storage Facilities, 2018
- Appraisal of Industrial and Flex Buildings, 2021
- Intermediate Income Approach Case Studies, 2021
- Commercial Land Valuation, 2021
- Evaluations, Desktops, and Other Limited Scope Appraisals, 2021

STATE OF UTAH
DEPARTMENT OF COMMERCE
DIVISION OF REAL ESTATE

ACTIVE LICENSE
Certified General Appraiser
8739330-CG00

JOHN M BLASER
NAME OF HOLDER

DATE ISSUED
06/13/2023

EXPIRATION
07/31/2025

- Your license is valid until the expiration date listed on your license.
- Below is your public address of record for the division. All correspondence will be mailed to this address. If your address is incorrect, please go to **https://secure.utah.gov/relms/index.html** to update it.
- All Continuing Education must be completed by the 15th of the month of expiration in order to ensure a timely renewal.
- Inactive licenses must be renewed.
- Please visit our web site at **realestate.utah.gov** should you have any questions.

STATE OF UTAH
DEPARTMENT OF COMMERCE
DIVISION OF REAL ESTATE

ACTIVE LICENSE

DATE ISSUED: 06/13/2023

EXPIRATION DATE: 07/31/2025

LICENSE NUMBER: 8739330-CG00

LICENSE TYPE: Certified General Appraiser

ISSUED TO: JOHN M BLASER
6965 SOUTH UNION PARK CENTER
BUILDING 7, SUITE 460
COTTONWOOD HEIGHTS UT 84047

SIGNATURE OF HOLDER

REAL ESTATE DIVISION DIRECTOR

AGREEMENT FOR SALE AND PURCHASE OF REAL PROPERTY

This Agreement for Sale and Purchase of Real Estate (the "**Agreement**") is entered into as of the date last signed below (the "**Effective Date**"), by and between **Richard and Susan Buys Properties, LLC ("Seller")** and **HEBER CITY COMMUNITY REINVESTMENT AGENCY**, a political subdivision of the State of Utah, and its successors or assigns ("**Buyer**").

RECITALS

A. Seller owns approximately .54 acres of real property which is designated as Wasatch County Parcel No. 00-0011-8294, and located at 165 South 100 West; Heber City, Utah, 84032 (the "**Real Property**").

B. Buyer desires to purchase the Real Property, together with all together with (i) all easements, rights of way, benefits, privileges, rights, and appurtenances running with, related to, or pertaining thereto, (ii) all improvements of any kind located on, and all of Seller's right, title and interest in any land lying in any street, road or avenue in front of or adjoining, such Real Property, (iii) any and all entitlements, approvals, consents, goodwill, zoning rights, use rights, and other intangible assets and/or rights of any kind whatsoever related or appurtenant to such Real Property (collectively, the "**Property**").

TERMS AND CONDITIONS

In consideration of the amounts to be paid and the mutual promises contained herein, Buyer and Seller agree as follows:

ARTICLE I
AGREEMENT TO PURCHASE AND SELL; PURCHASE PRICE

1.1 Purchase and Sale. In accordance with the terms and conditions set forth in this Agreement, and subject to the conditions precedent set forth in Section 1.4 below (or in any other provision of this Agreement), Seller agrees to convey to Buyer, and Buyer agrees to purchase and take from Seller, fee simple title in and to the Property.

1.2 Earnest Money Deposit. Within ten (10) days of execution of this Agreement, Buyer shall deliver to the Title Company an Earnest Money Deposit in the amount of Fifty Thousand Dollars ($50,000) (the "**Earnest Money Deposit**").

1.3 Purchase Price. The purchase price for the Property (the "**Purchase Price**") is Two Million One Hundred and Sixty-One Thousand Dollars ($2,161,000.00).

