

Resolution 10-01-2012

A RESOLUTION OF THE SANTAQUIN CITY COUNCIL TO APPROVE AN EASEMENT AGREEMENT WITH FRED H C OPENSHAW FOR THE ACQUISITION OF AN EASEMENT TO INSTALL A NEW 18" SEWER MAIN.

WHEREAS Santaquin owns and operates a municipal wastewater treatment system, which includes treatment lagoons, storage ponds, transmission lines and other related facilities; and

WHEREAS Fred H C Openshaw (Openshaw) is the owner of certain property located in Utah County, Utah; more particularly described the attached Agreement; and

WHEREAS Santaquin previously constructed a utility line on a portion of the Openshaw Property to transport wastewater to Santaquin's present wastewater treatment lagoons located along Highway 6; and

WHEREAS Santaquin is now constructing a new micro bio-reactor wastewater treatment facility near the north boundary of the City and desires to install an additional eighteen (18) inch utility line and related facilities across a portion of the Openshaw Property (the "New Line"), which will run between the present wastewater treatment lagoons and storage ponds; and

WHEREAS Santaquin desires to obtain an easement from Openshaw for the purpose of constructing, operating and maintaining the New Line, the location and description of which are more particularly described in the attached Agreement; and

WHEREAS Openshaw is willing to grant Santaquin the desired Easement, subject to the terms and conditions described in the attached Agreement.

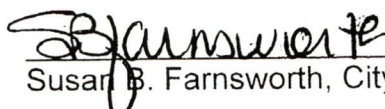
NOW THEREFORE, be it resolved by the Santaquin Council to approve the attached Agreement, in consideration of the promises and covenants contained in this Agreement and for other good and valuable consideration.

ADOPTED AND PASSED by the Santaquin City Council, this 24th day of October, 2012.

SANTAQUIN CITY


James E. DeGraffenried, Mayor

Attest


Susan B. Farnsworth, City Recorder

EASEMENT AGREEMENT

This Easement Agreement (the "Agreement") is made to be effective as of the 29th day of October, 2012, by and between Fred H C Openshaw, an individual ("Openshaw"), and the City of Santaquin, Utah, a municipality and political subdivision of the state of Utah ("Santaquin" or "City") together (the "Parties").

RECITALS

- A. Santaquin owns and operates a municipal wastewater treatment system, which includes treatment lagoons, storage ponds, transmission lines and other related facilities.
- B. Openshaw is the owner of certain property located in Utah County, Utah; more particularly described in Exhibit "A" attached hereto (the "Openshaw Property").
- C. Santaquin previously constructed a utility line (the "Existing Line") on a portion of the Openshaw Property to transport wastewater to Santaquin's present wastewater treatment lagoons located along Highway 6.
- D. Santaquin is now constructing a new micro bio-reactor wastewater treatment facility near the north boundary of the City and desires to install an additional eighteen (18) inch utility line and related facilities across a portion of the Openshaw Property (the "New Line"), which will run between the present wastewater treatment lagoons and storage ponds.
- E. Santaquin desires to obtain an easement from Openshaw for the purpose of constructing, operating and maintaining the New Line, the location and description of which are more particularly described in the proposed easement, a copy of which is attached hereto as Exhibit "B" hereto.
- F. Openshaw is willing to grant Santaquin the desired Easement, subject to the terms and conditions described herein.

NOW, THEREFORE, in consideration of the promises and covenants contained in this Agreement and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the Parties agree as follows:

1. **Incorporation of Recitals.** The foregoing Recitals are incorporated in this Agreement by reference.
2. **Grant of Non-Exclusive Easement to Santaquin.** Openshaw hereby grants, transfers, and conveys to Santaquin, its agents, successors and permitted assigns ("Santaquin"), a non-exclusive easement and right-of-way ("the Easement") over and across a part of the Openshaw Property for the limited purpose of installing, operating, maintaining, servicing, and repairing a sewer utility pipe together with maintenance boxes and related facilities as reasonably necessary to transport wastewater within the Santaquin wastewater collection and treatment system. The New Line shall be installed approximately 8-10 feet below existing grade and shall

be constructed, installed, serviced, and repaired by Santaquin, also in full conformity with all applicable specifications and requirements of Santaquin City and shall operate separate and apart from the Existing Line. Furthermore, within said Easement, Santaquin City shall relocate the Existing Line as outlined in paragraph 3. Openshaw shall execute and deliver the final written Easement to Santaquin in the form of the Easement that is attached hereto as Exhibit "B" within thirty (30) days of the execution of this Agreement.

3. **Relocation of the Existing Line.** The Parties acknowledge that the Existing Line is not located with the Easement. Within the scope of the Wastewater Reclamation Facility project, Santaquin shall relocate the Existing Line so that the same shall be contained within the Easement and runs approximately parallel to and 6 feet from the existing railroad fence line. The costs to relocate, maintain, service and repair the New Line shall be borne, solely, by Santaquin, which shall also be responsible, at its cost, for the removal of any blockage or clogging of the New Line.

4. **Pre-Construction Meeting and Notice of Entry.** Santaquin shall notify Openshaw no less than seven (7) days before entry upon the Openshaw Parcel for commencement of construction of the New Line and the Existing Line and shall meet with a representative of Openshaw prior to commencement of construction to discuss the construction and schedules. The City shall video the site prior to the commencement of the construction.

