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4020 South 700 East #2
Murray, Utah 84107

AN APPRAISAL REPORT OF
A 0.261 ACRE TRACT OF SURPLUS LAND

LOCATED AT
±13233 SOUTH REDWOOD ROAD
RIVERTON, UTAH

PREPARED FOR
THE UTAH DEPARTMENT OF TRANSPORTATION
c/o Mr. Bradly D. Daley
Surplus Land Program Manager

UDOT PROJECT/PARCEL NO.
Project No. S-0068(95)41
Parcel No. 0068:03:TQ / Pin No. 11203

BY
DAVID P. HOLTBY
APPRAISER

DATE OF VALUATION – AS IS
JUNE 30, 2017

DATE OF THE REPORT
JULY 5, 2017

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July 5, 2017

Mr. Bradly D. Daley
Surplus Land Program Manager
Utah Department of Transportation
Right of Way Division
4501 South 2700 West, Fourth Floor
Salt Lake City, Utah 84114-8420

Re: An Appraisal Report of a 0.261 acre tract of surplus land located at ±13233 South Redwood Road, Riverton, Utah. UDOT Project No. S-0068(95)41. UDOT Parcel No. 0068:03:TQ. Appraisal Report File #221th0617dh.

Dear Mr. Daley:

At your request I have inspected the property owned by the Utah Department of Transportation, located at ±13233 South Redwood Road, Riverton, Utah. The purpose of the inspection and subsequent investigation and analysis was to formulate an opinion of the market value of the subject land for a possible sales transaction. The subject property has been declared surplus by UDOT.

The defined subject property is unimproved and is identified as Salt Lake County Parcel Number(s) 27-34-451-002. The site was acquired in July 2006 as part of UDOT Project No. S-0068(95)41. The size of the subject parcel is identified by UDOT as containing a total of ±11,390 square feet, or 0.261 acre. The owner of record is the Utah Department of Transportation.

After analyzing all of the data presented in the report, I am of the opinion that the market value of the subject property, as of June 30, 2017, is:

ONE HUNDRED THIRTY FIVE THOUSAND DOLLARS
($135,000)

The marketing period of the subject property would be strongly influenced by the asking price, market conditions, and the efforts to sell the subject property. However, based on current market conditions and available market data, it would appear that the subject property as it is currently improved, if properly marketed, would need an exposure time of six to twelve months. Likewise, being properly marketed, the subject could be sold within a 12-month period from the date of this appraisal.

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The results of this appraisal have been prepared and communicated in an Appraisal Report format, which is intended to comply with the reporting requirements set forth under Standards Rule 2-2(a) of USPAP. As such, it presents summary discussions of the data, reasoning, and analyses that were used in the appraisal process to develop an opinion of market value. The information contained in this report is specific to the needs of the client and for the intended use stated in this report. Supporting documentation is retained in the appraiser's work file. This appraisal report conforms with, and is subject to, the Uniform Standards of Professional Appraisal Practice (USPAP). The use of this appraisal report, by the client or by a third party, will mean acceptance of all assumptions and limiting conditions contained in the Letter of Transmittal, Preface, and attached report. The appraiser is not responsible for unauthorized use of this report. The intended user of this report is the Utah Department of Transportation.

The report has been prepared in compliance with reporting requirements established by USPAP, Federal Regulations, and the Utah Department of Transportation appraisal guidelines.

The use of this appraisal report, by the client or by a third party, will mean acceptance of all assumptions and limiting conditions contained in the Letter of Transmittal, Preface, and attached report. The appraiser is not responsible for unauthorized use of this report.

The value given is subject to the general assumptions and limiting conditions, and specific extraordinary assumptions stated in the addenda of the report. It is important that the reader of this report review and understand all general and specific assumptions and limiting conditions. This letter must remain attached to the report in order for the value opinion set forth to be considered valid. The effective date of value is June 30, 2017. The date of the report is July 5, 2017.

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Your attention is invited to the attached appraisal report, which outlines the data collected and the methods used to formulate an opinion of the market value of the subject property. If you have any questions, please do not hesitate to contact me at (801) 290-2369.

Respectfully submitted,

David P. Holtby, Appraiser

Utah State Certified General Appraiser
License No. 5503226-CG00, Expires 3-31-19

Enc.

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CERTIFICATION

Re: An Appraisal Report of a 0.261 acre tract of surplus land located at ±13233 South Redwood Road, Riverton, Utah. UDOT Project No. S-0068(95)41. UDOT Parcel No. 0068:03:TQ. Appraisal Report File #221th0617dh.

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 analysis, opinions and conclusions are limited only by the reported assumptions and limiting conditions and is our personal, impartial, and unbiased professional analyses, opinions and conclusions.
3. I have no present or prospective interest in the property appraised that is the subject of this report, and no personal interest with respect to the parties involved.
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. The reported analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics & Standards of Professional Appraisal Practice of the Appraisal Institute, which include the *Uniform Standards of Professional Appraisal Practice* (USPAP).
8. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
9. This appraisal assignment was not based on a requested minimum valuation, a specific valuation, or the approval of a loan.
10. I have made a personal inspection of the property that is the subject of this report.
11. Travis Holtby, an appraiser trainee, provided assistance to the person signing this report by inspecting the subject site, taking photographs and measurements, gathering factual data pertaining to the subject property, highest and best use, selecting comparables, making adjustments and the reconciliation of the final value. No other individuals provided real property appraisal assistance to the person(s) signing this report. No other individuals provided real property appraisal assistance to the person(s) signing this report.
12. I have complied with the Appraisal Standards of USPAP and the Appraisal Institute in conducting the research and analysis, and in formulating the value conclusion(s) contained in this report.
13. The Ethics Rule of the Uniform Standards shall be enforced solely by enforcement of the Code of Professional Ethics under the existing enforcement procedures of the Appraisal Institute.
14. As of the date of this report, I am licensed by the State of Utah, Department of Commerce, Division of Real Estate. Under the state's licensing regulations, I am a Certified General Appraiser and my license has not been revoked, suspended, canceled, or restricted.
15. The undersigned hereby acknowledge that he has the appropriate education and experience to complete the assignment in a competent manner. The reader is referred to the appraiser's statement of qualifications found in the addenda of this report.
16. I have not have appraised the property that is the subject of this report during the previous three years.
17. As of the date of this report, I have completed the Standards and Ethics Education Requirement of the Appraisal Institute for Candidates for Designation.

Dated: July 5, 2017

David P. Holtby

Utah State Certified General Appraiser
Certificate #5503226-CG00, Expires 3-31-19

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EXECUTIVE SUMMARY

TYPE OF PROPERTY APPRAISED:	A 0.261 acre tract of surplus land.
ADDRESS:	±13233 South Redwood Road, Riverton, Utah.
PURPOSE OF THE APPRAISAL:	To formulate an opinion of the market value of the subject land for a possible sales transaction.
PROPERTY RIGHTS APPRAISED:	Fee simple
OWNER OF RECORD:	Utah Department of Transportation
COUNTY PARCEL NUMBER(S):	27-34-451-002
SITE/IMPROVEMENT SUMMARY:	
Land Size:	±11,390 square feet, or 0.261 acre
Zoning:	RR-22 (Residential)
Improvements:	Unimproved
Flood Zone/Panel/Date:	X / 49035C0440G / September 25, 2009
HIGHEST AND BEST USE:	
As Vacant	Multi-family residential development as demand is manifest.
As Improved	N/A, the site is unimproved.
SUBJECT PROPERTY:	A 0.261 acre tract of surplus land
CONCLUDED MARKET VALUE ROUNDED:	**$135,000**
DATE OF VALUATION:	
"As Is"	June 30, 2017
DATE OF THE REPORT:	July 5, 2017
MARKETABILITY/EXPOSURE:	The subject property is considered marketable, and the marketing time is estimated to be within a 12-month period. The exposure time is six to twelve months.

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SUBJECT PHOTOGRAPHS

Subject View Looking East

Subject View Looking Southeast

Subject View Looking West

Subject View Looking West

Subject Property Looking East

Street: Redwood Road Looking South

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INTRODUCTION

CLIENT:	Mr. Bradly D. Daley Surplus Land Program Manager Utah Department of Transportation Right of Way Division 4501 South 2700 West, Fourth Floor Salt Lake City, Utah 84114-8420
APPRAISER:	David P. Holtby DH Group, LLC 4020 South 700 East #2 Murray, Utah 84107
SUBJECT:	A 0.261 acre tract of surplus land located on Salt Lake County Assessor's Parcel Number(s) 27-34-451-002.

SCOPE OF WORK

The purpose of the appraisal is to formulate an opinion of the market value of the subject land for a possible sales transaction. The market value estimate of the appraised property is based on the traditional approach to land value, namely the sales comparison approach. In preparing this appraisal, the following steps were taken:

- The subject site was inspected on June 30, 2017;
- The location, size and scope of the property appraised are determined from County Records and information provided by the Client;
- A highest and best use analysis is completed for the land;
- Comparable information is gathered and confirmed;
- The Sales Comparison Approach is employed to determine the market value of the property;
- The exposure and marketing times are analyzed to determine an appropriate exposure and marketing period for the subject based on the concluded value and market conditions; and
- This report is presented in an Appraisal Report format.

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Utah is a nondisclosure state in that sale prices are not reported to the governing agency when recorded. When possible, comparable data used in this report was confirmed with either the buyer, the seller, the broker, or other persons with firsthand knowledge of the transaction. Travis Holtby, an appraiser trainee, provided assistance to the person signing this report by inspecting the subject site, taking photographs and measurements, gathering factual data pertaining to the subject property, highest and best use, selecting comparables, making adjustments and the reconciliation of the final value. No other individuals provided real property appraisal assistance to the person(s) signing this report.

To formulate the opinion of value the appraiser performed an appraisal as defined by the Appraisal Foundation's Uniform Standards of Professional Appraisal Practice.[1] The results of the appraisal have been prepared and communicated in an Appraisal Report format, which is intended to comply with the reporting requirements set forth under Standards Rule 2-2(a) of USPAP. As such, it presents summary discussions of the data, reasoning, and analyses that were used in the appraisal process to develop an opinion of market value. The information contained in this report is specific to the needs of the client and for the intended use stated in this report. Supporting documentation is retained in the appraiser's work file.

1 Uniform Standards of Professional Appraisal Practice, Appraisal Foundation, 2016-17 Edition.

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TYPE AND DEFINITION OF VALUE

PURPOSE: The purpose of this appraisal is to formulate an opinion of the market value of the subject land for a possible sales transaction.

INTENDED USER: The intended user of this appraisal report is the Utah Department of Transportation.

INTENDED USE OF THE APPRAISAL: Reportedly, this appraisal will be used by the Client to assist in the potential sale of the subject property.

CLIENT: The Client of this report is the Utah Department of Transportation c/o Mr. Bradly D. Daley.

PROPERTY RIGHTS/INTEREST(S) APPRAISED: Fee simple

PERSONAL PROPERTY, FIXTURES, AND INTANGIBLE ITEMS: No personal property, equipment, fixtures, or intangible items are included in the appraised values.

EFFECTIVE DATE(S) OF VALUATION: The property was last inspected on June 30, 2017. The effective date of value "as is" is as of the date of inspection or June 30, 2017. The date of the report is July 5, 2017.

SUBJECT STATUS APPRAISED: As per the client's request, the subject is valued in its "as is" condition as of the effective date of value.

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DEFINITIONS:

- DEFINITION OF MARKET VALUE

Fair Market value means the amount at which property would change hands between a willing buyer and a willing seller, neither being under any compulsion to buy or sell and both having reasonable knowledge of the relevant facts.[2]

- DEFINITION OF FEE SIMPLE

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.[3]

- DEFINITION OF VALUE "AS IS"

The estimate of the market value of real property in its current physical condition, use, and zoning as of the appraisal date.[4]

- DEFINITION OF CASH EQUIVALENCY

In applying this definition of market value, adjustments to the comparables must be made for special or creative financing or sales concessions. No adjustments are necessary for those costs that are normally paid by sellers as a result of tradition or law in a market area; these costs are readily identifiable since the seller pays these costs in virtually all sales transactions. Special or creative financing adjustments can be made to the comparable property by comparison to financing terms offered by a third party financial institution that is not already involved in the property or transaction. Any adjustment should not be calculated on a mechanical dollar for dollar cost of the financing or concession, but the dollar amount of any adjustment should approximate the market's reaction to the financing or concessions based on the appraiser's judgment.[5]

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2 Utah Code Title 59-2-102(12).
3 The Dictionary of Real Estate Appraisal, (Fifth Edition) The Appraisal Institute, Chicago, Illinois, 2010.
4 The Dictionary of Real Estate Appraisal, (Fifth Edition) The Appraisal Institute, Chicago, Illinois, 2010.
5 Federal National Mortgage Association (FNMA) and the Federal Home Loan Mortgage Corporation (FHLMC).