1.4 Payment of Purchase Price. Buyer shall pay the Purchase Price to Seller, as adjusted for prorations on the Closing Date, in cash, by cashier's check, or other immediately available funds.

written notice as required hereunder, then Buyer may (i) waive the Title/Survey Objections that Seller was unwilling or unable to cure and otherwise purchase the Property subject to the other terms and conditions of this Agreement, or (ii) terminate this Agreement by either giving written notice to Seller at any time before the Closing occurs, whereupon neither Buyer nor Seller shall have any further right, liability, duty or obligation under this Agreement, except for agreements or covenants that specifically survive termination. Matters to which Buyer does not object shall be deemed to be "**Permitted Exceptions**" and shall not be considered objections to any matter contained in the Commitment.

(c) Delivery of Title Insurance. Except as otherwise stated in Section 2.1(b), Seller shall obtain and deliver to Buyer within ten (10) days after the Closing Date an ALTA Extended Owner's Policy of title insurance in the amount of the Purchase Price (in a form satisfactory to Buyer), which title policy shall (i) be effective as of the Closing Date, (ii) contain no exceptions other than the Permitted Exceptions, and (iii) include any and all endorsements requested by Buyer (collectively, the "**Title Policy**"). Seller shall pay for the cost of the above stated Title Policy.

ARTICLE III
REPRESENTATIONS AND WARRANTIES

3.1 Representations and Warranties of Seller. Seller makes the following representations and warranties to Buyer, as of the Closing Date, each of which representations and warranties shall extend beyond and survive the Closing Date and delivery of the deed for the Property from Seller to Buyer:

(a) Seller has and on the Closing Date will have good and marketable fee simple title to the Property, free and clear of all encumbrances, liens, claims, or reservations, except as specifically approved by Buyer under this Agreement.

(b) Seller has the right, power and authority to execute, deliver, and perform this Agreement and the execution, delivery, and performance of this Agreement have been duly authorized by all necessary corporate (or other) actions on the part of Seller. Upon execution and delivery this Agreement, this Agreement shall constitute valid and binding obligations of Seller enforceable against Seller in accordance with its terms.

(c) Seller is unaware of and has not received notice any judgment, suit, claim, action, arbitration, legal, administrative, eminent domain action, or other proceeding or governmental investigation, pending or threatened, with respect to the Property and no activities or events have occurred on or in connection with the Property that could give rise to any such claims or proceedings.

(d) Seller has not received any notices, demands, or deficiency statements from any mortgagee of the Property or from any state, municipal, or county government or agency or any insurer relating to the Property and which have not been cured or remedied except property valuation and tax notices issued by the county which are not

burial or disposal on, under or about the Property of any Hazardous Substances, or the transportation to, from, or over the Property, of any Hazardous Substances.

3.2 Representations and Warranties of Buyer. Buyer makes the following representations and warranties to Seller, as of the date of this Agreement and as of the Closing Date, each of which representations and warranties shall survive the Closing and delivery of the deed for the Property from Seller to Buyer.

(a) Buyer has the right, power and authority to execute, deliver, and perform this Agreement.

(b) No person, broker or entity, whether or not affiliated with Buyer, is entitled to a commission, finder's fee, or other compensation arising from this Agreement as regarding Buyer. Buyer shall indemnify, defend, and hold Seller harmless from and against any and all claims, loss, or damage relating to or arising out of any claim for compensation by any broker, person, or entity claiming by or through Buyer.

ARTICLE IV
SELLER'S USE OF THE PROPERTY

From and after Seller's execution of this Agreement, Seller shall not, without the prior written consent of Buyer, grant or convey any easement, lease, license, permit, encumbrance, or any other legal or beneficial interest in or to the Property or engage in any negotiations with any party other than Buyer regarding the purchase or sale of the Property. Seller shall not enter into any service contract or other agreement related to the Property that would be binding on Buyer after the Closing. Except as otherwise provided for herein, Seller agrees to pay, as and when the same are due, all payments on any encumbrances presently affecting the Property and any and all taxes, assessments, and levies with respect to the Property through the Closing Date.

ARTICLE V
MISCELLANEOUS

5.1 Property Information. Seller hereby agrees to deliver or cause to be delivered at Seller's sole expense, within fourteen (14) days after the Effective Date, all of the following to Buyer (collectively, the "**Property Information**"), to the extent such Property Information is in Seller's possession or reasonable control, or in the possession or reasonable control of any of Seller's agents or contractors:

- All inspections and inspection reports; site assessments; engineering, soil, geotechnical, and hazardous substance reports; or documents related to investigations or studies pertaining to the condition of the Property or building within the last twenty (20) years.
- All surveys of the Property;
- All documents related to any known structural, engineering, or mechanical defects with the Property or the building(s) on the Property.