5. **Compensation for the Easement.** Santaquin shall pay Openshaw the sum of One Thousand Nine Hundred and Fifty Dollars (\$1,950.00) for the Easement. Santaquin's use of the Easement is expected to require the removal of seventy-four (74) existing fruit trees from the property. Santaquin shall remove those fruit trees at its sole expense; shall not be required to replace said fruit trees; and shall pay Openshaw the sum of Fifty-nine Thousand Two Hundred Dollars (\$59,200.00) as full compensation for said trees which represents an established value of Eight Hundred Dollars (\$800.00) per tree. For the additional considerations as outlined in paragraph 6, Openshaw shall contribute a voluntary donation to the City in the amount of Twenty-one Thousand One Hundred Fifty Dollars (\$21,150.00). Thus the net compensation Santaquin City shall pay Openshaw shall be Forty Thousand Dollars (\$40,000.00). Said sums shall be paid to Openshaw within three (3) days of the execution of this Agreement. In addition, Santaquin shall pay to Openshaw the sum of Eight Hundred Dollars (\$800.00) for each of these trees located outside the Easement, but still owned by Openshaw, that is damaged by Santaquin or its agents in the course of the construction contemplated herein. Any tree so damaged may be removed at the option of the City. Any such additional amounts shall be paid to Openshaw within thirty (30) days of the discovery of said damage.

6. **Additional Consideration.** In addition to the amounts set forth in paragraph 5 above, Santaquin shall provide the following consideration at its sole expense:

6.1 arrange and pay for a survey of the easterly boundary of the Openshaw Property and shall deliver a copy of said survey to Openshaw within 180 days of the execution of this Agreement. Openshaw agrees that this survey shall establish the line upon which the City is to construct the chain link fence as outlined in paragraph 6.2; and

6.2 provide and install a new 6 foot high chain link fence on the easterly side of the Openshaw Property; and

6.3 work with the owner's of adjacent properties with regard to the installation of the new chain link fence and to assure the continuity of the existing irrigation overflow channels; and

6.4 replace approximately ___ feet of Openshaw's existing 6 inch irrigation line to run in the vicinity of the New Line by relocating it to eastern easement boundary approximately 25' from the rail road fence line and reattaching the existing lateral lines; and

6.5 repair or replace the Openshaw's existing electrical power line that provides electrical power to the Openshaw's irrigation system and an existing 4" irrigation line if Santaquin City or its agents disturb them during the construction of this project; and

6.6 Santaquin City acknowledges as agrees that under the existing Santaquin City Land Use Ordinance, Openshaw is entitled to remove the existing home located at 69 North Center Street and replace said home with a new home as an Assessor's Residential Unit because the property has historically had multiple uses one of those being commercial and the other being residential and because that portion of the parcel used for commercial purposes is larger than the portion used for residential purposes. No specific architectural standards apply to this construction. This right to construct the new home shall be vested for a period of ten (10) years from the execution of this agreement. (note: owner will be required to obtain and pay for all applicable permits and fees associated with said demolition and construction with the exception of impact fees. No impact fees will be charged by Santaquin City due to the fact that a new home would replace and old home and thus would create no new impact on the city's facilities.)

6.7 except as otherwise provided, the provisions of sub-paragraphs 6.1 through 6.5 shall be completed by Santaquin within 360 days of the execution of this agreement. The change in zoning contemplated in sub-paragraph 6.6 shall be a condition precedent to this Agreement.

7. **Indemnification.** Santaquin shall indemnify, defend, and hold Openshaw harmless from and against all claims, demands, losses, damages, liabilities and expenses and all suits, actions, and judgments, including costs and reasonable attorney's fees, arising out of or in any way related to Santaquin's use of the Easement, or the negligent or willful misconduct of Santaquin.

8. **Running of Benefits and Burdens.** The Easement and the covenants of this Agreement shall run with the land, shall be binding on, and shall inure to the benefit of the Parties. Santaquin agrees that its use of the Easement shall be with due regard to the rights of Openshaw and will not prevent or unreasonably interfere with the proper and reasonable use by Openshaw of the Openshaw Property. Santaquin agrees that the Easement and its use by Santaquin shall not unreasonably preclude or impair the use by Openshaw of the ground above the New Line so long as that use does not unreasonably interfere with Santaquin's access to the New Line, the Existing Line or the related facilities for necessary servicing, repairs, or replacements.

9. **Non-Public Grant.** Nothing contained in this Agreement shall be construed or interpreted to constitute a grant of any use, easement, or right-of-way to the public in general, or to any other public agency or governmental authority.

10. **Notice.** Each party shall give written notice to the other party relating to this Agreement or the use of the Easement, by either personal service, certified mail, return receipt requested, or next day delivery by a nationally recognized overnight courier such as UPS, addressed as follows or to such other address as a party may hereafter specify in writing. The party receiving notice shall have ten (10) days following the receipt of notice to respond to the notice.

If to Openshaw: Fred H C Openshaw
85 North Center Street
Santaquin, Utah 84655

If to Santaquin: Santaquin City
275 West Main
Santaquin, Utah 84655

11. **Default.** If either party defaults in the performance of any of its obligations required under this Agreement, and if at the end of ten (10) days, after written notice from the non-defaulting party stating the nature and extent of the default, the defaulting party has not cured the default, or if a diligent effort is not being made to cure it, then the non-defaulting party, in addition to all other remedies it may have at law or in equity shall have the right to perform such obligation on behalf of the defaulting party and be reimbursed by the defaulting party for the cost thereof with interest at the rate of 18% per annum. Notwithstanding the foregoing provisions, it shall be deemed to be a default by Santaquin if it fails to act promptly to avert to the extent reasonably possible any conditions relating to the New Line that pose a hazard to the Openshaw Parcel or to persons using or occupying it.

12. **Interpretation.** The rule of strict construction and interpretation does not apply to this Agreement. The language creating the 2012 Easement and the covenants, undertakings, and provisions of this Agreement shall be given a reasonable construction so that the intentions of the Parties to convey reasonable rights, use and enjoyment of the 2012 Easement are carried out.