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FACTUAL DATA

Identification Of Property:

Address:	±13233 South Redwood Road, Riverton, Utah
Location:	East side of Redwood Road at ±13233 South.
County Parcel Number(s):	27-34-451-002
Owner(s) of Record:	Utah Department of Transportation
Legal Description:	The legal description for the subject property was obtained from both the Salt Lake County Recorder's Office and UDOT. A map and a legal description indicating the actual size of the subject property as appraised herein was provided by UDOT and shows a land size of 0.261 acre. Reliance is made on the information provided by UDOT as it is the most recent information for the subject property and is considered to be the most accurate. No responsibility is assumed for any inaccuracies that may exist. A copy of the County legal description and the UDOT map/description are located in the addendum of the report. Review of an A.L.T.A. Survey for the subject property is recommended.

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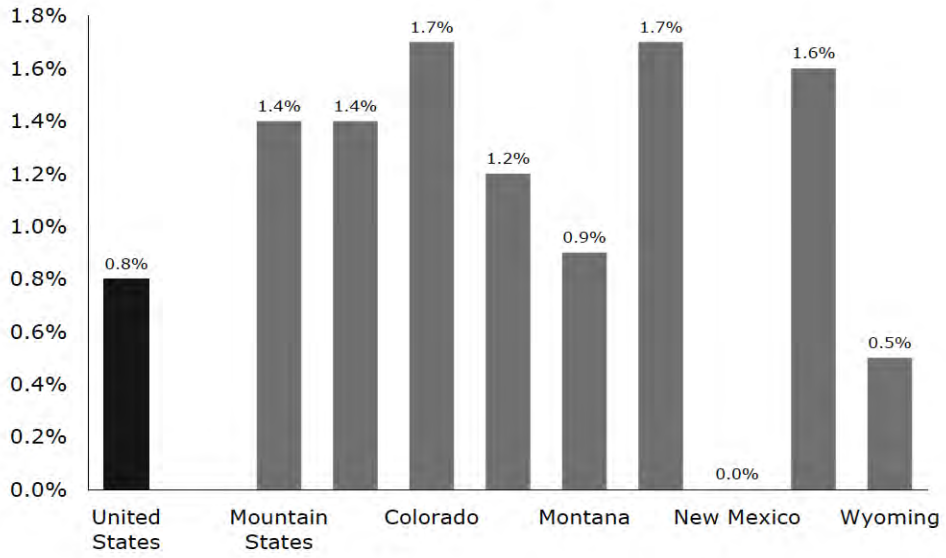
SUMMARY OF AREA INFORMATION

There are social, economic, governmental, and environmental forces, which influence the value and marketability of the subject. The subject is located in the limits of Riverton, Utah, located within Salt Lake County. An in-depth look at the State of Utah and Salt Lake County markets are analyzed below. A more specific analysis of the subject neighborhood will follow in the summary of neighborhood information section to follow.

Population/Growth:

According to the *2017 Economic Report to the Governor*, Utah's estimated official July 1, 2016 population was 3,209,000 an increase of 0.7 percent from 2015. The following table summarizes the population components of the State of Utah as compared to surrounding mountain states during 2012-2015. This data was obtained from the *2017 Economic Report to the Governor.*

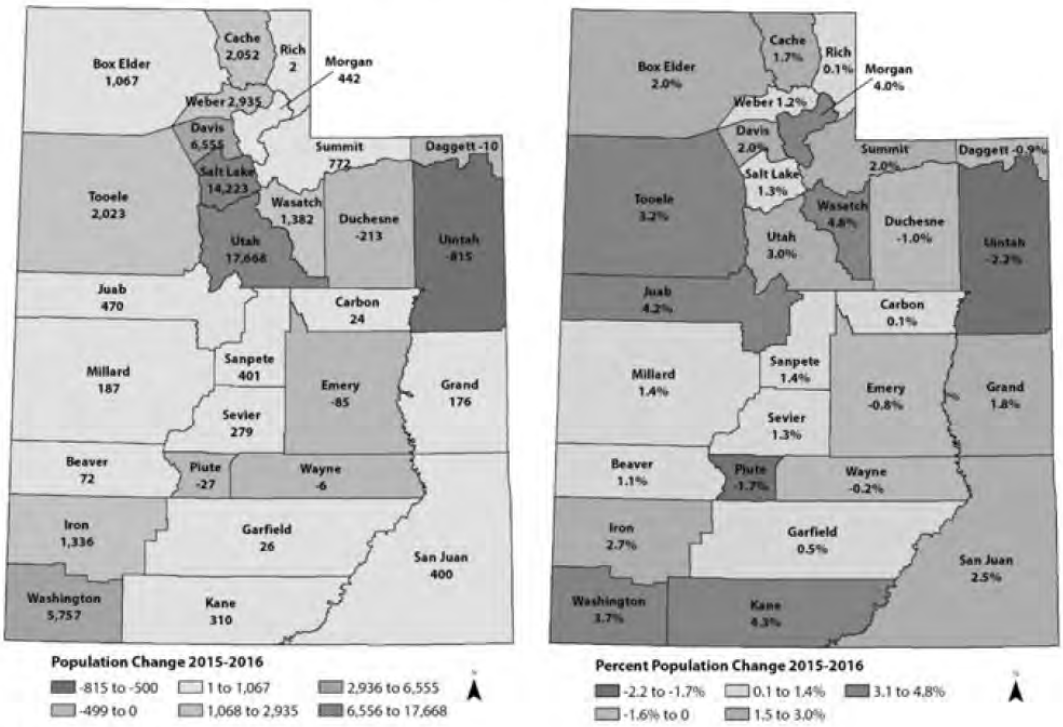
Figure 12.1
Annualized Population Growth:
2012-2015



Source: U.S. Census Bureau

The following graphic shows the population changes to the individual counties within the state of Utah and was obtained from the *2017 Economic Report to the Governor*.

Figure 4.2
Utah Population Growth by County: 2015 to 2016



Source: Utah Population Committee

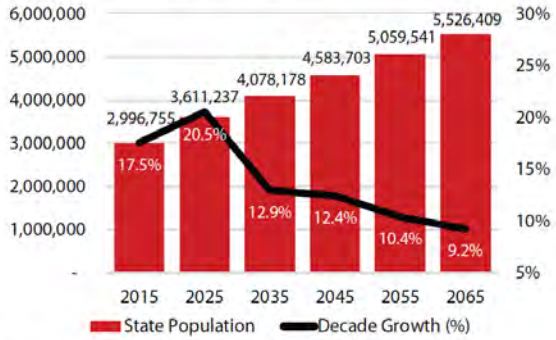
The demographic profile of the state and the US is presented in the following table. Utah ranks near the top in each of the categories.

Utah Demographic Profile

	Utah	U.S.
Fastest population growth (2015 - 2016)	2.0%	0.7%
Highest fertility rate (2015)	2.29	1.84
Youngest median age (2015)	30.7	37.8
Persons under 18 years (2015) (Utah ranks 1st)	30.5%	22.9%
Persons 65 years and over (2015) (Utah ranks 49th)	10.3%	14.9%
Largest household size (2015)	3.17	2.65
Life expectancy (2010) (Utah ranks 10th)	80.2	78.9

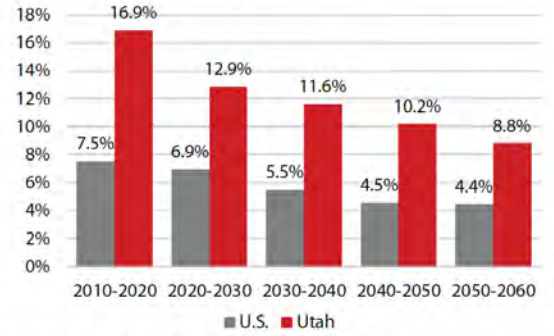
The demographic projections for Utah appear to be favorable. The following is the projected population growth through 2060 as reported by the Kern C. Gardner Policy Institute. Utah appears to continue to outpace the United States over the projection period.

Figure 3
Utah Population and Growth Projections by Decade: 2015-2065



Sources: Kern C. Gardner Policy Institute 2015-2065 State Projections; DemographyUTAH Population Committee 2015 Population Estimates

Figure 4
Projected Percent Growth by Decade: Utah and the United States



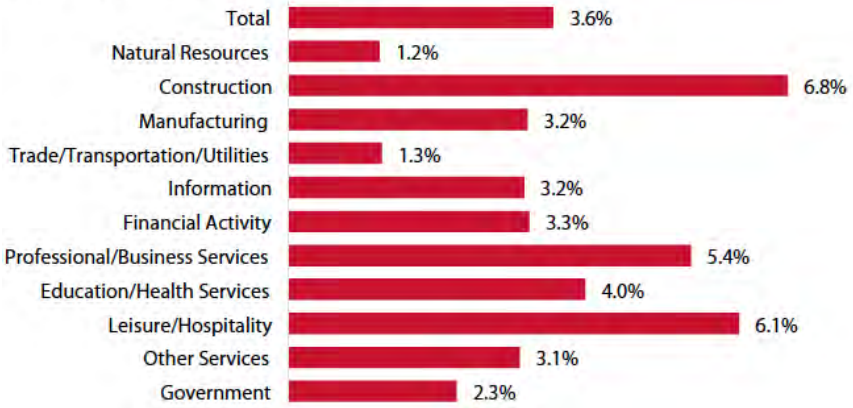
Sources: Census Bureau 2014-2060 National Projections; Kern C. Gardner Policy Institute 2015-2065 State Projections

Economy:

Utah's economy remains healthy with every major sector having expanded during 2016. An estimated 49,500 new jobs were created during 2016 and annual employment growth rates were 3.6 percent above the state's long-term average. The state's unemployment rate of 3.6% is the same as it was during 2015 and Utah ranks first in the United States. The following tables illustrate the state unemployment rate percent change by sector as well as the states with the strongest growth rates during 2016.

Utah Nonfarm Industry Profiles *2016*

Employment Percent Change



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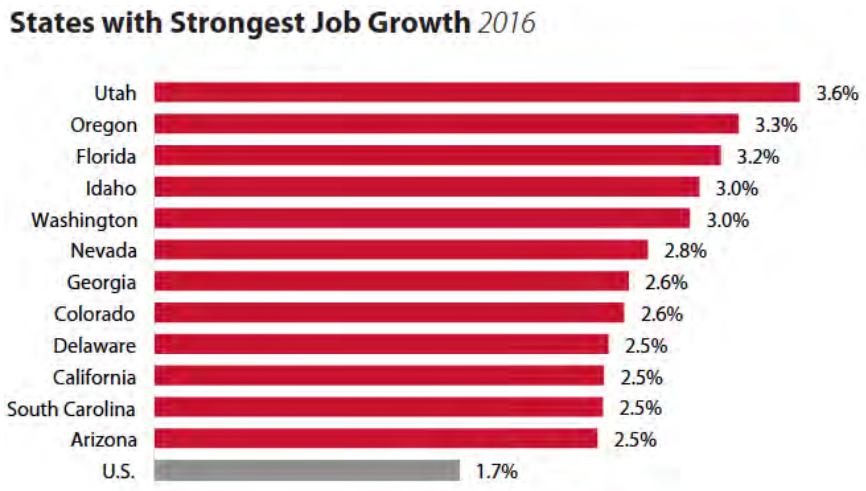
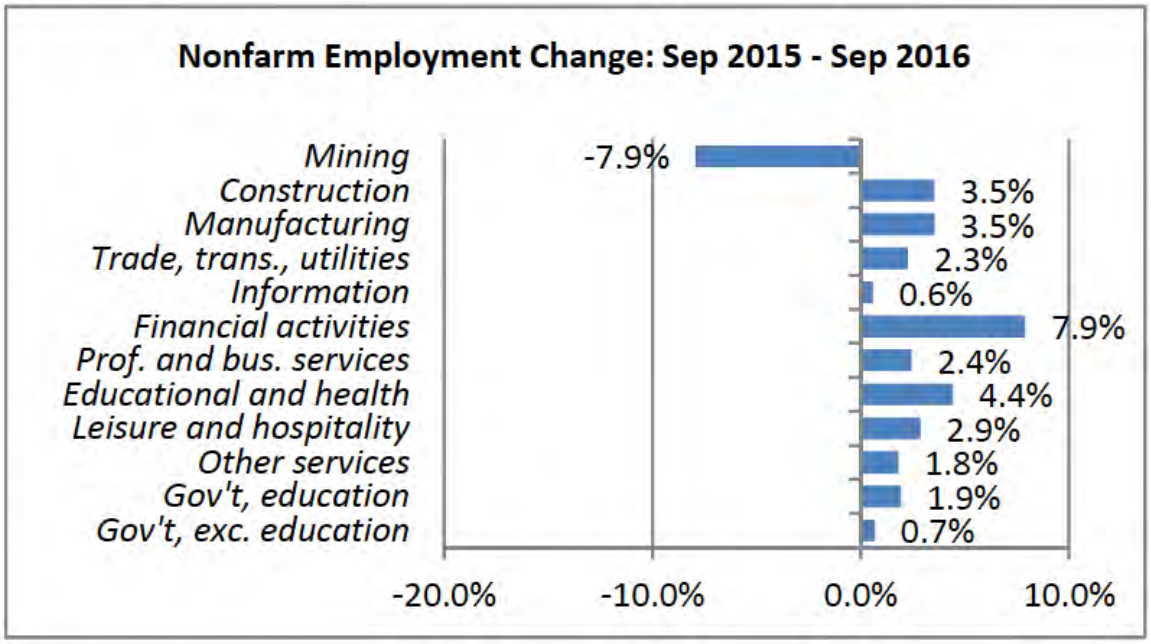