(d) All environmental reports, studies, and site assessments relating to the Property;

(e) All documents, agreements, contracts, written notices, memorandums of understanding, letters of intent, permits, or other information of any kind related to any

6.1 Time and Place of Closing. The purchase and sale transaction contemplated by this Agreement shall be consummated through a closing conference (the "Closing"), which shall be held at the Title Company not more than thirty (30) days after Buyer has given notice to Seller that all of the conditions precedent Closing have been satisfied to Buyer's satisfaction (the "Closing Date"), but in no event later than **August 14, 2025** or at such earlier time and place as the parties may mutually agree in writing.

6.2 Actions at Closing. At the Closing, the following events shall occur and each being declared to have occurred simultaneously with the other:

(a) All documents to be recorded and funds to be delivered hereunder shall be delivered to the Title Company in escrow, to hold, deliver, record and disburse in accordance with supplemental escrow instructions, the form and content of which shall be agreed to by the parties prior to Closing.

(b) Seller shall deliver or cause to be delivered in accordance with the escrow instructions:

(1) A Special Warranty Deed conveying the Property to Buyer subject only to the Permitted Exceptions, which deed shall be duly executed and acknowledged by Seller and in proper form in all respects for recording in Wasatch County, Utah;

(2) All documentation, including without limitation an owner's affidavit, that the Title Company deems necessary or desirable in order to allow the Title Company to provide Buyer with the Title Policy;

(3) An affidavit fully executed and properly acknowledged by Seller, as required by Internal Revenue Code Section 1445(b)(2), in a form reasonably acceptable to the Title Company and to Buyer;

(4) All other documents required to be executed by Seller pursuant to the terms of this Agreement; and

(5) Any and all proration amounts as more fully set forth in this Agreement.

(c) Buyer shall deliver or cause to be delivered in accordance with the escrow instructions:

(1) The Purchase Price to be paid as provided in Section 1.3 hereof; and

9.1 Risk of Loss. The risk of loss with respect to the Property shall be borne by Seller until the Closing occurs.

9.2 Condemnation. If any portion of the Property becomes the subject of a condemnation proceeding(s), Seller shall promptly notify Buyer in writing of such proceedings, and Buyer shall have the option to (i) terminate this Agreement with written notice to Seller, or (ii) elect not to terminate this Agreement, in which event this Agreement shall remain in full force and effect. If Buyer does not make any election within fifteen (15) days after receipt of Seller's written notification of such condemnation proceedings(s), then Buyer shall be deemed to have elected to not terminate this Agreement. If Buyer does not terminate the Agreement (or is deemed not to have terminated this Agreement), then at Closing (a) Seller shall pay to Buyer all condemnation awards or proceeds from any such proceedings or actions in lieu thereof received by Seller to the date of Closing, (b) Seller shall assign to Buyer all of Seller's rights to defend such proceedings or actions in lieu thereof, and all of Seller's rights to receive any additional condemnation awards or proceeds, and (c) Buyer shall take the Property subject to any such condemnation proceeding(s). As used herein, the phrase "becomes the subject of a condemnation proceeding(s)" shall mean any notice or knowledge by Seller of any formal or informal condemnation by any governmental authority against any portion of the Property.

9.3 Casualty. If the Property shall be damaged by any casualty of any kind prior to Closing, Seller shall promptly notify Buyer in writing of such damage, and Buyer shall have the option to (i) terminate this Agreement with written notice to Seller, in which event the Earnest Money Deposit, if any, shall be immediately returned to Buyer, or (ii) elect not to terminate this Agreement, in which event this Agreement shall remain in full force and effect. If Buyer does not make any election within fifteen (15) days after receipt of Seller's written notification of such damage, then Buyer shall be deemed to have elected to not terminate this Agreement. If Buyer does not terminate the Agreement (or is deemed not to have terminated this Agreement), then at Closing (a) Seller shall pay to Buyer all insurance awards or proceeds from any such damage or received by Seller to the date of Closing, (b) Seller shall assign to Buyer all of Seller's rights to any additional awards or proceeds, and (c) Buyer shall take the Property subject to any such damage.