13. **Entire Agreement.** This Agreement contains the entire agreement and understanding of the Parties with respect to the subject matter of this Agreement and may not be amended or modified except by an agreement in writing signed by each of the Parties.

14. **Binding Effect.** This Agreement shall be binding upon and inure to the benefit of the Parties, their successors, assigns and legal representatives.

15. **Construction and Interpretation.** Each party has been afforded the opportunity to participate in the drafting of this Agreement and conferring with the party's own attorney.

Accordingly, the rule of construction/and interpretation that any ambiguities are to be resolved against the drafting party shall not be followed.

16. **Representation and Comprehension of Documents**. In entering into this Agreement the Parties represent and acknowledge that they have read and fully understand and voluntarily accept its terms.

17. **Governing Law**. This Agreement shall be interpreted, performed and enforced according to the laws of the State of Utah and Utah County shall be the venue of any action to arbitrate or otherwise enforce or interpret the provisions of this agreement.

18. **Attorney's Fees**. If either party brings an action to interpret or enforce the terms and conditions of this Agreement, the non-prevailing party shall pay all costs and expenses, including reasonable attorney's fees, incurred by the other party in enforcing or interpreting the terms of this Agreement, whether through legal action or otherwise, and shall include such costs and fees incurred in any appeal.


19. **Severability**. The invalidity or unenforceability of any provision of this Agreement shall not affect the other provisions of this Agreement and it shall be construed in all respects as if such invalid portion were omitted.

20. **Counterparts**. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which shall be deemed to be one and the same agreement. The execution of any counterpart may be communicated by e-mail or by facsimile transmission.

21. **Authority**. Each person executing this Agreement warrants that he or she has sole and legal authority to execute it on behalf of the party for which it is signed, and that no further approval or consent of any other person is necessary. Further, each person covenants and represents that the execution of this Agreement is not in contravention of and will not result in a breach of any other agreement, contract, instrument, order, judgment, or decree.


22. **Modification**. This Agreement may not be modified or amended in whole or in part, unless by the written agreement of all Parties, executed and delivered with the necessary formalities of a deed, duly recorded in the appropriate public records where the parcels are located. No waiver of any term, provision or condition of this Agreement, in any one or more instances, shall be deemed to be, or construed as, a further or continuing waiver of any such term, provision, or condition or as a waiver of any other term, provision, or condition of this Agreement.

SANTAQUIN CITY


James E. DeGraffenried, Mayor



Attest:


Linda Midgley, Deputy City Recorder


Fred H C Openshaw

STATE OF UTAH)
 :SS
COUNTY OF UTAH)

On this 29 day of October, 2012, personally appeared before me Fred H C Openshaw, who duly acknowledged to me that he executed the foregoing instrument and swore or affirmed to me that his signature is voluntary and the document is truthful.



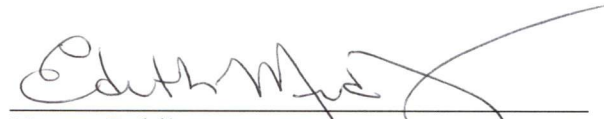

Notary Public

EXHIBIT A
OPENSHAW PROPERTY

**SUMMARY APPRAISAL REPORT
-- A PARTIAL ACQUISITION --**

(Perpetual Easement)

LOCATED

Approximately 5990 West and 13300 South
Utah County (Borders Santaquin), Utah

DATE OF VALUATION

September 26, 2012

REPORT # 695-12-L

PREPARED FOR

Mr. Benjamin A. Reeves
City Manager
Santaquin City
275 West Main Street
Santaquin, Utah 84655

PREPARED BY

Stan C. Craft, MAI

Free and Associates, Inc.
Real Estate Appraisers and Consultants

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

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

20 North Main Street, Suite 304
St. George, UT 84770
(435) 773-6300

October 3, 2012

Mr. Benjamin Reeves
City Manager
Santaquin City
275 West Main Street
Santaquin, Utah 84655

RE: Perpetual Easement
Approximately 5990 West 13300 South
Utah County (Borders Santaquin), Utah

Dear Mr. Reeves:

At your request, we have prepared the following narrative appraisal report on the above referenced property. A partial taking of the subject property is proposed; the purpose of the taking is to enable Santaquin City to construct and maintain a sewer line for the needs of the public. The following is a description of the proposed acquisition(s):

- Partial Fee Taking – None
- Perpetual Easement – 14,815 square feet)
- Temporary Construction Easement – None

The purpose of the appraisal report is to estimate the value of the part taken, along with damages, if any. The report will be used for negotiation purposes and/or legal proceedings if necessary.

The appraisal report has been prepared in a manner to conform to the Uniform Standards of Professional Appraisal Practice (USPAP) adopted by the Appraisal Standards of the Appraisal Foundation. This report represents a complete appraisal of the subject real estate in a summary format.

Acquisition costs have been determined based on the *value of the take plus damages rule*, or the *state rule* for eminent domain proceedings. Summary information of the subject and acquisition is contained in the attached report.

Mr. Reeves
October 3, 2012
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As the project will not require building improvements, compensation for the loss of land area has been obtained using a sales comparison approach of market sales. This is the typical and accepted method of valuing land in the local market. Cost and income approaches typically apply to building improvements and will not be necessary for the valuation of the parts to be acquired. Possible damages resulting from a loss in value to the remaining acreage will also be considered and valued if appropriate.