Employment Performance

Nine of Utah's ten private sectors posted employment growth over the previous 12 months. The following table illustrates the performance by industry from September 2015 to September 2016 as reported by the Governor's Office of Management Budget:



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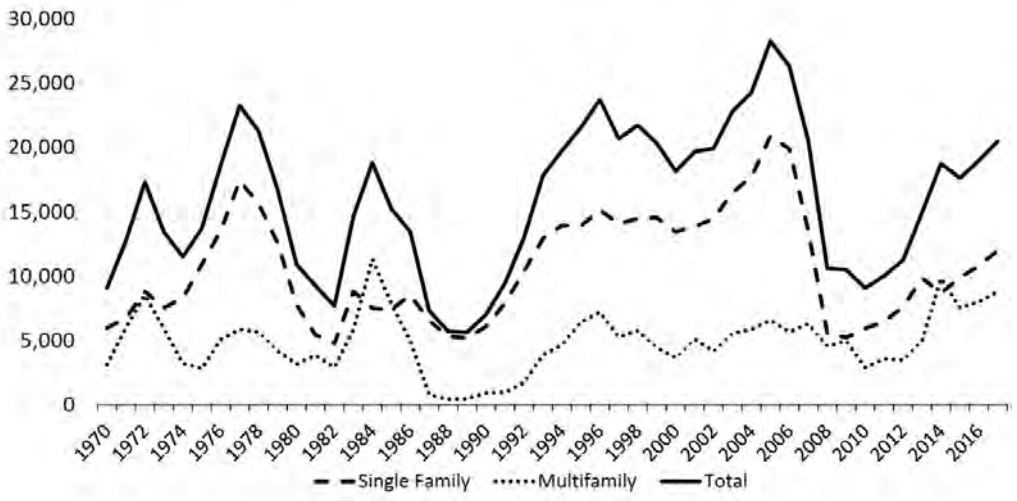
Construction:

Overall construction grew by 6.8 percent during 2016. The overall value of permit-authorized construction in 2016 is estimated at $7.5 billion an all-time high in current dollars and the fourth highest year ever in inflation adjusted dollars. Residential construction decreased to $3.9 billion, 3 percent lower than 2015. However, residential building permits increased from 17,629 in 2015 to approximately 19,000 in 2016. Home building in 2016 continued its gradual but steady recovery from the Great Recession. The Governors Office notes that "typically, six years after the trough construction has fully recovered to the pre-recession peak. In this cycle however, despite historically low interest rates, the recovery is only at about 67 percent of the pre-recession peak. (19,000 new residential units in 2016 versus 28,300 units in 2005). Non-residential construction activity was up 19 percent over 2015 with a historic high of $2.5 billion in 2016.

The following graph shows the "Utah Residential Construction Activity" since 1970 followed by the "Value of Permit Authorized Construction in Utah" over the same time-frame.

Figure 18.1
Utah Residential Construction Activity



Source: Ivory-Boyer Construction Database. Kem Gardner Policy Institute, University of Utah.

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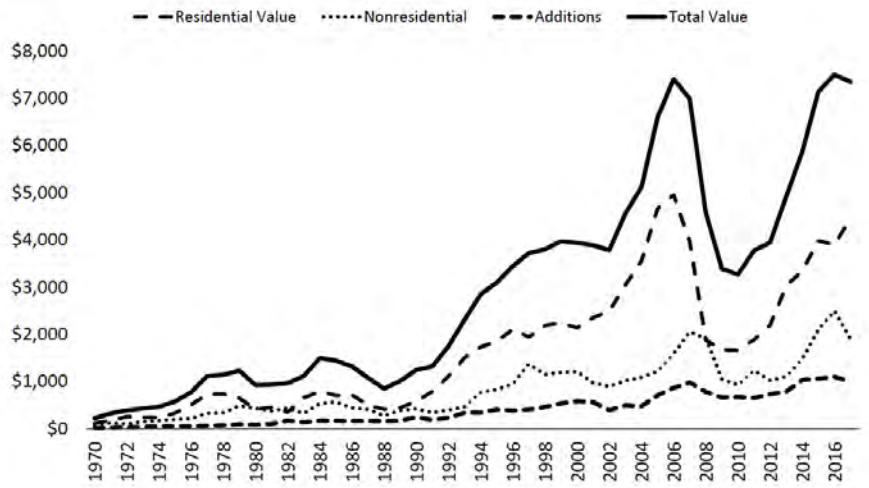
Figure 18.2
Value of Permit Authorized Construction in Utah



Source: Ivory-Boyer Construction Database. Kem Gardner Policy Institute, University of Utah.

The outlook for 2017 for permit authorized construction is off about two percent from 2016 to a figure of $7.35 billion. The value of residential construction is expected to increase by fourteen percent to $4.45 billion. Cost increases will push residential values higher but just as important is the increase in the number of residential units, which is forecast to increase from 19,000 units in 2016, to 20,500 units in 2017. Most of the increase will be concentrated in single-family homes while multi-family permits will increase to 8,800 units.

Outlook:

The Governors Office forecasts moderating – but still healthy – job and wage growth, low unemployment, and increased net in-migration in 2017. Internal risks to the Utah economy include supply of workers, education warning signs and air quality. Additionally, potential federal trade policy changes, normalization of monetary policy and geopolitical instability could also present challenges. Advantages for Utah include an appealing business climate, and increasing labor force participation will continue to be an advantage. Most importantly Utah's economy is projected to once again, be one of the top performing economies in the nation during 2017.

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NEIGHBORHOOD DESCRIPTION

Please see the neighborhood map attached to the addenda.

Neighborhood characteristics impact the value of real estate. Therefore, an overview of the subject neighborhood is presented below.

Proximity/Jurisdiction

The subject property is located on the east side of Redwood Road at ±13233 South in Riverton City. The subject is located approximately ±20 miles south of the Central Business District (CBD) of Salt Lake City.

The neighborhood is within the jurisdiction of Riverton City. Both the City and Salt Lake County provide all major services and control development within their borders.

Adjacent Properties

Adjacent properties are generally compatible with the subject as follows:

North	Residential
South	Residential/Commercial
East	Residential
West	Residential

Neighborhood Life Stage

According to *The Appraisal of Real Estate*, neighborhoods evolve through four stages. These stages are as follows:

1. Growth - a period during which the neighborhood gains public favor and acceptance.
2. Stability - a period of equilibrium without gains or losses.
3. Decline - a period of diminishing demand.
4. Revitalization - a period of renewal, development, modernization, and increasing demand.

The immediate neighborhood is in the growth life stage.

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Detrimental Influences:

In general, the real estate in the neighborhood does not appear to be adversely affected by any known detrimental influences.

SITE DESCRIPTION

Please see the property plat(s) attached to the addenda of the report.

Deeds/ownership records provided by the client indicate the subject site comprises three parcels of land totaling ±0.261 acre or 11,390 square feet. Review of an A.L.T.A. Survey of the subject property is recommended.

General Site Data:

-Land Area	±11,390 square feet, or 0.261 acre
-County Parcel No.	27-34-451-002
-Street Orientation	Interior.
-Shape	Rectangular.
-Frontage	Adequate frontage along Redwood Road (see UDOT map).
-Access	Via Redwood Road.
-Depth	Varies (see UDOT map).
-Topography	Mostly level; at street grade with the adjoining/adjacent property and the adjacent roadways.
-Drainage	Natural drainage is easterly.
-Soil	Soil studies have not been made available to the appraiser. Soil stability is assumed to be adequate for slab on grade construction. Review of a geo-technical investigation prepared by a qualified engineer/firm is recommended.

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-Wetland Areas A GIS aerial overlay and wetland study indicating the existence of wetlands was not provided. The specific subject property is located in an X flood zone, panel number 49035C0440G, dated September 25, 2009. Thus, the parcel does not appear to be classified as wetlands or have and wet-type land characteristics. A review of a wetlands investigation by a qualified firm is recommended.

-Adjacent Properties Adjacent properties are as follows:

North:	Residential
South:	Residential/Commercial
East:	Residential
West:	Residential

-Street Improvements Redwood Road is a two-lane (one lane per direction of travel) asphalt paved roadway that is further improved with concrete curb, gutter and sidewalk.

-Traffic Counts (AADT) 12,870 in 2014 along Redwood Road.

-Utilities Utilities are provided to the subject area, and are considered adequate and typical for the area.

-Abutting Rights-of-Way Redwood Road.

-Easements, Restrictions and Encroachments According to the deed information provided by UDOT, the subject property has a perpetual easement identified as parcel 3:E. The easement is 10 feet in width and located along the subject frontage along Redwood Road. The easement is not considered a detriment to the property and is typical of the market. No title report or other source reference was provided, with regard to determining any

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easements that might affect the subject. It is assumed that there are no such easements, or other restrictions, that would have a material impact on the subject. It is assumed that there are no other unusual easements that affect the subject site. Review of the A.L.T.A. Survey is recommended.

-Special Hazards

Flood Zone: X (Outside the 500 year flood plain); Community Panel #49035C0440G; dated September 25, 2009. A copy of the applicable section of the flood zone map is attached in the addenda.

Environmental: No environmental study was provided to the appraiser. This analysis assumes that no hazardous materials exist on site. If hazardous materials were found onsite, the value estimate may be subject to change. Review of a Phase I environmental assessment specific to the subject property, prepared by a qualified engineer/firm is recommended.

Earthquake Zone: The subject is in a very low liquefaction zone. It is not unusual with regard to development.

-Zoning: The subject is zoned RR-22 (Residential), under the jurisdiction of Riverton City. According to Riverton City Zoning Ordinance Section 18.25.010, the purpose of the RR-22 zone is "to provide a residential environment within Riverton City that is characterized by low density single-family housing, a minimum vehicular traffic and quiet neighborhoods favorable for family life." Additionally, it is worth noting that the subject is master planned for medium/high density residential with 5-8 units per acre. Given the subjects location along Redwood Road and based on the master plan zoning and discussions with Andrew Aagard at Riverton City, the highest and best use of the subject is likely through a higher density residential development.

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IMPROVEMENT DESCRIPTION

It is noted that the subject site is unimproved.

RECENT HISTORY OF THE PROPERTY:

The current owner of record is the Utah Department of Transportation. According to the Salt Lake County Recorders Office and deeds that were recorded when the property was acquired, the property was obtained by UDOT in 2006 as part of UDOT Project No. S-0068(95)41. No other transfer deed information was located during the previous five years. According to the Client, the subject property has been declared surplus by UDOT and they intend to market and sell the property.

I am not aware of any additional listings or sales of the subject within the last five (5) years.

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REAL ESTATE TAXES & ASSESSMENTS:

For taxes and assessment data of the appraised property is under the jurisdiction of Salt Lake County. The tax and assessment information is applicable for 2016 and has been obtained from the Salt Lake County Treasurer's and Assessor's Office. It is noted that as the subject is owned by a state entity, it is tax exempt thus, only assessment information is available for the subject. The real estate assessment information for the subject for 2016 is indicated in the following table.[6]

2016 Assessment and Tax Information									
	Assessed Value					Total Taxes			
Parcel	Land	Improvements	Total	Exemptions	Taxable Value	Tax rate	Ad Valorem Tax[1]	Special Assessments[2]	Total Tax
27-34-451-002	$116,900	$125,900	$242,800	($242,800)	$0	0.0000000	$0.00	$0.00	$0.00

[1]Applies to real estate only. Taxes on personal property, improvement fixtures, etc., if any are excluded.

[2]Special assessments include bond payments and/or other taxes that do not vary according to assessed value.

Source: Salt Lake County

It is noted that the assessed value is typically computer generated and is not specific in adjustments. Thus, limited weight is placed on the assessed value as a market value indicator.

6 Taxes in Utah are calculated by applying a tax rate to taxable value. Taxable value is a percentage of the assessor's estimate of market value. The percentage is 100 percent for commercial properties and about 67 percent for residential properties. The tax rate varies depending on a given county's budget.

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HIGHEST AND BEST USE

A market value estimate requires a highest and best use analysis of the subject site. The highest and best use analysis determines the basis on which the appraised property is evaluated.