ARTICLE X
GENERAL PROVISIONS

10.1 Entire Agreement. This Agreement contains the entire agreement between the parties respecting the matters herein set forth and supersedes all prior agreements, which written or oral, between the parties respecting such matters. Any amendments or modifications hereto in order to be effective shall be in writing and executed by the parties hereto.

10.2 Amendments. This Agreement may be amended or modified only by mutual written agreement of the parties hereto.

10.3 Survival. All warranties, representations, covenants, and agreements contained in this Agreement shall survive the execution and delivery of this Agreement and all documents delivered in connection with this Agreement and shall survive the Closing of the transactions contemplated by this Agreement and all performances in accordance with this Agreement.

performance by a party after any such breach by another party shall be deemed to be a waiver of any further breach of this Agreement or of any representation or warranty by such other party whether or not the first party knows of such a breach at the time it accepts such payment or performance. No failure on the part of a party to exercise any right it may have by the terms of this Agreement or by law upon the default of another party, and no delay in the exercise of any such right by the first party at any time when such other party may be in default, shall operate as a waiver of any default, or as a modification in any respect of the provision of this Agreement.

10.11 Exhibits. Any and all exhibits attached or to be attached hereto are hereby incorporated and made a part of this Agreement by reference.

10.12 Governing Law. This Agreement shall be governed and construed in accordance with the laws of the State of Utah.

10.13 No Recording. This Agreement shall not be recorded in the real property records.

10.14 Further Instruments. Each party hereto shall from time to time execute and deliver such further documents or instruments as the other party, its counsel, or the Title Company may reasonably request to effectuate the intent of this Agreement, including without limitation documents necessary for compliance with the laws, ordinances, rules, and regulations of any applicable governmental authorities.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement effective as of the date and year first above written.

DATED this 25TH day of June, 2025.

Richard and Susan Buys Properties, LLC

By: _____

Print Name: Richard M Buys

Title: Owner

DATED this _____ day of _____, 2025.

HEBER CITY COMMUNITY REINVESTMENT AGENCY

LEASE AGREEMENT

THIS LEASE AGREEMENT (the "Lease") is made and entered into by and between **Richard and Susan Buys Properties, LLC** ("Tenant") and **HEBER CITY COMMUNITY REINVESTMENT AGENCY**, a political subdivision of the State of Utah ("Landlord").

For and in consideration of the rental to be paid by Tenant and of the covenants and agreements herein set forth to be kept and performed by Tenant, Landlord hereby leases to Tenant and Tenant hereby leases from Landlord, the Property (as hereinafter defined) and certain other areas, rights and privileges for the term, at the rental and subject to and upon all of the terms, covenants and agreements hereinafter set forth.

- **PREMISES**

  - Description of Premises. Landlord does hereby demise, lease and let unto Tenant, and Tenant does hereby take and received from Landlord approximately 0.54 acres of real property which is designated as Wasatch County Parcel No. 00-0011-8294, and located at 165 South 100 West; Heber City, Utah, 84032 (the "Property").

  - Condition. Tenant accepts the Property in its current condition.

- **TERM AND TERMINATION**

  - Length of Term. The term of this Lease ("Term") shall be for a period of one (1) year from the Commencement Date (the "Initial Term"). At the end of the Initial Term, the lease shall convert to a month-to-month tenancy (the "Monthly Tenancy").

  - Commencement Date; Obligation to Pay Rent. The terms of this Lease and Tenant's obligation to pay rent hereunder shall commence on the date of the transfer of the Property from Tenant to Landlord (the "Commencement Date").

  - Termination. Landlord shall notify Tenant at least ninety (90) days prior to termination of this Lease, including notifying Tenant at least ninety (90) days prior to the end of the Initial Term that Landlord will terminate the Lease at the end of the Initial Term.