After careful consideration of the information and analysis contained within this report, we are of the opinion the subject property has the following estimated acquisition cost, based on the market value of the larger parcel:

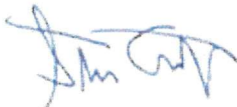
| Acquisition Value(s) | | | |
|---|--------------------|------------------|---------|
| Conclusion | Date of Value | Interest Applied | Value |
| Cost of Acquisition, plus damages (if any) | September 26, 2012 | Fee Simple | \$1,950 |

This letter of transmittal is not to be misconstrued as a complete appraisal report, but merely indicates the final value estimate developed in the following narrative report. The following report provides supporting data, assumptions, and justifications for our final value conclusions. The appraisal is made subject to the general assumptions and limiting conditions stated at the end of the report.

Please call if there are any questions.

Respectfully submitted,

FREE AND ASSOCIATES, INC.



Stan C. Craft, MAI
Vice President

Utah State - Certified General Appraiser
License # 5468268-CG00 (Exp. 11/30/12)

SCC/gh



Subject

EXECUTIVE SUMMARY

General Information:

| | |
|------------------------|--|
| Subject - | Perpetual easement |
| Location - | Approximately 5990 West 13300 South, Utah County (borders Santaquin), Utah |
| Tax ID Number(s) - | 29-037-0039 |
| Owner(s) of Record - | Fred Openshaw |
| Highest and Best Use: | |
| Land as Vacant - | Agricultural use |
| Land as if Improved - | N/A |
| Zoning - | RA-5; Residential/Agricultural 5 acre minimum – Utah County Jurisdiction |
| Purpose of Appraisal - | Estimate market value |
| Appraised Interest - | Fee simple |
| Valuation Date - | September 26, 2012 |
| Report Date - | October 3, 2012 |

Acquisitions:

| | |
|----------------------------------|--------------------|
| Partial Taking (Warranty Deed) - | N/A |
| Perpetual Easement - | 14,815 square feet |
| Temporary Easement - | None |

Value Conclusions:

| | |
|-------------------------------|---------|
| Parts Acquired - | \$1,949 |
| Plus Compensable Damages - | \$0 |
| Less Special Benefits - | \$0 |
| Net Damage to Remainder - | \$0 |
| Cost to Cure Items - | \$0 |
| Total Value of Acquisitions - | \$1,949 |
| Rounded - | \$1,950 |

Acquisition Breakdown:

| | |
|-------------------------|---------|
| Sewer Easement - | \$1,949 |
| Temporary Easement - | \$0 |
| Building Improvements - | \$0 |
| On-Site Improvements - | \$0 |
| Cost to Cure Damage - | \$0 |
| Compensable Damage - | \$0 |
| Special Benefit - | (0) |

SUMMARY CONTINUED

Site Description:

| | <u>Before Acquisition</u> | <u>After Acquisition</u> |
|-------------------------|---|---|
| Size - | 15.96 acres | 15.96 acres |
| Number of Parcels - | One | One |
| Shape - | Irregular | Irregular |
| Topography - | Basically level | Basically level |
| Corner or Interior - | Interior | Interior |
| Street Frontage - | Dirt Road access from 6000 West | Dirt Road access from 6000 West |
| Access - | Ingress and egress are adequate via Dirt road from 6000 West. The portion of the parcel south of the railroad tracks is landlocked. | Ingress and egress are adequate via Dirt road from 6000 West. The portion of the parcel south of the railroad tracks is landlocked. |
| Off-Site Improvements - | Dirt Road | Dirt Road |
| On-Site Improvements - | Some fencing and trees | Some fencing and trees |
| Utilities - | Gas and power are located at the site with others nearby, and are considered adequate for development. | Gas and power are located at the site with others nearby, and are considered adequate for development. |
| Water Rights - | No water rights were valued in this appraisal. | No water rights were valued in this appraisal. |
| Flood Designation - | Floodscape Map # 4955170460A, dated October 15, 1982, - Area of low flood risk. | Floodscape Map # 4955170460A, dated October 15, 1982, - Area of low flood risk. |

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Addendum

GENERAL INFORMATION

Identification of the Assignment

Client - The client, who engaged our services on September 20, 2012, is Mr. Benjamin Reeves of Santaquin City.

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

Intended Use of the Appraisal - The appraisal will be used for negotiation purposes and/or legal proceedings if necessary.

Purpose of the Appraisal - The purpose of the appraisal is:

1. For the appraiser(s) to estimate market value of the subject real estate so that any approach to value will represent market realities.
2. To place the owner in the same position, monetarily, after the acquisition that he or she was in before the acquisition.

The valuation will be based upon fee simple title property rights following the value of the part taken plus damages rule, often referred to as the *state rule* for eminent domain proceedings.

Purpose of the Project - The purpose of the project is to enable South Valley Sewer District to extend sewer access for the needs of the public.

Date of the Appraisal - The effective date of the appraisal is September 26, 2012, which is also when the inspection of the subject property was conducted by the appraisers. The date of the report or completion date is October 3, 2012.

Property Rights Appraised - The appraisal is based on the property rights being in fee simple estate, perpetual easement, and temporary easement.

Identification of the Property

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

General Description of the Subject - The property consists of vacant land situated on one land parcel. Some trees are in the easement area.

Occupant of the Subject - The property is currently 100% owner occupied and in agricultural use.

Address of the Subject - The subject address is approximately 5990 West 13300 South, Utah County (borders Santaquin), Utah.