The definition of highest and best use is:

> *The reasonably probable and legal use of vacant land or an improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value. The four criteria the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity.*[7]

Highest and best use refers to a determined use for the land that develops the highest return over a prolonged period of time. Highest and best use does not necessarily refer to the size of a building, where it is located on the site, or its amenities.

Permitted uses, as designated by zoning or detailed by deed restrictions, are very important. Building and economic trends, location, neighborhood conditions, and maintenance are all important characteristics that should be considered. Zoning is a determinant of use, but it is not necessarily final. Variances may be granted or a zoning may be changed; however, a planned use likely would need to be in accordance with the master plans, trends, and established patterns of development for an area.

Two procedures are used to determine a property's highest and best use. The first is an analysis of the site as if vacant. The second is an analysis of the proposed or existing improvements and their influence upon the site's highest and best use. The use(s) concluded in the analyses to be highest and best must meet the criteria of being 1) physically possible, 2) legally permissible, 3) financially feasible, and 4) maximum productivity.

7 The Appraisal of Real Estate, (thirteenth edition) The Appraisal Institute, Chicago, Illinois, 2008.

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Highest and Best Use of the Subject As Vacant

Physically Possible

The subject property has adequate frontage along Redwood Road (see UDOT map) and contains a total of ±11,390 square feet, or 0.261 acre. The subject is rectangular in shape, with a mostly level topography, and drainage is easterly. All necessary utilities are available and the subject is in an X flood zone. No other major physical characteristics limit development other than size. Any use should conform to typical code requirements.

Legally Permissible

There are generally two areas of concern regarding legally allowable improvements to a property. The first is associated with title or deed restrictions, which can limit the potential uses of a property. The second is associated with zoning ordinances, which often limit both the type and size of development constructed on a site. No deed restrictions, easements, or rights-of-way are believed to exist that would restrict the development of the parcel. Potential uses are limited only by permissible and legal uses allowed in the zoning classification for the subject property.

The subject property is under the jurisdiction of Riverton City and is zoned RR-22 (Residential). The RR-22 zone is a residential zone that allows for low density single-family residential type uses. The majority of the land near the subject property is similarly zoned. Additionally, the subject is master planned for medium/high density residential with 5-8 units per acre. Given the subjects location along Redwood Road, the highest and best use of the subject is likely through a higher density residential development.

Financial Feasibility

A financially feasible use must be one that can provide the highest return on an improvement over a prolonged period of time. The use will be constrained by zone restrictions and the physical characteristics of the land. Also considered are current

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economic trends, neighborhood influences, and existing supply/demand characteristics, as they pertain to real estate.

Location has a significant impact on the potential uses that are financially feasible. The subject property is located on the east side of Redwood Road at ±13233 South in Riverton, Utah. The site has average visibility and is located in an area favorable for high density residential type developments.

Maximally Productive Use and Conclusion As Vacant

After considering the criteria of highest and best use, the highest present land value, as if vacant, is obtained by multi-family residential type development as justified by demand. The most likely user of the subject property would be a developer intending to develop the subject property in accordance with the highest and best use.

Highest and Best Use of the Site As Improved

The subject site is unimproved.

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LAND VALUATION

The sales comparison approach forms the basis for this method of land valuation. The Sales Comparison method of valuation is completed to provide an estimate of the property's "as is" market value through a comparative analysis of land sales. This involves obtaining land sales with similar characteristics and comparing those sales to the subject site. Adjustments are made to the comparables for differing features. The adjusted values of the comparables are then reconciled into a single estimate of value for the subject land. The unit of comparison is the price per square foot.

The following table is a summary of the land sales used in this report. Complete data sheets are located within the addenda of the report.

Summary of Comparable Land Sales (Before Adjustments)

Comp. #	1	2	3	4	5
Address	13698 South Redwood Road	5105 South 1300 East	7633 South Union Park Avenue	234 East Sego Lily Drive	617 East 9000 South
City/Utah	Riverton	Holladay	Sandy	Sandy	Sandy
County	Salt Lake	Salt Lake	Salt Lake	Salt Lake	Salt Lake
Parcel No.	33-03-178-001 & -004	22-08-428-004 (part)	22-29-483-001 thru 045, -048, -049, -050	28-07-326-017	28-06-282-038
Land					
Size (SF)	266,152	86,249	326,787	109,815	172,062
Acres	6.11	1.98	7.50	2.52	3.95
Planned Units	74	24	261	146	160
Density / acre	12	12	35	58	41
Topography	Mostly Level	Mostly Level	Level to Sloping	Mostly Level	Mostly Level
Configuration	Nearly Rectangular	Irregular	Irregular	Irregular	Rectangular
Orientation	Interior	Interior	Interior	Interior	Interior
Street	Asphalt	Asphalt	Asphalt	Asphalt	Asphalt
Utilities	All available	All available	All available	All available	All available
Zoning	RM-14	MF	SD	MU	MU
Zoning Type	Multi-family	Multi-Family	Multi-Family	Mixed Use	Mixed Use
Sales Date	Jun-16	Jan-14	Feb-14	Mar-15	Dec-13
Rights Trans.	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
Terms	Cash or Equiv.	Cash or Equiv.	Cash or Equiv.	Cash or Equiv.	Cash or Equiv.
Seller	Bangerter/Redwood, LLC	Shauna Frandsen & Ginny Smith	2010-1 RADC/CADC Property V, LLC	The Hills at Sandy Station, LLC	Aspen Ridge Properties, LLC
Buyer	Hamlet Development Corporation	Tobermory Ridge LLC	Rockworth Companies, LLC	Sandy Station Phase II LLC	Baywood Properties, LLC
Verification	Appraisers Files	Scott Chapman, Agent	Steve Broadbent, Buyer	Mark Mabey, Seller	Appraiser Files
C.E. Sales Price	$1,950,000	$930,000	$3,400,000	$2,500,000	$2,200,000
Price/Sq.Ft.	$7.33	$10.78	$10.40	$22.77	$12.79
Price/Acre	$319,149	$469,697	$453,212	$991,670	$556,962
Price/Planned Unit	$26,351	$38,750	$13,027	$17,123	$13,750

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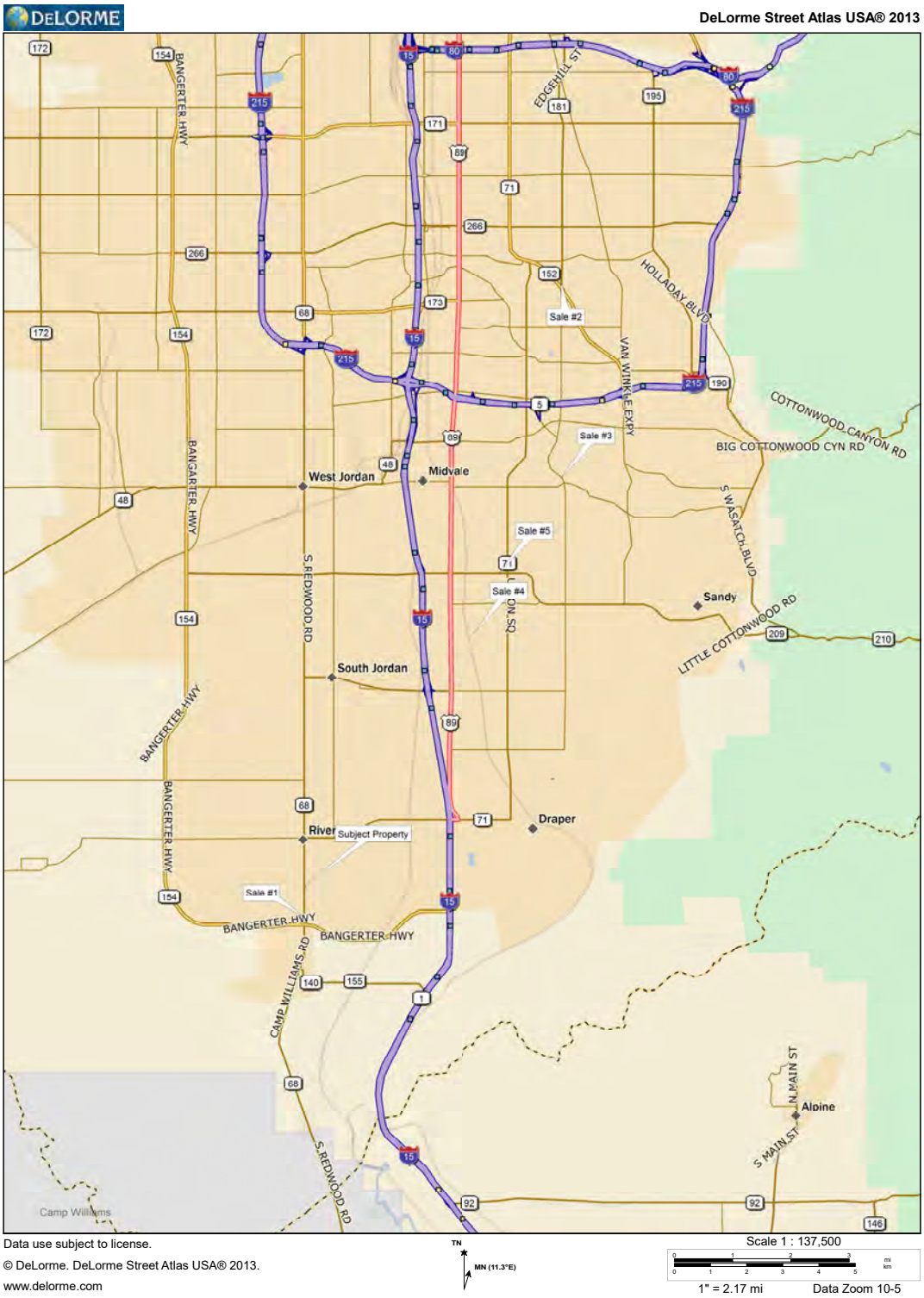
COMPARABLE SALES MAP



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ANALYSIS AND RECONCILIATION OF LAND SALES

Market evidence and appraiser judgment determined the degree of adjustment made to each sale. The adjustments are largely subjective. However, each adjustment made reflects careful consideration and analysis of various factors. The factors considered in any adjustment include an analysis of paired sales data, when they are available, and information acquired from market participants. Also considered are the costs associated with bringing a site to a developable condition. It is believed that the adjustments made correspond closely with the thinking of market participants and allow for a tighter frame of reference when comparing sales data to the subject site. The unit of comparison for each sale is the price per square foot.

If needed, dollar adjustments were made in the areas of property rights conveyed, conditions of sale, and financing. The resulting value reflects the "normal sales price" of the comparable. Percentage adjustments were then made to account for market conditions that change over time. Thereafter, additive percentage adjustments were made in each of the remaining areas of analysis. This is described in detail below.

PROPERTY RIGHTS CONVEYED: Each sale reportedly included the transfer of a fee simple title to the buyer(s). The property rights conveyed were similar to those appraised. Therefore, none of the comparables require an adjustment for property rights.

FINANCING TERMS: The value shown for a comparable is a cash-equivalent value. When a seller writes a contract with a buyer and the seller has financing terms better than those available in the market, the seller is often paid a higher price for the property. These circumstances require an adjustment to the sale. All sales were sold on a cash-to-seller basis or similar terms and no adjustments are necessary.

CONDITIONS OF THE SALE: Conditions of sale refer to influences surrounding the sale process, which result in less than an arm's length transaction. All of the sales were reported as arm's length transactions and no adjustments are warranted.

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EXPENDITURES AFTER PURCHASE: Expenditures made immediately after purchase may include the cost to demolish and remove any buildings, cost to petition for a zoning change, or cost to remediate environmental contamination. None of the comparables reported any expenditures made after purchase, and no adjustments are made.

MARKET CONDITIONS: Market conditions refer to price changes occurring over time due to various market forces. Values change over time due to various market forces interacting, particularly supply and demand. Prior to 2007 the market was strong for nearly all property types and prices increased at a rate above inflation. Prices stabilized and in some cases declined during mid 2007-2012. As previously indicated the subject market has been steadily increasing since the fourth quarter of 2012 to the present. Therefore, an upward adjustment of 5.0% annually is applied to each comparable for improving market conditions.

LOCATION FACTORS: Location refers to access, exposure, attractiveness of surrounding properties, and proximity to surrounding support services. The subject is located at approximately ±13233 South Redwood Road, Riverton, Utah. Access to transportation routes is considered good. Proximity to surrounding support services is rated average.

The subject property is located at ±13233 South Redwood Road, which is a desirable area of the subject market. Comparables 2 and 4 are located in an area deemed superior to the subject and a negative adjustment is warranted. All of the remaining comparables are located in a similar area to the subject and no adjustment is applied.