- **MONTHLY RENT**

3.1 Monthly Rent. Tenant agrees to pay to Landlord as rent ("Rent") at such place as Landlord may designate without prior demand therefor and without any deduction or offset whatsoever the amount of One Dollars ($1.00) for the Initial Term. Once the lease converts to the Monthly Tenancy, Tenant shall pay month rent in the amount of One Thousand Dollars ($1,000.00). Rent for the first month or partial month of the

- **MAINTENANCE AND REPAIRS; ALTERATIONS, ACCESS**

  - Maintenance and Repairs by Tenant. Tenant, at Tenant's sole cost and expense and without prior demand, shall maintain the Property and the Building, as well as Tenant's equipment, fixtures, and personal property, in good order, condition and repair, reasonable wear and tear excepted. Tenant, at Tenant's sole cost and expense, shall be responsible for watering all lawns, trees and shrubs; and mowing grass. Landlord shall be responsible for keeping walks and driveways free of ice and snow. Tenant shall make no alterations or improvements to the Building or the Property without Landlord's prior written consent. All such additions and improvements shall be accomplished in a first-class workmanlike manner.

  - Right to Terminate Based on Repairs. Notwithstanding the foregoing, if the total cost of repairs to the Property or Buildings exceeds $5,000.00 during the Lease term, Tenant shall have the right to terminate the Lease and immediately vacate the Property.

- **INDEMNITY**

  - Indemnification by Tenant. Tenant shall protect, defend, and indemnify Landlord and Landlord's employees and agents, and save them harmless from and against any and all suits, actions, damages, claims, causes of action, liabilities, costs, expenses, and reasonable attorney's fees, of every kind or character, in connection with loss of life, bodily or personal injury, or property damage arising from or out of any occurrence in, upon, at, or from the Property, or the occupancy or use by Tenant or its agents, contractors, employees, servants, invitees, licensees, or concessionaires of the Property or any part thereof, or occasioned wholly or in part by any act or omission of Tenant, its agents, contractors, employees, servants, invitees, licensees, or concessionaires. The provisions of this Article VII shall survive the expiration or termination of this Lease.

  - Release of Landlord. Except for Landlord's negligence, Landlord shall not be responsible or liable at any time for any loss or damage to Tenant's personal property or to Tenant's business. Tenant shall store its personal property in, and shall use and enjoy the Property, at its own risk, and hereby releases Landlord from all claims of every kind resulting in loss of life, personal or bodily injury, or property damage.

  - Litigation. In case Landlord shall be made a party to any litigation commenced by or against Tenant, Tenant shall defend all suits brought upon such claims and pay all costs and expenses incidental thereto, but Landlord shall have the right, at its option, to participate in the defense of any such suit without relieving the Tenant of any obligation hereunder.

- Tenant will not permit the Property to be used for any purposes which would render the insurance thereon void or cause cancellation thereof or increase the insurance risk or increase the insurance premiums in effect just prior to the commencement of this Lease.

    - Waiver of Subrogation. Each party hereto does hereby release and discharge the other party hereto and any officer, agent, employee or representative of such party, of and from any liability whatsoever hereafter arising from loss, damage or injury caused by fire or other casualty for which insurance (permitting waiver of liability and containing a waiver of subrogation) is carried by the injured party at the time of such loss, damage or injury to the extent of any recovery by the injured party under such insurance.

- **CONDEMNATION – DESTRUCTION BY FIRE OR CASUALTY**

    - Destruction. In the event the Property or the Building are damaged by fire or other perils covered by extended coverage insurance and Landlord receives sufficient proceeds to cover the cost of replacing the damage and said proceeds are made available by Landlord's mortgagee (if any), then Landlord agrees to promptly repair the same, and this Lease shall remain in full force and effect, except that Tenant shall be entitled to a proportionate reduction of the rent while such repairs are being made, such proportionate reduction to be based upon the extent to which the making of such repairs materially interferes with the business carried on by the Tenant in the Property. If the repairs cannot be completed within sixty (60) days of the damage, Tenant shall have the right to terminate the Lease with no further damages. If the damage is due to the fault or neglect of Tenant or his employees, there shall be no abatement of rent. Landlord shall not be required to repair any damage by fire or other cause, or to make any repairs or replacements of any panels, decoration, office fixtures, railings, floor covering, partitions, or any other property installed in the Property by Tenant. The Tenant shall not be entitled to any compensation or damages from Landlord for loss of the use of the whole or any part of the Property, Tenant's personal property or any inconvenience or annoyance occasioned by such damage, repair, reconstruction or restoration.