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

Parcel # 27-32-300-027

COM S 2670.24 FT & E 22.8 FT FR N 1/4 COR. SEC. 35, T9S R1E SLB&M.; N 660 FT; E 198 FT; N 116.36 FT; S 88 DEG 20' 47" W 472.96 FT; N 26 DEG 45' 0" E 63.4 FT; N 88 DEG 20' 47" E 444.41 FT; N 718.85 FT; W 198 FT; S 133.32 FT; S 26 DEG 45' 0" W 567.44 FT; N 88 DEG 20' 47" E 18.02 FT; S 26 DEG 45' 0" W 63.4 FT; S 88 DEG 20' 47" W 18.02 FT; S 26 DEG 45' 0" W 22.56 FT; S 0 DEG 22' 30" W 1226.72 FT; N 79 DEG 7' 47" E 40.05 FT; S 40 DEG 58' 22" W 60.36 FT; S 0 DEG 22' 30" W 9.06 FT; N 87 DEG 52' 30" E 476.52 FT; N 1 DEG 30' 0" E 453.42 FT; W 198 FT TO BEG. AREA 15.962 AC

History of the Property

Several attempts were made to contact the owner, Fred Openshaw both on the phone (801-754-3304) and in person; however, these attempts were all unsuccessful. According to Utah County records, the following is a summary of the subject property's recent history:

| | |
|------------------------------------|-------------------------------------|
| Current Owner of Record - | Fred Openshaw |
| Length of Ownership - | Many years (probably over 50 years) |
| Listings (3 yrs) - | None |
| Offers (3 yrs) - | No serious offers |
| Leases - | None |
| Recent Sales / Contracts (3 yrs) - | None |

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

Tax Assessment Analysis

The property is comprised of one tax parcel, which is reported as being in greenbelt status.

Greenbelt Roll-Back Taxes – In order to avoid tax rates that prohibit continued agricultural use of properties located within development zones, the county has developed a "Greenbelt" tax system that in effect maintains the agricultural tax rate, but enables the county to collect taxes based on the higher development property valuation retro-active for a maximum of five years previous to the property's development. According to Judy Taul at the Salt Lake County Assessor's office, Greenbelt taxes are divided into three classifications: Tillable ground, irrigated ground, and grazing ground. As long as the property is being farmed, it can fall into one of these classifications and be taxed as agricultural property. However, once the property is sold for the purpose of development or a development plat is filed, the county can assess and collect taxes retro-active for a maximum of five years at the higher valuation of the development property.

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

Parcel # 29-037-0039

15.96 acres

| Year | Land Value | Improvement Value | Assessed Value | Taxable Value | Taxes |
|------|------------|-------------------|----------------|---------------|----------|
| 2012 | \$295,100 | \$0 | \$295,100 | \$10,624 | N/A |
| 2011 | \$295,100 | \$0 | \$295,100 | \$10,842 | \$149.93 |
| 2010 | \$295,100 | \$0 | \$295,100 | \$10,774 | \$145.55 |

No delinquent taxes were reported on the subject parcel. The 2011 effective tax rate is 0.013829. The 2012 total land value of \$295,100 is lower than our market estimate.

Scope of Work

The scope of work for this assignment is summarized below:

Santaquin City intends to construct a sewer corridor in the future. The project will require an acquisition of property rights from the subject parcel that is 14,815 square feet in size in the form of a perpetual easement. According to Ben Reeves, Santaquin City Manager, a temporary easement is not required for this project. Using market data and analysis, a value for the acquisitions plus compensable damages to the remainder will be concluded.

To ensure that all elements that affect property value are considered, the appraisers have performed the appraisal assignment in a logical progression. The steps followed by the appraisers in the valuation of the partial acquisitions are:

- Identify the value of the larger parcel before acquisition
- Determine highest and best use before acquisition
- Estimate market value before acquisition
- Identify the larger parcel after the acquisition
- Determine highest and best use after acquisition
- Estimate market value after acquisition

Inspection - The site was inspected on September 26, 2012. The site and improvement descriptions are based on our physical inspection of the subject property.

Data Researched – We have performed an extensive investigation in the local marketplace and market conditions for valuation of the subject property. We have analyzed comparable data of other transactions that have occurred in the subject's market. Our research included, but was not limited to, talking with local owners, city and county officials, brokers, appraisers and local business owners. All sales information has been verified. Understanding that Utah is a non-disclosure state, information used within this report is as reliable as practical.

Valuation Approaches - The real property to be partially acquired for the project will be land area only. There are no building improvements within the project parcels. For this reason, compensation for the land required will be obtained using the sales comparison approach of market sales. This is the practiced and accepted method of valuing land in the local market. The cost and income capitalization approaches typically apply to improved land and will not be expanded for this appraisal. Compensable damages resulting from a loss in value to the remaining acreage of the subject estate will also be considered and valued.

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

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

Extraordinary Assumptions and Limiting Conditions - The following extraordinary assumptions and limiting conditions have been considered:

- Because the estate to be encumbered by the project will be valued for land/site area only, the appraised interest may be a fraction of the whole. If the subject is concluded to be more than one larger parcel, only the larger parcel to be acquired in part or whole, and/or encumbered, will be appraised. Comments on Standards Rule 1-2(e) of Uniform Standards of Professional Appraisal Practice states "An appraiser is not required to value the whole when the subject of the appraisal is a fractional interest, a physical segment, or a partial holding." Therefore, unless otherwise indicated, the value of the real estate being appraised cannot be used to estimate the value of the whole by mathematical extension.
- Determining locations, dimensions, and areas of the project parcels were based on a drawing provided by Bowen Collins and county records. It should be noted that if the easement area is found to be different, the values would change.

Hypothetical Conditions - The following hypothetical conditions have been considered:

- Condemnation projects can add to, or diminish, the value of a property. However, "The United States cannot be charged in condemnation proceedings for values which it has created in constructing the project for which the property is taken; nor can the owner be charged for any diminution in value attributable to the project."