PHYSICAL CHARACTERISTICS: The physical characteristics of the subject property are similar to many of the physical features of the comparables. Adjustments were made in the following areas:

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Size: Small land parcels often sell for a higher unit price than do large ones, as they are less risky to develop. Development risk increases in proportion to the difficulty of maximizing the development potential of a parcel of land. Larger tracts of land often require the construction of a larger building or even multiple structures in order to maximize development potential. Also, the time frame for construction generally increases, which often puts the developer at a greater risk. Consequently developers are often willing to pay a higher unit price for smaller, less risky parcels of land. The subject property contains ±11,390 square feet. All of the comparables are slightly larger than the subject and a positive adjustment is warranted.

Topography/Developability: Adjustments made for this area of adjustment recognize those differences in a site's topography and/or need of fill in order to accommodate development. Typically, sites that are relatively level with stable and adequate fill conditions, sell for a higher per unit basis. The reason is that there is less site work cost incurred on a buyer's part in bringing these sites into a developable condition versus a site that has a sloping or undulating terrain and/or one that is in need of fill. The topography of the subject is mostly level as are the comparable sales thus, no adjustment is applied under this section of analysis.

Configuration/Shape: Adjustments made for this area of adjustment recognize those differences in a site's configuration and/or shape. Typically, sites that are relatively square or rectangular are considered superior to sites that are irregular and make more difficult any potential development. The subject site is rectangular in shape however, it is not restrictive in regards to development, which is true for all of the comparables thus, no adjustment are needed for configuration/shape.

Street Orientation: This factor refers to interior versus corner parcels. Corner parcels typically command higher prices due to superior ingress and egress as well as exposure factors for commercial parcels. The inverse is true for residential tracts. Corner lots are inferior to interior or cul-de-sac parcels. The subject property is an interior parcel and has frontage and access along Redwood Road. As a multi-family tract, street orientation

is not as much of a determining factor. The comparables are similar to the subject and no adjustment is warranted.

Utilities: The subject property has all utilities available. All of the comparable sales have access to all utilities and no adjustments are applied under this area of analysis.

Zoning: The subject property is zoned RR-22. However, in accordance with the highest and best use and the master plan for the property, the subject is appraised under the assumption that it is zoned for medium/high density residential. Nevertheless, a negative adjustment is warranted for the time and costs associated with getting the property re-zoned to a multi-family zoning.

Density Per Acre: The subject totals 0.261 acres and the master plan will allow for 5-8 units per acre, but given the size of the parcel 5 units would not be achievable. However, several units could be allowable on the site. The comparables have the following density per acre:

Density Per Acre					
Comp #	1	2	3	4	5
	12.11	12.12	34.79	57.91	40.51

All of the comparables are superior to the subject thus, a negative adjustment is applied.

The adjustment grid outlining the previously detailed adjustments is as follows:

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LAND ADJUSTMENT GRID						
Subject Location:	13233 South Redwood Road, Riverton, Utah					
Size: (Sq.Ft.)	11,390					
		COMPARABLES SALES				
	Subject	**1**	**2**	**3**	**4**	**5**
Sales Price		$1,950,000	$930,000	$3,400,000	$2,500,000	$2,200,000
Adjustments:						
Property Rights		$0	$0	$0	$0	$0
Adjusted Price		$1,950,000	$930,000	$3,400,000	$2,500,000	$2,200,000
Financing Terms		$0	$0	$0	$0	$0
Condition of Sale		$0	$0	$0	$0	$0
Expenditures		$0	$0	$0	$0	$0
Adjusted Price		$1,950,000	$930,000	$3,400,000	$2,500,000	$2,200,000
Date of Sale		Jun-16	Jan-14	Feb-14	Mar-15	Dec-13
Market Conditions		$97,500	$162,621	$580,361	$291,319	$393,861
Adjusted Price		$2,047,500	$1,092,621	$3,980,361	$2,791,319	$2,593,861
Unit of Comparison						
Planned Units	5-8	74	24	261	146	160
Price Per Unit		$27,669	$45,526	$15,250	$19,119	$16,212
Square Feet	*11,390*	266,152	86,249	326,787	109,815	172,062
Price Per Sq.Ft.		$7.69	$12.67	$12.18	$25.42	$15.08
Other Adjustments:						
Location		0%	-10%	0%	-5%	0%
Physical Characteristics						
Size		10%	5%	15%	5%	7.5%
Topography/Developability		0%	0%	5%	0%	0%
Configuration		0%	0%	0%	0%	0%
Utilities Available		0%	0%	0%	0%	0%
Street Orientation		0%	0%	0%	0%	0%
Street Improvements		0%	0%	0%	0%	0%
Zoning		-10%	-10%	-10%	-10%	-10%
Density Per Acre		-5.0%	-5.0%	-10%	-20%	-15%
Adjusted Price Per Sq. Ft.		$7.31	$10.13	$12.18	$17.79	$12.44
Gross % Change		30%	47%	57%	52%	50%
Adjusted Value Range		**Low**	**High**	**Median**	**Mean**	
		$7.31	**$17.79**	**$12.18**	**$11.97**	

RECONCILIATION OF LAND VALUE

After making adjustments, the adjusted sales range from $7.31 to $17.79 per square foot. The indicated mean for the comparable sales is $11.97 per square foot with a median value of $12.18 per square foot. Each of the comparable is given equal weight in the reconciliation.

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After reviewing characteristics of the subject and the comparable sales, a concluded market value at $12.00 per square foot is considered appropriate and is bracketed by the comparables before and after adjustments. The indicated value of the subject property is calculated as follows:

Subject Land -- 11,390 Sq.Ft. x $12.00 per square foot = $136,680

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RECONCILIATION AND FINAL ESTIMATE OF VALUE

The Sales Comparison Approach was used to formulate an opinion of the market value of the subject land. This method adequately accounts for investor motivation, which is directly tied to the principle of substitution, which states that a potential buyer will pay no more for a property than he or she would for a similar property with comparable characteristics and utility.

After analyzing all of the data presented in the report, I am of the opinion that the market value of the subject property, as of June 30, 2017, is:

ONE HUNDRED THIRTY FIVE THOUSAND DOLLARS
($135,000)

The marketing period of the subject property would be strongly influenced by the asking price, market conditions, and the efforts to sell the subject property. However, based on current market conditions and available market data, it would appear that the subject property as it is currently improved, if properly marketed, would need an exposure time of six to twelve months. Likewise, being properly marketed, the subject could be sold within a 12-month period from the date of this appraisal.

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Addenda

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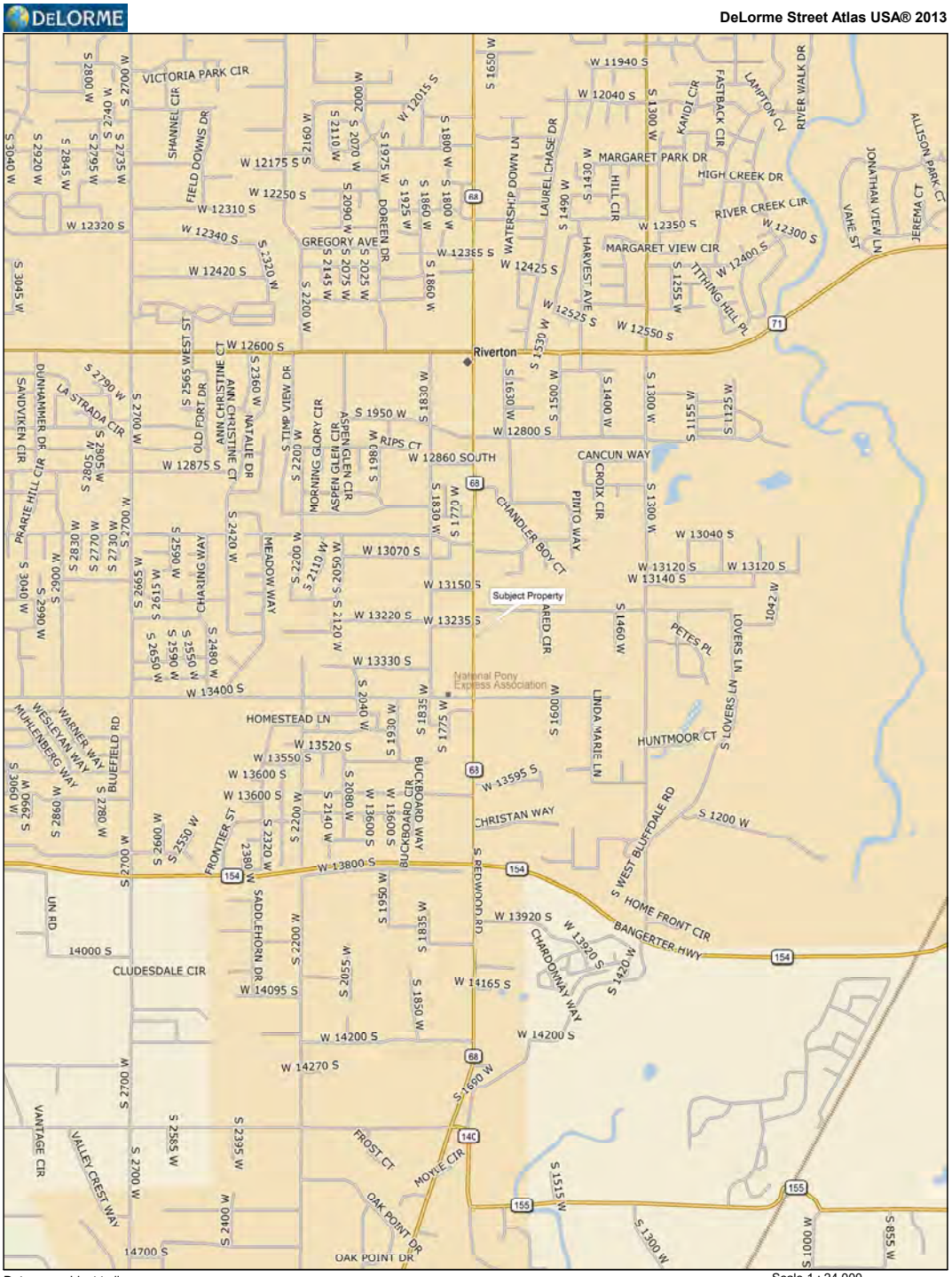
LOCATION MAP



COUNTY GIS MAP

Parcel # 27-34-451-002

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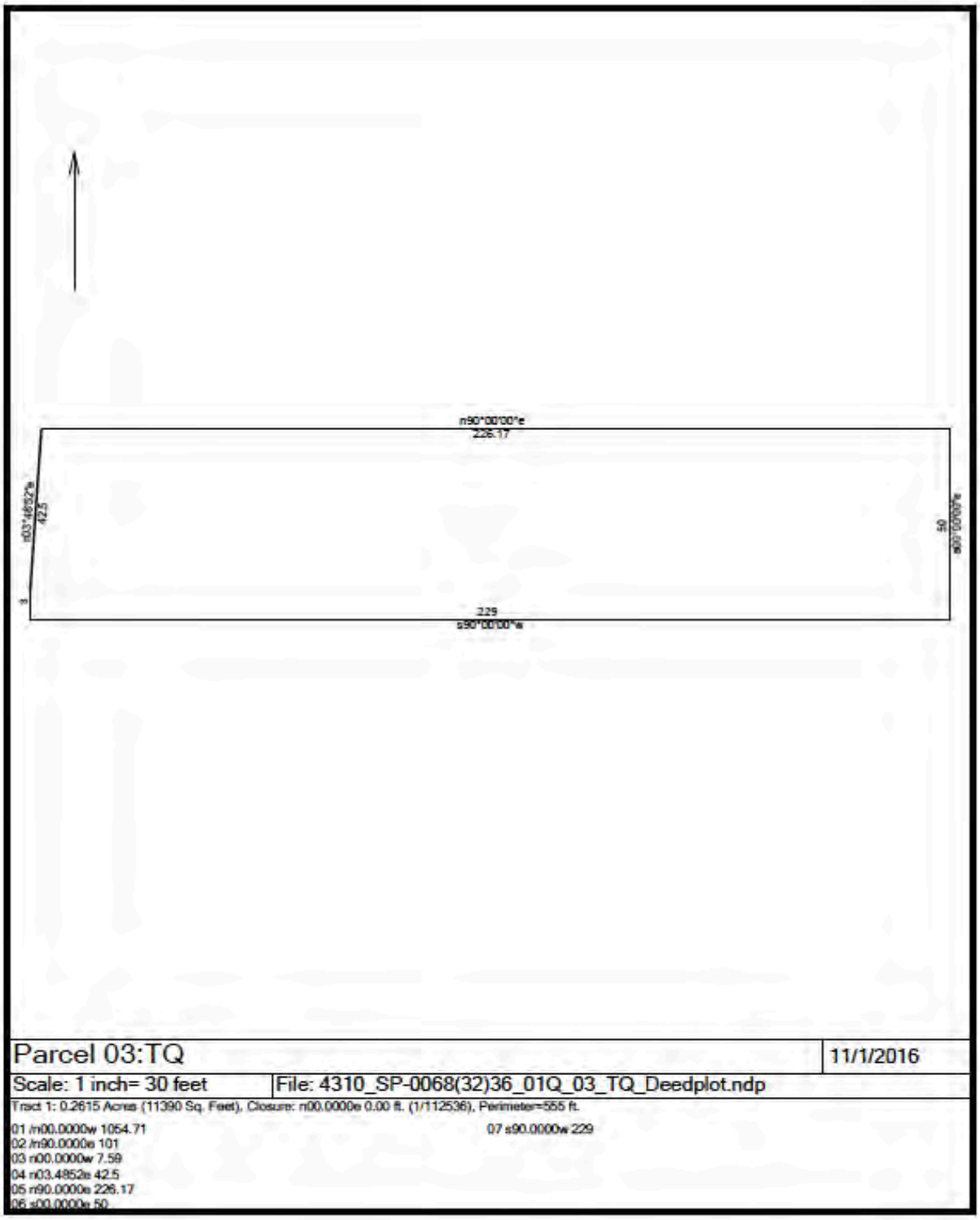
UDOT STRIP MAPS