    - Condemnation. If all or a substantial portion of the Property shall be taken or appropriated by any public or quasi-public authority under the power of eminent domain, either party hereto shall have the right, at its option, to terminate this Lease and Landlord shall be entitled to any and all income, rent, award, or any interest therein which may be paid or made in connection with such public or quasi-public use or purpose and Tenant shall have no claim against Landlord for the value of any unexpired portion of the Lease Term. If any part of the Property is so taken or appropriated which, in Landlord's judgment, materially interferes with the ability to operate the Building or a substantial portion thereof, Landlord shall have the right, at its option, to terminate this Lease and shall be entitled to

bankruptcy (unless, in the case of the petition filed against Tenant, the same is dismissed within sixty (60) days); or the appointment of a trustee or a receiver to take possession of substantially all of Tenant's assets located at the Property or of Tenant's interest in this Lease, where possession is not restored to Tenant within thirty (30) days; or the attachment, execution or other judicial seizure of substantially all of Tenant's assets located at the Property or of Tenant's interest in this Lease, where such seizure is not discharged in thirty (30) days.

- The failure of the Tenant to keep the Property or the Property free of liens as required by this Lease.

- Landlord's Right to Re-enter and Re-let Premises. In the event of any default or breach by Tenant, Landlord may elect to re-enter the Property, as herein provided, or take possession pursuant to legal proceedings or pursuant to any notice provided for by law, and Landlord may either terminate this Lease or it may from time to time, without terminating this Lease, make such alterations and repairs as may be necessary in order to re-let the Property or any part thereof for such term or terms (which may be for a term extending beyond the Lease Term) and at such rental or rentals and upon such other terms and conditions as Landlord, in its sole discretion, may deed advisable. Upon each such re-letting, all rentals received by Landlord from such re-letting shall be applied, first, to the payment of any indebtedness other than rent due hereunder from Tenant to Landlord; second, to the payment of any costs and expenses of such re-letting, including brokerage fees and attorney's fees, and to costs of such alterations and repair; third, to the payment of rent due and unpaid hereunder, and the residue, if any, shall be held by Landlord and applied in payment of further rent as the same may become due and payable hereunder. If rentals received from such re-letting during any month are less than that to be paid during that month by Tenant hereunder, Tenant shall pay such deficiency to Landlord. Such deficiency shall be calculated and paid monthly or at such greater intervals as Landlord may see fit; or Landlord may institute action for the whole of such deficiency immediately upon effecting any letting or re-letting and shall not thereafter be precluded from further like action in the event such letting or re-letting shall not embrace the whole unexpired portion of the Lease Term. No such reentry or taking possession of said Property by Landlord shall be construed as an election on its part to terminate this Lease unless a written notice of such intention is given to Tenant, or unless the termination thereof is decreed by a court of competent jurisdiction. Notwithstanding any such re-letting without termination, Landlord may at any time thereafter elect to terminate this Lease for such previous breach. Should Landlord at any time terminate this Lease for any breach, in addition to any other remedies it may have, it may recover from Tenant all damages it may incur by reason of such breach, including the costs of recovering the Property and reasonable attorney's fees, and including the worth at the time of such termination of the excess, if any, of the amount of rent and charges equivalent to rent reserved in this Lease for the reminder of the Lease Term over the then reasonable rental

the Building, any new sign, awning, marquee, decoration, lettering, attachment, or canopy, or advertising matter or other thing of any kind, without first obtaining Landlord's written approval.

- **MISCELLANEOUS PROVISIONS**

  - No Partnership. Landlord does not by this Lease, in any way or for any purpose, become a partner or joint venture of Tenant in the conduct of its business or otherwise.