In other words, the appraiser must appraise the property under the hypothetical condition that the condemnation project did not exist, ignoring any increase or decrease in value that the announced project may have created. The official language of this concept is known as the Scope of Project Rule, and is cited as follows:

"The appraiser shall disregard any decrease or increase in the fair market value of real property, prior to the date of valuation, caused by the project for which the property is to be acquired, or by the likelihood that the property would be acquired for the project other than that due to physical deterioration within the reasonable control of the owner."

This hypothetical condition is employed in this report, and the subject property is appraised while excluding consideration for project influence in the form of a diminished or enhanced value.

Meeting with the Property Owner - Bryan Free from the office of Free and Associates, spoke with Benjamin Reeves of Santaquin City, to gather information regarding the subject property. Several attempts were made to contact the owner, Fred Openshaw; however, all these attempts were unsuccessful. We tried contacting in person at his home as well as by telephone. Mr. Reeves did meet with the owner previously regarding the proposed easement. The property site was inspected on September 26, 2012.

The telephone number for Fred Openshaw (owner) is 801-754-3304 and for Benjamin Reeves (city administrator) is 801-754-3211.

DEFINITIONS

The following selected definitions (and selected quotes from within the report) were obtained from the following sources:

- *Ballentine's Law Dictionary*, 3rd ed.,
- The *Dictionary of Real Estate Appraisal*, Fourth Edition, Appraisal Institute, Chicago Illinois, 2002 (Dictionary).
- The *Appraisal of Real Estate*, Thirteenth Edition, Appraisal Institute, Chicago Illinois, 2008 (13th Edition)
- *Federal Register*, Volume 55, Number 163, (August 22, 1990)
- Glossary of the *Uniform Standards of Professional Appraisal Practice*, 2008.
- Appraisal Policies and Practices of Insured Institutions and Service Corporations, Federal Home Loan Bank Board, "Final Rule, December 21, 1987.
- Your Rights to Private Property: *What to do When the Government Wants to Acquire Your Land*
- *Uniform Appraisal Standards for Federal Land Acquisitions* (Washington, D.C.: U.S. Government Printing Office, 2000)
- Uniform Relocation Assistance and Real Property Acquisition Policy Act of 1970 (P.L. 91-646) 42.11(c)(1)

"As Is" Premise

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

Fee Simple Estate

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

Highest and Best Use

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

Market Value

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

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

Elements affecting value that depend upon events or combinations of occurrences which, while within the realm of possibility, are not fairly shown to be reasonably probable should be excluded from consideration, for that would be to allow mere speculation and conjecture to become a guide for the ascertainment of value B a thing to be condemned in business transactions as well as in judicial ascertainment of truth.

Just Compensation

In condemnation, the amount of loss for which a property owner is compensated when his or her property is taken; should put the owner in as good a position peculiarly as he or she would be if the property had not been taken; generally held to be market value, but courts have refused to rule that it is always equivalent to market value."

Just compensation has been determined to mean compensation that is just not only to a person whose property is being taken or encumbered, but also to the condemner, who is in essence the general public or society as a whole. Thus, just compensation is "reasonable compensation" and "compensation which is just, not merely to the individual whose property is taken, but to the public which is to pay for it."

The appraiser is not determining just compensation. The appraiser's role is to estimate the market value of the acquisitions, plus related damages, upon which the Trier of fact can conclude a just compensation.

Consistent Use Theory

Consistent use is the concept that land cannot be valued on the basis of one use while the improvements are valued on the basis of another.

Compensable Damages

Damages for which a condemner is legally required to compensate the owner or tenant of the property that is being wholly or partially condemned.

The terms *consequential damages* and *severance damages* have been avoided by the appraisers because of the confusion surrounding their precise definitions. In conjunction with the sovereign's right of eminent domain and the act of condemnation, the appraiser need only segregate damages into two categories – compensable damages and non-compensable damages.

Non-Compensable Damages

Property values are determined objectively by market forces and not subjectively by the unique value it holds to the current owner. Loss of sentimental value, historical interest, and emotional trauma associated with having to sell property through condemnation are not compensable under Utah law and may not be considered. Neither is having a special interest or unique use in the property a factor in valuation. Business loss has generally been non-compensable in the State of Utah.

Noise, dust, inconvenience and other unavoidable aspects of construction that affects all properties in the area are not considered in determining compensation. Unless the interference is very unreasonable and of long duration, there is no compensation due for construction inconveniences.

Larger Parcel

In condemnation, the portion of a property that has unity of ownership, contiguity, and unity of use, the three conditions that establish the larger parcel for the consideration of severance damages in most states. In federal and some state cases, however, contiguity is sometimes subordinated to unitary use.

Essential in the appraiser's conclusion of highest and best use is the determination of the *larger parcel*. The appraiser must make a larger parcel determination in every appraisal conducted under these Standards, even in the case of a minor partial acquisition where the client agency has determined a complete before and after appraisal is not necessary.

Special Benefits

Benefits deductible in ascertaining the amount of damages to be awarded in eminent domain, as resulting from the improvement for which land is taken and peculiar to condemnee's property or interest, not being shared by all the property in the vicinity.

Perpetual Easement

An easement that lasts forever.