UDOT Parcel # 0068:03:TQ

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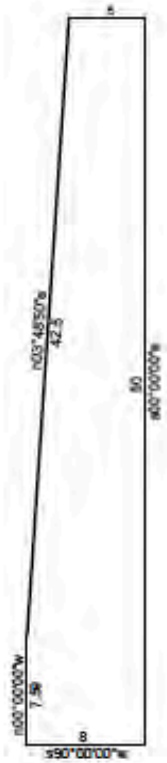

Parcel 03:E | 11/1/2016

Scale: 1 inch= 10 feet | File: 4310_SP-0068(32)36_01Q_03_E_Deedplot.ndp

Tract 1: 0.0078 Acres (340 Sq. Feet), Closure: n36.4602e 0.01 ft. (1/22009), Perimeter=113 ft.

01 /n00.0000w 1054.71
02 /n90.0000e 101
03 n00.0000w 7.59
04 n03.4850e 42.5
05 n90.0000e 5.17
06 s00.0000e 50
07 s90.0000w 8

UDOT Parcel # 0068:03:TQ

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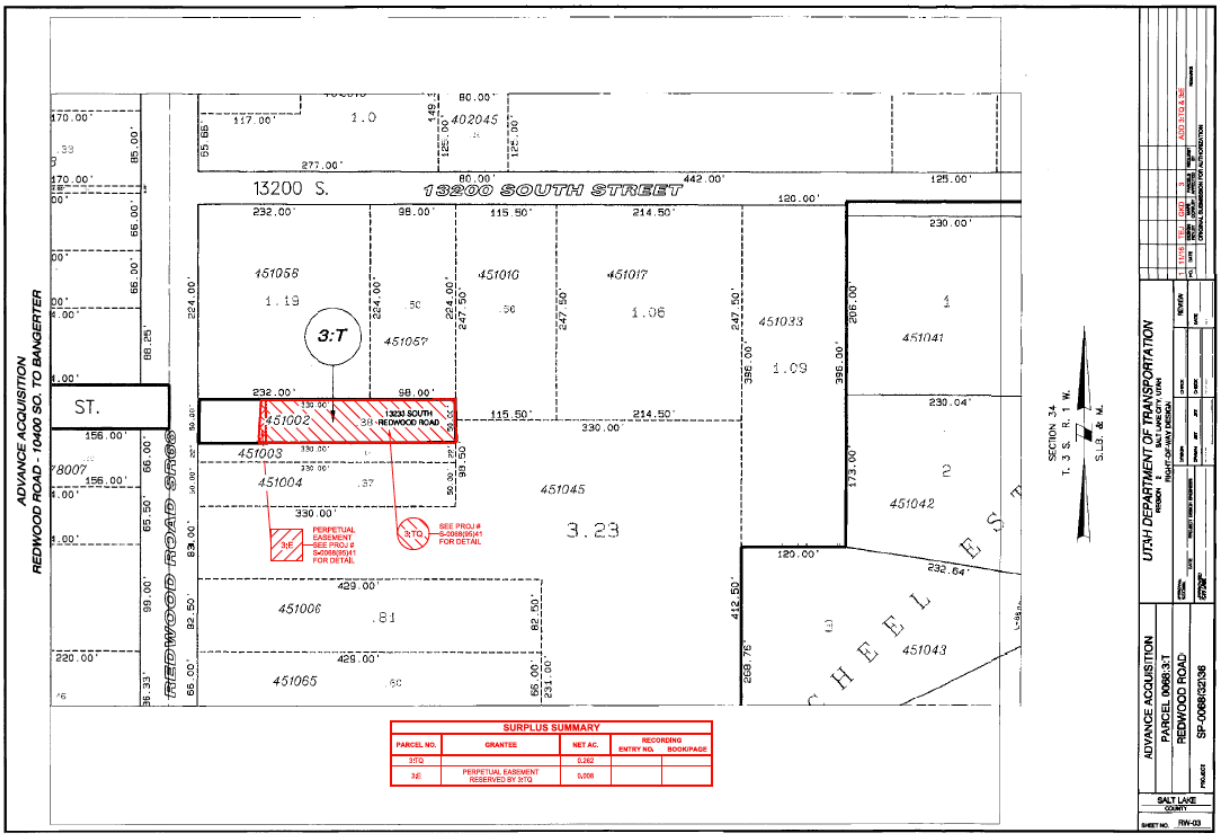

UDOT Parcel # 0068:03:TQ

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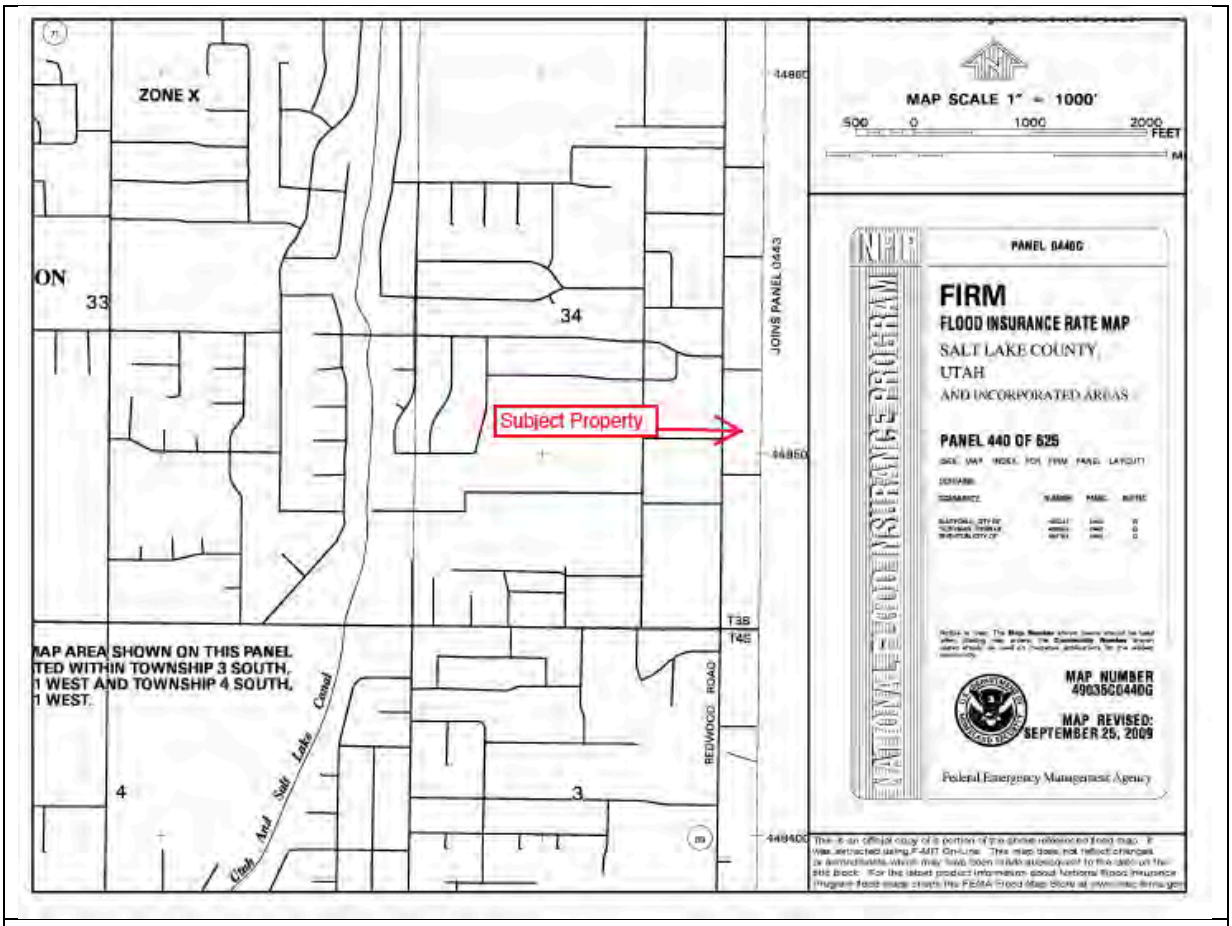
FLOOD MAP



Flood Zone: X
Community Panel: #49035C0440G
Date: September 25, 2009
Source: Federal Emergency Management Agency (FEMA)

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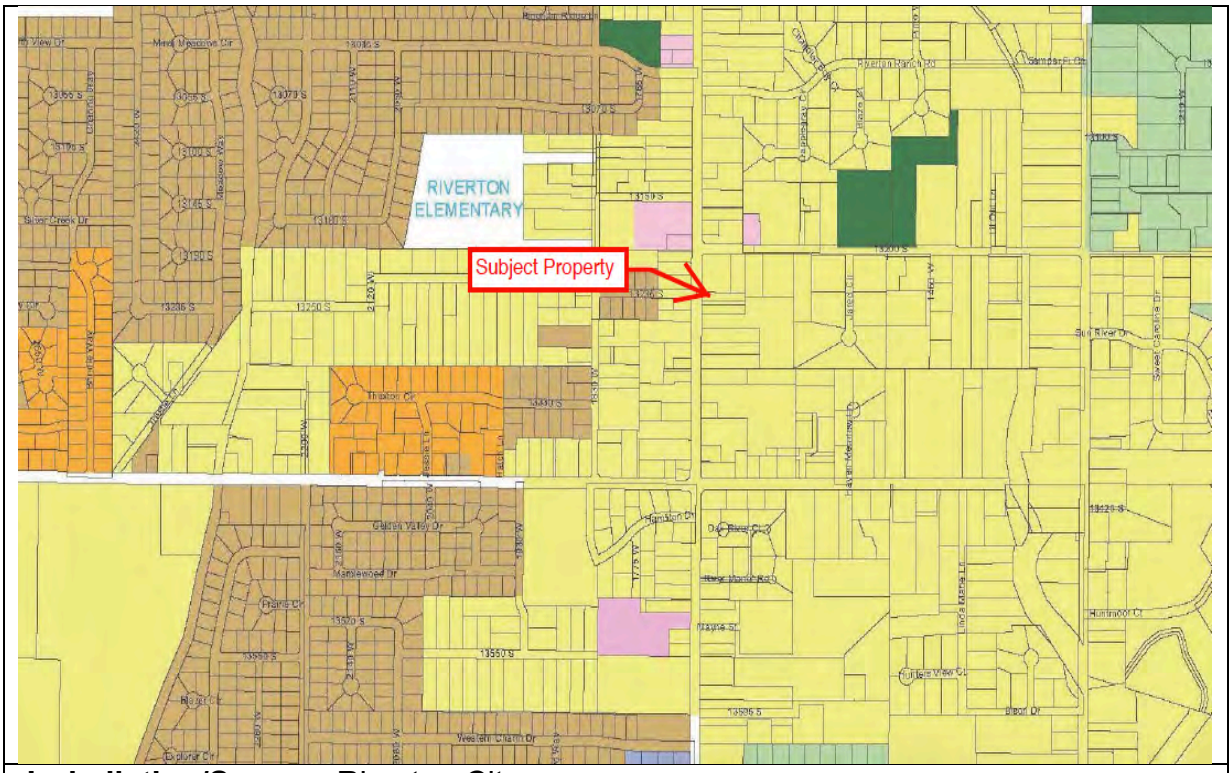
ZONING MAP



Jurisdiction/Source: Riverton City
Zoning: RR-22 (Residential)