  - Force Majeure. Landlord shall be excused for the period of any delay in the performance of any obligations hereunder when prevented from so doing by cause or causes beyond Landlord's control, including labor disputes, civil commotion, war, governmental regulations or controls, fire or other casualty, inability to obtain any material or service, or acts of God.

  - No Waiver. Failure of Landlord to insist upon the strict performance of any provision or to exercise any option hereunder shall not be deemed a waiver of such breach. No provision of this Lease shall be deemed to have been waived unless such waiver is in writing signed by Landlord.

  - Notices. Any and all notices, other communications or deliveries required or permitted to be provided hereunder shall be in writing and shall be deemed given and effective on (i) when delivered by hand; (ii) when received by the addressee if sent by a nationally recognized overnight courier (with confirmation of delivery); or (iii); the date of transmission, if such notice or communication is delivered via email (provided the sender receives a machine-generated confirmation of successful transmission) at the email address specified in this section prior to 5:30 p.m. Mountain Time on a Business Day. Such communications must be sent to such party as follows (or at such other address for a party as shall be specified in a notice given in accordance with this Section.

    To Teant: Richard and Susan Buys
    1392 Oak Lane
    Heber City, UT 84032

    To Landlord: Heber City
    Attn: City Manager
    75 N. Main Street
    Heber City, UT 84032

  - Captions, Attachments, Defined Terms. The captions to the sections of this Lease are for convenience of reference only and shall not be deemed relevant in resolving questions of construction or interpretation under this Lease.

Title: Owner

DATED this _____ day of _____, 2025.

HEBER CITY COMMUNITY REINVESTMENT AGENCY

By: _____
Heidi Franco, Chair

Wave's editorial position:

After More than 50 Years - We're Turning the Page

After more than 50 years of continuous family ownership by the Buys Family, The Wasatch Wave, one of Utah's last remaining family-run newspapers is officially being offered for sale.

This respected and trusted publication has served its community with pride for generations—delivering local news, telling hometown stories, championing small businesses, and keeping civic life vibrant. It has stood as a beacon of local journalism, independence, and community connection in a rapidly-changing media landscape.

With heart-felt reflection, the Buys Family has made the decision to pass on the torch. The sale offers a rare and meaningful opportunity for someone who values the role of a local press and the owners would love to have a local take it over. Whether you're a seasoned media professional, a civic-minded entrepreneur, or someone with a deep passion for community storytelling—this is your chance to carry forward a legacy.

Included in the sale are the full publishing rights to the Wasatch Wave and the Summit County News, its archives, subscriber base, branding, and the honor of a trusted household name. The current buildings and physical property are not included in the sale - nor is Wave Printing and its equipment or assets.

We welcome inquiries from individuals or organizations committed to continuing the Wave's mission of serving its readers with integrity and purpose.

Interested in learning more?

Please contact Laurie Buys-Wynn at laurie@wasatchwave.com to express your interest or request additional details.

This is more than a business listing. It's an invitation to steward one of Utah's last family-owned newspapers into its next chapter.

Be a part of history. Help shape the future of Wasatch and eastern Summit Counties.



Wave Publishing Staff

Co-Publishers	Laurie Buys-Wynn Paul & Kari McFee
Publishers Emeritus	Dick & Sue Buys
General Manager	Paul McFee
Managing Editor	Laurie Buys-Wynn
Staff/Sports Writer	Xela Thomas
Contributing Writers	Baxter Black Lance Gritton
Pagination/Circulation	June Muir
Advertising Manager	Kari McFee
Graphic Design Manager	Randi Carlile
Graphic Design	Elizabeth Fowers
Production & Press	Jay Provost Dan Carlile Randi Carlile Justin Lucking

DEADLINES

Inserted Flyers	Thursday, noon
Display Advertising	Wed., 5 pm
Display Classifieds	Friday, noon
Classifieds	Friday, 5 pm
Articles, Legals, Announcements	Monday, noon

Wedding announcements: $25; one year olds, anniversaries (1 picture), thank you notes: $20; Obits: $7/column inch