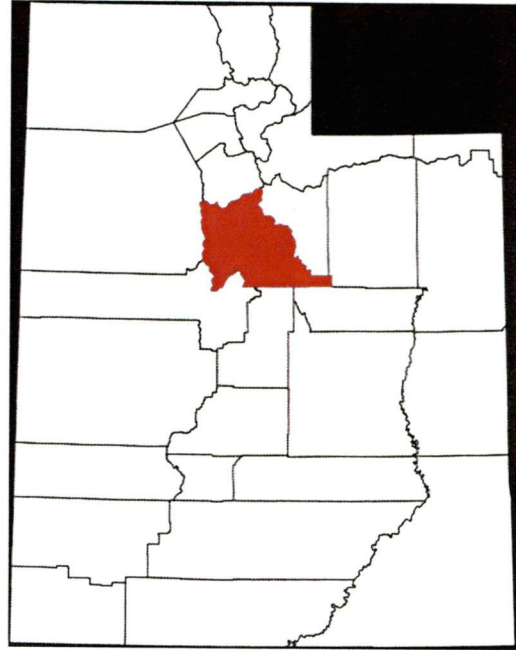
Temporary Easement

An easement granted for a specific purpose and applicable for a specific time period. A construction easement, for example, is terminated after the construction of the improvement and the unencumbered fee interest in the land reverts to the owner.

AREA DATA

The subject property is located in northern Utah within the official boundaries of Utah County. The county is situated directly south of Salt Lake County, and is located about 25 miles south of downtown Salt Lake City. The county physically encompasses an area which extends 44.7 miles along Interstate 15 from north of Lehi City on the north to south of Santaquin City on the south. The elevation varies from 4,480 to 11,928 feet (Mt. Nebo) above sea level.

Utah County is part of a four county area that is commonly known as the Wasatch Front. Servicing this region are three major railroads, an international airport, a public bus system, and numerous interstate trucking and transport service companies. In analyzing the general area of the subject property, four primary forces which influence real estate value and use will be summarized: 1) Social, 2) Economic, 3) Governmental, and 4) Environmental Considerations.



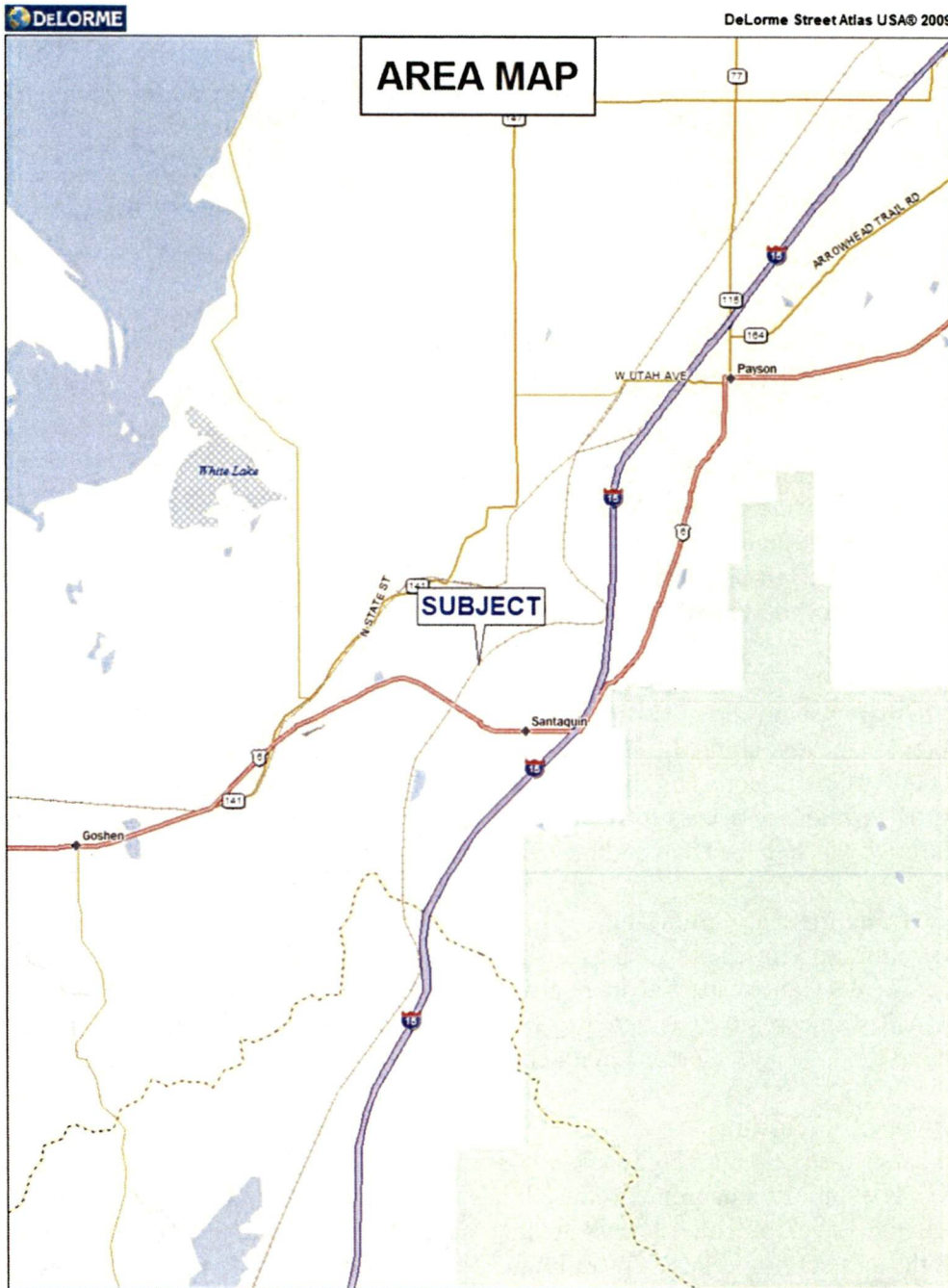
Social Considerations - The general population is relatively young, healthy, and educated. Brigham Young University and Utah Valley University are both situated in Utah County. The area experiences a high birth rate which has produced an annual population growth rate that is higher than the national average. This trend is expected to continue into the future and supports the likelihood of continual demand and future growth in the local real estate markets.