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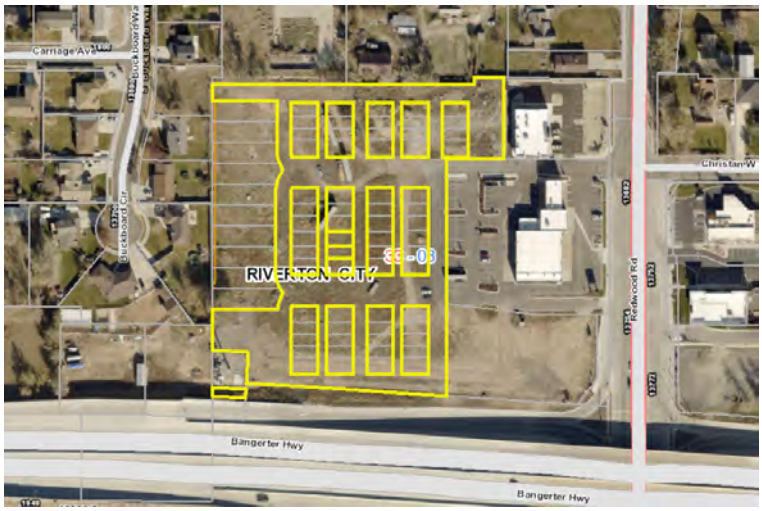
COMPARABLE DATA SHEETS

LAND SALE COMPARABLE #	1
IDENTIFICATION	
Type:	Multi-Family Land
Address:	13698 South Redwood Road
City:	Riverton
County:	Salt Lake
State:	Utah
Tax ID#:	33-03-178-001 & -004
Rights Transferred:	Fee Simple
PARTIES	
Seller:	Bangerter/Redwood, LLC
Buyer:	Hamlet Development Corporation
LAND DESCRIPTION	
Area (Square Foot)	266,152
Area (Acre)	6.11
Frontage:	Asphalt
Zoning:	RM-14
Topography:	Mostly Level
Shape:	Nearly Rectangular
Utilities:	All available

PRICE AND TERMS			
Sale Date:	Jun-16		
Sale Price:	$1,950,000		
$/SF	$7.33	$/Acre	$26,351
Terms:	Cash or Equivalent		
Condition:	Arm's Length		
CONFIRMATION			
With:	Appraisers Files		
COMMENTS			



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LAND SALE COMPARABLE # 2

IDENTIFICATION

Type:	Multi-Family Land
Address:	5105 South 1300 East
City:	Holladay
County:	Salt Lake
State:	Utah
Tax ID#:	22-08-428-004 (part)
Rights Transferred:	Fee Simple

PARTIES

Seller:	Shauna Frandsen & Ginny Smith
Buyer:	Tobermory Ridge LLC

LAND DESCRIPTION

Area (Square Foot)	86,249
Area (Acre)	1.98
Frontage:	Asphalt
Zoning:	MF
Topography:	Mostly Level
Shape:	Irregular
Utilities:	All available

PRICE AND TERMS

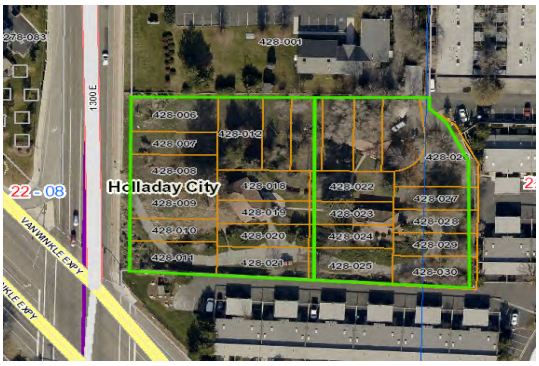
Sale Date:	Jan-14		
Sale Price:	$930,000		
$/SF	$10.78	$/Acre	$38,750
Terms:	Cash or Equivalent		
Condition:	Arm's Length		

CONFIRMATION

With: Scott Chapman, Agent

COMMENTS

This property is currently being developed as a townhome project consisting of 24 units. The developer is Hamlet Homes.



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LAND SALE COMPARABLE # 3

IDENTIFICATION

Type:	Multi-Family Land
Address:	7633 South Union Park Avenue
City:	Sandy
County:	Salt Lake
State:	Utah
Tax ID#:	22-29-483-001 thru 045, -048, -049, -050
Rights Transferred:	Fee Simple

PARTIES

Seller:	2010-1 RADC/CADC Property V, LLC
Buyer:	Rockworth Companies, LLC

LAND DESCRIPTION

Area (Square Foot)	326,787
Area (Acre)	7.50
Frontage:	Asphalt
Zoning:	SD
Topography:	Level to Sloping
Shape:	Irregular
Utilities:	All available

PRICE AND TERMS

Sale Date:	Feb-14		
Sale Price:	$3,400,000		
$/SF	$10.40	$/Acre	$13,027
Terms:	Cash or Equivalent		
Condition:	Arm's Length		

CONFIRMATION

With: Steve Broadbent, Buyer

COMMENTS

Infrastructure for this site was completed in 2006-2007 including shoring, elevator shafts and a partial parking garage. The property was foreclosed on during 2011-2012. This purchase did not represent a distressed sale.

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LAND SALE COMPARABLE # 4

IDENTIFICATION

Type:	Multi-Family Land
Address:	234 East Sego Lily Drive
City:	Sandy
County:	Salt Lake
State:	Utah
Tax ID#:	28-07-326-017
Rights Transferred:	Fee Simple

PARTIES

Seller:	The Hills at Sandy Station, LLC
Buyer:	Sandy Station Phase II LLC

LAND DESCRIPTION

Area (Square Foot)	109,815
Area (Acre)	2.52
Frontage:	Asphalt
Zoning:	MU
Topography:	Mostly Level
Shape:	Irregular
Utilities:	All available

PRICE AND TERMS

Sale Date:	Mar-15		
Sale Price:	$2,500,000		
$/SF	$22.77	$/Acre	$13,027
Terms:	Cash or Equivalent		
Condition:	Arm's Length		

CONFIRMATION

With:	Mark Mabey, Seller

COMMENTS

Property is identified as Lot 2 of the Hills at Sandy Station development.

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LAND SALE COMPARABLE # 5

IDENTIFICATION

Type:	Multi-Family Land
Address:	617 East 9000 South
City:	Sandy
County:	Salt Lake
State:	Utah
Tax ID#:	28-06-282-038
Rights Transferred:	Fee Simple

PARTIES

Seller:	Aspen Ridge Properties, LLC
Buyer:	Baywood Properties, LLC

LAND DESCRIPTION

Area (Square Foot)	172,062
Area (Acre)	3.95
Frontage:	Asphalt
Zoning:	MU
Topography:	Mostly Level
Shape:	Rectangular
Utilities:	All available

PRICE AND TERMS

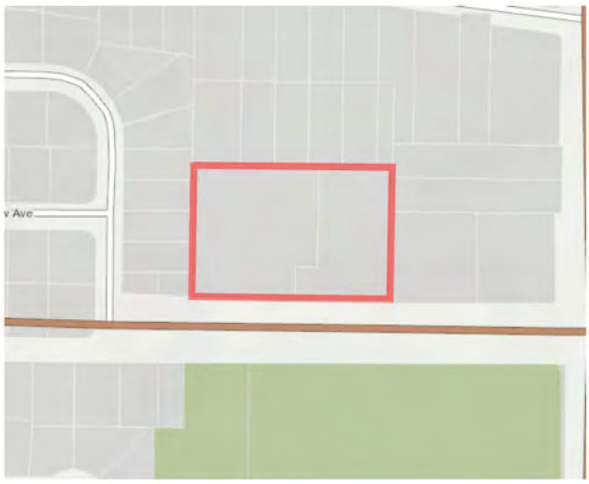
Sale Date:	Dec-13		
Sale Price:	$2,200,000		
$/SF	$12.79	$/Acre	$13,750
Terms:	Cash or Equivalent		
Condition:	Arm's Length		

CONFIRMATION

With: Appraiser Files

COMMENTS

Property was purchased for the development of Victoria Woods Sandy, a seniors apartment project. The site is north of the Sandy City Cemetary.