The Wasatch Wave (USPS 666-820) is published weekly for $40 per year in Wasatch County: Senior Citizens $30 in county; $45 outside Wasatch County; $40 online; $55 to bundle online and print; by Wave Publishing Co., 165 South 100 West, Heber City, UT 84032. Periodicals Postage Paid at Heber City, UT 84032, POSTMASTER: Send address changes to The Wasatch Wave, 165 South 100 West, Heber City, UT 84032. The entire contents of this newspaper is Copyright© 2025 *The Wasatch Wave/Summit County News* and



BAXTER BLACK

ON THE EDGE OF COMMON SENSE

Just Say No!

JUST SAY NO!

- My brother says it works every time!
- I know Pinto took her out but she's not that kind of girl!
- your wife will just love a new drill press!
- it's the cow deal of a lifetime but I need a cosigner!
- it's not cleared for scours and I can't officially recommend it but...
- this will make you rich!
- the Japanese eat it this way all the time!
- the Indians ate it just like this right after they killed the buffalo!
- I know his sire was dwarf but I don't think it's hereditary!
- buy this guy in the calcutta. You've never heard of him but he ropes good he just doesn't travel much!
- the vet says she'll settle in spite of how it looks!
- he just bumped it in the trailer!
- I know they look drawn but think of the weighin' condition!
- I never turned a steer out on this place that didn't gain 300 lbs!
- yer right it is the runt. But he's the smartest one of the litter!
- a little hot wire and you could run 600 buffalo on this place!
- sure I can fix yer car. Kin I borry yer tools?
- if she's not in foal I'll eat my hat!
- this aluminum gate comes with a lifetime guarantee!
- why the hunting lease will make the payments on this ol' ranch!
- no I've never heard a horse bark like that before either but I don't think it's serious!
- and with this degree in economics you'll always be able to get a job!
- if you elect me...

Editor's Note: This is a column from Baxter Black that originally ran in the Wasatch Wave in 2020. Baxter Black retired from writing his weekly column at the end of 2021.

Letters to the Editor Policy

The Wasatch Wave welcomes Letters to the Editor. When submitting your letter, please include your full name, home address and daytime telephone number. Anonymous letters or letters written under an assumed name will not be published. Letters may be sent by email to editor@wasatchwave.com Sender's email address must reflect author's identity. Otherwise a typed copy must be delivered to the Wave office. Letters will NOT be



Letter

From The Wave's Read

It's TIME to Pay our Educators!

Editor: This is an open letter to ou
County School Board,

Wasatch School District has just been n
State," rightfully so. Our district leads U
and science student scores. These are not ju
of the tireless dedication, skill, and hear
into their daily work. But while the accolad
glaring truth we can no longer ignore: w
teachers what they deserve.

Behind every student achievement is a
early, stays late, spends weekends gradin
ning. Yet, many of these exceptional prof
to live in the very community they serve. W
of the most expensive areas in Utah, from
to gas. Teachers are being priced out, stret
to make impossible decisions between doi
making ends meet.

We cannot afford to lose them.

Great teachers don't just happen...they
supported and respected. Right now, we ri
ucators to better-paying districts, private s
altogether. That's not just a teacher proble
lem. The link between teacher compensa
formance is clear: better pay leads to high
instruction, and more consistent academi

None of this success would be possible
ership from our district administrators a
who work relentlessly behind the scenes
support top-tier school teams. Their visio
to-day decisions shape the learning cultu
set the tone for excellence. These leader
cluded from the conversation. They, too
and the same type of compensation incr
role in the district's success.

Let's not forget the professional suppor
paraprofessionals—the unsung heroes w
alized support, manage classrooms, and
smoothly. These staff members are a life
and teachers. Their work may not alway
it's vital to our academic outcomes. The
nized as key contributors to our district's s
for their unwavering commitment and da

If Wasatch wants to remain the best sch
if we're going to keep seeing our childre
We must raise salaries for teachers, sup
leaders across the board—not next year, r
This is the most important thing you can
school board in the state!

We say we value education. Let's p
awards, but with action.

Signed an Unapologetic Supporter of