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COUNTY LEGAL DESCRIPTIONS

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VTDI 27-34-451-002-0000  DIST 42                        TOTAL ACRES        0.38
UTAH DEPARTMENT OF              TAX CLASS   UPDATE      REAL ESTATE      116900
TRANSPORTATION                   OE         LEGAL       BUILDINGS        147200
% UDOT RIGHT OF WAY                         PRINT  U    TOTAL VALUE           0
PO BOX 148420              NO:
SALT LAKE CITY UT           841148420   EDIT 1          FACTOR BYPASS
LOC: 13233 S REDWOOD RD         EDIT 0   BOOK 09377 PAGE 2176  DATE 11/09/2006
SUB: SEC 34 TWNSHP 3S RNG 1W                          TYPE SECT PLAT
   06/30/2017  PROPERTY DESCRIPTION FOR TAXATION PURPOSES ONLY
         COM 1046 FT N FR S 1/4 COR SEC 34 T 3S R 1W SL MER N 50 FT E
         20 RDS S 50 FT W 20 RDS TO BEG 0.38 AC 5925-1088 5945-1353
         6143-1291 7581-1799 8946-1145
```


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UDOT LEGAL DESCRIPTION

WHEN RECORDED, MAIL TO:
Utah Department of Transportation
Right of Way, Fourth Floor
Box 148420
Salt Lake City, Utah 84114-8420

Quit Claim Deed

Salt Lake County

Tax ID No.	27-34-451-002
PIN No.	4310
Reference PIN No.	11203
Project No.	SP-0068(32)36
Reference Project No.	S-0068(95)41
Parcel No.	0068:03:TQ

The UTAH DEPARTMENT OF TRANSPORTATION, by its duly appointed Director of Right of Way, Grantor, of Salt Lake City, County of Salt Lake, State of Utah, hereby Quit Claims to_____, Grantee, at_____, County of,_____, State of_____, Zip_____, for the sum of _____TEN ($10.00)_____, Dollars, and other good and valuable considerations, the following described parcel of land in Salt Lake County, State of Utah, to-wit:

A tract of land, being part of an entire tract of property, situate in the SW1/4SE1/4 of Section 34, T.3S., R.1W., S.L.B.&M. The boundaries of said tract of land are described as follows:

Beginning at a point in the southerly boundary line of said entire tract which point is 1,054.71 feet (1046 feet by record) North along the quarter section line and 101.00 feet East from the Southwest Corner of the Southeast Quarter of said Section 34, said point is also approximately 67.00 feet perpendicularly distant easterly from the Redwood Road (SR-68) Control Line (Reference Project No. S-0068(95)41) opposite engineer station 46+98.41; and running thence North 7.59 feet along a line parallel to said control line to a point opposite engineer station 47+06.00; thence N.03°48'52"E. 42.50 feet to a point in the northerly boundary line of said entire tract which point is 69.83 feet perpendicularly distant easterly from said control line; thence East 226.17 feet along said northerly boundary line to the easterly boundary line of

Continued on Page 2
UDOT RW-05UDA (11-01-03)

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said entire tract; thence South 50.00 feet along said easterly boundary line to said southerly boundary line; thence West 229.00 feet along said southerly boundary line to the point of beginning. The above described parcel of land contains 11,390 square feet or 0.261 acre in area, more or less.

(Note: Rotate all bearings in the above description 00°12'50" clockwise to obtain highway bearings.)

Signs, Billboards, outdoor Advertising structures, or advertising of any kind as defined in Title 23 United States Code, Section 131, shall not be erected, displayed, placed or maintained upon or within this tract, EXCEPT signs to advertise the sale, hire or lease of this tract or the principal activities conducted on this land.

The grantor reserves rights to use the abutting state property for highway purposes and excludes from this grant any rights to air, light, view and visibility over and across the abutting state property. The Grantee is hereby advised that due to present or future construction on the adjacent highway including but not limited to excavation, embankment, structures, poles, signs, walls, fences and all other activities related to highway construction or which may be permitted within the Highway Right of Way that air, light, view and visibility may be restricted or obstructed on the above property.

Together with and subject to any and all easements, rights of way and restrictions appearing of record or enforceable in law and equity.

Junkyards, as defined in Title 23 United States Code, Section 136, shall not be established or maintained on the above described tracts of lands.

Subject To a Perpetual Easement, Parcel No. 0068:03:E

RESERVING THEREFROM UNTO GRANTOR ITS SUCCESSORS AND ASSIGNS, a perpetual easement, upon part of an entire tract of property, in the SW1/4SE1/4 of Section 34, T.3S., R.1W., S.L.B.&M., in Salt Lake County, Utah, for the purpose of constructing and maintaining thereon public utilities and appurtenant parts thereof including, but not limited to ATMS fiber optic conduit, electrical service and distribution lines, culinary and irrigation water facilities; and highway appurtenances including, but not limited to slopes, street and signal lighting facilities, directional and traffic information signs to facilitate the construction of the existing Redwood Road (SR-68) known as Project No. S-0068(95)41. The easement includes the right to maintain and continue the existence of said cut and/or fill slopes in the same grade and slope ratio as constructed by UDOT. The easement shall run with the Real Property and shall be binding upon the Grantee and the Grantee's successors, heirs and assigns, and reserves therefrom unto the Grantor all rights to change the vertical distance or grade of said cut and/or fill slopes.

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UDOT RW-05UDA (11-01-03)

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PAGE 3

PIN No.	4310
Project No.	SP-0068(32)36
Parcel No.	0068:03:TQ

The boundaries of said part of an entire tract of land are described as follows:

Beginning at a point in the southerly boundary line of said entire tract which is 1,054.71 feet (1046 feet by record) North along the quarter section line and 101.00 feet East from the Southwest Corner of the Southeast Quarter of said Section 34, said point is also approximately 67.00 feet perpendicularly distant easterly from the Redwood Road (SR-68) Control Line opposite engineer station 46+98.41; and running thence North 7.59 feet along a line parallel to said control line to a point opposite engineer station 47+06.00; thence N.03°48'50"E. 42.50 feet to a point in the northerly boundary line of said entire tract which point is 69.83 feet perpendicularly distant easterly from said control line; thence East 5.17 feet along said northerly boundary line; thence South 50.00 feet to the southerly boundary line of said entire tract; thence West 8.00 feet along said southerly boundary line to the point of beginning. The above described part of an entire tract of land contains 340 square feet or 0.008 acre in area, more or less.

(Note: Rotate all bearings in the above description 00°12'50" clockwise to obtain highway bearings.)

After said public utilities and appurtenant parts thereof are constructed on the above described part of an entire tract at the expense of the Utah Department of Transportation, said Utah Department of Transportation is thereafter relieved of any further claim or demand for costs, damages or maintenance charges which may accrue against said public utilities and appurtenant parts thereof.

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UDOT RW-05UDA (11-01-03)

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ASSUMPTIONS AND LIMITING CONDITIONS

1. This is an Appraisal Report, which is intended to comply with the reporting requirements set forth under Standard Rule 2-2(a) of the Uniform Standards of Professional Appraisal Practice for an Appraisal Report. As such, it presents summary discussions of the data, reasoning, and analyses that were used in the appraisal process to develop an opinion of market value. The information contained in this report is specific to the needs of the client and for the intended use stated in this report. Supporting documentation is retained in the appraiser's work file.

2. For purposes of this appraisal, any marketing program for the sale of the property would assume cash or its equivalent.

3. No detailed soil studies covering the subject property were available for this appraisal. It is therefore assumed that soil conditions are adequate to support standard construction consistent with highest and best use.

4. The date of value to which the conclusions and opinions expressed in this report apply, is set forth in the letter of transmittal. Further, the dollar amount of any value opinion rendered in this report is based upon the purchasing power of the American dollar existing on that date.

5. The appraiser assumes no responsibility for economic or physical factors, which may affect the opinions in this report that occur after the valuation date.

6. The appraiser reserves the right to make such adjustments to the analyses, opinions and conclusions set forth in this report as may be required by consideration of additional data or more reliable data that may become available.

7. No opinion as to title is rendered. Data relating to ownership and legal description was obtained from the client or public records and is considered reliable. Title is assumed to be marketable and free and clear of all liens, encumbrances, easements and restrictions except those specifically discussed in the report. The property is appraised assuming it to be under responsible ownership and competent management, and available for its highest and best use.

8. If no title policy was made available to the appraiser, he assumes no responsibility for such items of record not disclosed by customary investigation.

9. The appraiser assumes no responsibility for hidden or unapparent conditions of the property, subsoil, or structures that render it more or less valuable. No responsibility is assumed for arranging for engineering studies that may be required to discover them.

10. The property is appraised assuming it to be in full compliance with all applicable federal, state, and local environmental regulations and laws, unless otherwise stated.

11. The property is appraised assuming that all applicable zoning and use regulations and restrictions have been complied with, unless otherwise stated.

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ASSUMPTIONS AND LIMITING CONDITIONS (CONTINUED)

12. The property is appraised assuming that all required licenses, certificates of occupancy, consents, or other legislative or administrative authority from any local, state, or national government or private entity or organization have been or can be obtained or renewed for any use on which the value estimate contained in this report is based, unless otherwise stated.

13. The distribution, if any, of the total valuation in this report between land and improvements applies only under the stated program of utilization. The separated allocations for land and buildings must not be used in conjunction with any other appraisal and are invalid if so used.

14. No engineering survey has been made by the appraiser. Except as specifically stated, data relative to size and area was taken from sources considered reliable and no encroachment of real property improvements is considered to exist.

15. No opinion is expressed as to the value of subsurface oil, gas or mineral rights or whether the property is subject to surface entry for the exploration or removal of such materials except as is expressly stated.

16. Maps, plats and exhibits included in this report are for illustration only as an aid in visualizing matters discussed within the report. They should not be considered as surveys or relied upon for any other purpose, nor should they be removed from, reproduced, or used apart from the report.

17. No opinion is intended to be expressed for matters which require legal expertise or specialized investigation or knowledge beyond that customarily employed by the real estate appraisers.

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

19. Testimony or attendance in court or at any other hearing is not required by reason of rendering this appraisal, unless such arrangements are made a reasonable time in advance.

20. The appraiser has personally inspected the subject property and found no obvious evidence of structural deficiencies, except as may be stated in this report; however, no responsibility for hidden defects or conformity to specific governmental requirements, such as fire, building and safety, earthquake or occupancy codes can be assumed without provision of specific professional or government inspections.

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ASSUMPTIONS AND LIMITING CONDITIONS (CONTINUED)

21. Unless otherwise noted, no consideration has been given in this appraisal to the value of the property located on the premises which is considered by the appraisers to be personal property, nor has consideration been given to the cost of moving or relocating such personal property; only the real property has been considered.

22. Information obtained for use in this appraisal is believed to be true and correct to the best of our ability; however, no responsibility is assumed for errors or omissions, or for information not disclosed which might otherwise affect the valuation estimate.

23. Unless otherwise stated in this report, the appraisers signing this report have no knowledge concerning the presence or absence of toxic materials in the improvements and/or hazardous waste on the land. No responsibility is assumed for any such conditions or for any expertise or engineering to discover them.

24. Disclosure of the contents of this appraisal report is governed by the Bylaws and Regulations of the Appraisal Institute.

25. Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraiser or the firm with which he is connected, or any reference to the Appraisal Institute) shall be disseminated to the public through advertising media, public relations media, news media, sales media, or any other public means of communication without the prior written consent and approval of the appraiser.

CONSIDERATION OF HAZARDOUS SUBSTANCES IN THE APPRAISAL PROCESS

Unless otherwise stated in this report, the existence of hazardous substances, including without limitation asbestos, polychlorinated biphenyl, petroleum leakage, or agricultural chemicals, which may or may not be present on the property, or other environmental conditions, were not called to the attention of nor did the appraisers become aware of such during the appraiser's inspection. The appraisers have no knowledge of the existence of such materials on or in the property unless otherwise stated. The appraisers, however, are not qualified to test such substances or conditions. If the presence of such substances, such as asbestos, urea formaldehyde foam insulation, or other hazardous substances or environmental conditions, may affect the value the property, the value estimated is predicated on the assumption that there is no such condition on or in the property or in such proximity thereto that it would cause a loss in value. No responsibility is assumed for any such conditions, nor for any expertise or engineering knowledge required to discover them.

AMERICANS WITH DISABILITIES ACT

The Americans with Disabilities Act ("ADA") became effective January 26, 1992. We have not made a specific compliance survey and analysis of this property to determine whether or not it is in conformity with the various detailed requirements of the ADA. It is possible that a compliance survey of the property, together with a detailed analysis of the requirements of the ADA, could reveal that the property is not in compliance with one or more of the requirements of the Act. If so, this fact could have a negative effect upon the value of the property. Since we have no direct evidence relating to this issue, we did not consider possible noncompliance with the requirements of ADA in estimating the value of the Property.

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SPECIFIC LIMITING CONDITIONS AND EXTRAORDINARY ASSUMPTIONS

1. This report has been prepared during the month(s) of January 2016. The indicated value is based on current market conditions as of the time the report was prepared. The appraisers cannot be held responsible for unforeseeable events that alter market conditions subsequent to the date of the appraisal.

2. This analysis assumes no environmental hazards exist on site that would adversely affect the final value estimate. Review of a Phase I Environmental Site Assessment performed by a qualified engineer/firm is recommended.

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APPRAISER QUALIFICATIONS

QUALIFICATIONS, EDUCATION & EXPERIENCE OF DAVID P. HOLTBY
Dave@dhgrouputah.com

EDUCATION

- Bachelor Of Science, University of Utah, Major: Finance

PROFESSIONAL MEMBERSHIPS & LICENSES

- The Appraisal Institute - #438978
- IRWA – Member No. 7912737
- Utah State-Certified General Appraiser, #5503226-CG00, Expires 03/31/19

WORK EXPERIENCE

- January 2012 to Present – Owner/Principal commercial real estate appraiser/consultant, DH Group, LLC., Salt Lake City, Utah
- September 1998 to January 2012 - Full time commercial real estate appraiser/consultant/researcher with Van Drimmelen & Associates, Inc., Salt Lake City, Utah
- August 1995 to September 1998 – Residential Home Designer & Draftsman with KM Designs, Inc., Salt Lake City, Utah

CLIENTS (Partial List)

America First Credit Union
Bureau of Land Management
Burbidge Mitchell & Gross
Celtic Bank
Davis County
Davis County School District
Draper City
Durham Jones & Pinegar
First Community Bank
First Fidelity Investment
First National Bank of Layton
First Utah Bank
Granite Federal Credit Union
Granite School District
Helgesen Waterfall & Jones
Herriman City
Highland City
Holladay Bank & Trust
Hoole & King
Jones Waldo
Key Bank
Layton City
Logan City
Ogden City
Private Property Rights Ombudsman
Property Reserve Inc.
Parsons Behle & Latimer
Rock Canyon Bank
Sandy City
Salt Lake City
Salt Lake Community College
SITLA
Snell & Wilmer LP
South Davis Sewer Improvement District

SPECIALIZED COURSES COMPLETED

- 403 Easement Valuation, IRWA
- Advanced Income Capitalization, Appraisal Institute
- Reviewing Appraisals in Eminent Domain, IRWA
- Supervisory Appraiser & Appraiser Trainee, Utah Division of Real Estate
- Rates & Ratios, Appraisal Institute
- Supervising Appraisal Trainees, Appraisal Institute
- National USPAP Update, VanEd
- St. George Symposium, Appraisal Institute
- What Clients Would Like Their Appraisers to Know, Appraisal Institute
- Business Practices and Ethics, Appraisal Institute
- USPAP Update, Appraisal Institute
- Utah Law of Eminent Domain, Utah Land Use Institute
- Small Hotel/Motel Valuation, Appraisal Institute
- USPAP Update (400), Appraisal Institute
- Appraiser Expectation Meeting, UDOT
- Feasibility Analysis, Market Value and Investment, Appraisal Institute
- Eminent Domain Update, Utah Land Use Institute
- USPAP Update (400), Appraisal Institute
- Eminent Domain Training for Attorneys and Appraisers, NHI Course No. 141036, The National Highway Institute & UDOT
- Report Writing (540), Appraisal Institute
- Highest and Best Use (520), Appraisal Institute
- Eminent Domain Seminar, Utah State Capitol
- Real Estate Appraisal Principles, University of Utah
- Real Estate Law, University of Utah
- Standards of Professional Practice (USPAP)
- Appraising Residences, O'Brien Schools
- Fundamental Appraisal, O'Brien Schools

APPRAISAL/CONSULTING ASSIGNMENTS

Airports/Hangars	Raw Land
Church/Public Buildings	Office
Food Processing Facilities	Retail
Schools	Industrial
Restaurants	C-Stores
Apartment	Golf Courses
Eminent Domain	Subdivisions
Farm/Ranch	Lodging
Single Family Residential	Multi-Family
RV Park/Mobile Home Parks	Theatres
Wetlands	Self-Storage
Estates	Ski-Resorts
Litigation	

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South Jordan City South Salt Lake City State of Utah Syracuse City Tooele County US Bank Utah County Utah Department of Transportation Utah Transit Authority Wells Fargo Weber Basin Water West Jordan City West Valley City Weber County Zions First National Bank	

UTAH STATE LICENSE

STATE OF UTAH
DEPARTMENT OF COMMERCE
DIVISION OF REAL ESTATE

ACTIVE LICENSE

DATE ISSUED: 02/28/2017
EXPIRATION DATE: 03/31/2019
LICENSE NUMBER: 5503226-CG00
LICENSE TYPE: Certified General Appraiser
ISSUED TO: DAVID P HOLTBY
1580 STABLEWOOD CIR
HOLLADAY UT 84117

THE GREAT SEAL OF THE STATE OF UTAH 1896

SIGNATURE OF HOLDER

REAL ESTATE DIVISION DIRECTOR

Form #2

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