Economic Considerations - The economic base is fairly diversified and unemployment levels are low with no single employer predominant in the local work force, with the exception of Brigham Young University. This is beneficial, since a major employer cannot adversely affect the local economy and local real estate values by laying off a large number of workers. The per capita income level of the state, however, is lower than the national average, but is experiencing significant increases which are bringing it more in line with the rest of the country. The area real estate markets, with respect to commercial and industrial properties, are in decline due to the economic downturn. The residential market has experienced a slow down due to the sub-prime credit crisis. Financing is becoming more difficult to obtain for commercial and industrial properties.

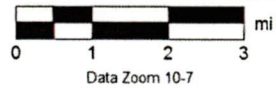
Governmental Considerations - The governmental influences are both favorable and unfavorable. The Utah County area has good conformity of real estate use, but has generally high real estate taxes. The local public schools are crowded due to the high birth rate and large family size. Although the local population is well educated and the students generally perform consistent with the national average on A.C.T.'s, the over-crowded classrooms could eventually cause deterioration in education quality and is a negative factor for nonresidents considering relocation to the area.

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

Summary - Although the county currently suffers from the national economic downturn, all factors necessary for a long-term strong economy are in place including an abundance of natural resources, high education level and productivity of the population, a good diversification of employment, and a high quality of life.



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NEIGHBORHOOD DATA

A neighborhood, according to *The Appraisal of Real Estate*, 12th edition, published by the Appraisal Institute, is defined as "a group of complementary land uses."

Neighborhood Boundaries

| | |
|-----------------|------------------------|
| North Boundary: | 13100 South (Utah Co.) |
| South Boundary: | 200 North Street |
| East Boundary: | Approximately 400 West |
| West Boundary: | 6200 West (Utah Co.) |

Description of Neighborhood and Property Uses

The area within the neighborhood boundaries consist largely of orchards and other agricultural land; and mature and new residential development. The immediate neighborhood of the subject is influenced primarily by a variety of agricultural and residential development. The general neighborhood is estimated to be less than 50 percent built up.

Access, Transportation and Traffic Arteries

The subject is located along the Union Pacific Railroad on the northwest side of Santaquin City east of 6000 West Street. Highway 6 is located just south of the subject area and is a major traffic artery providing access to Interstate 15 to the east. I-15 is the major north/south traffic artery through the state of Utah and the Wasatch Front area.

Community Facilities and Service

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

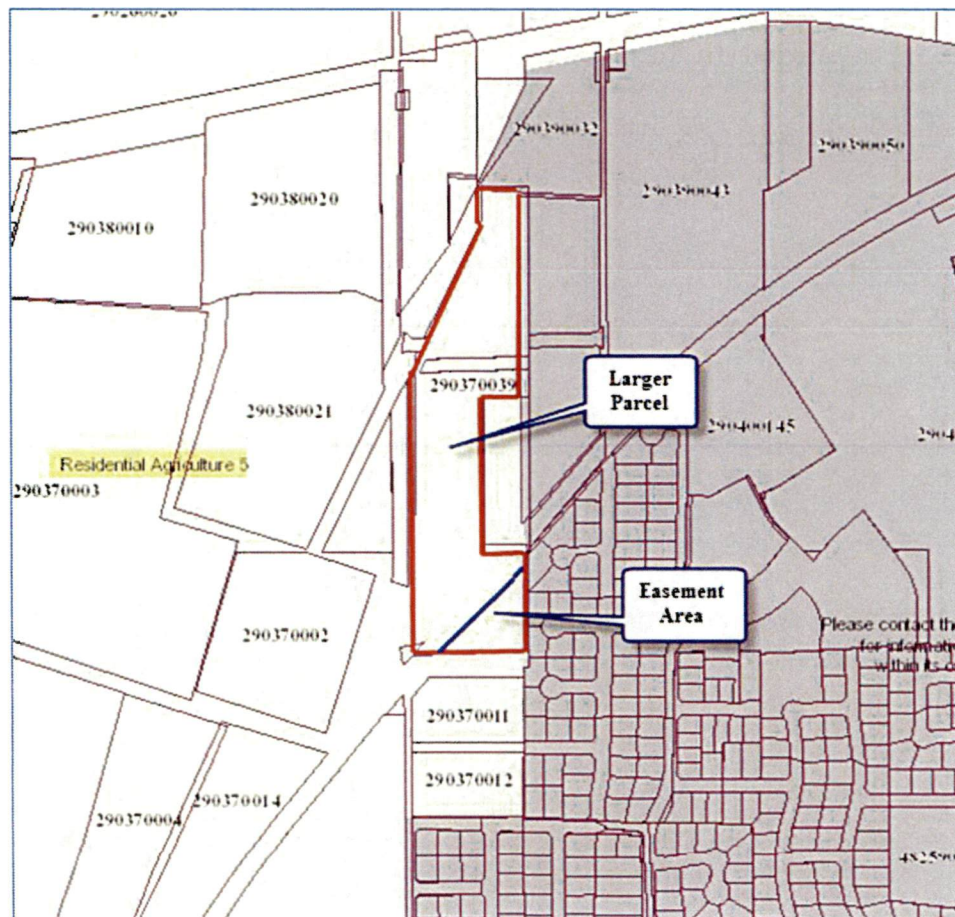
Summary and Conclusion

In summary, the general neighborhood is an agricultural and residential area within the northwest portion of Santaquin City which has some agricultural and apple orchard use as well as residential development. Access to Interstate 15 is provided by Highway 6 which runs through the subject properties. Overall it is expected that land and property values will remain fairly constant due to these influences on the neighborhood.

ZONING

The subject property is located within the boundaries of Utah County and is under that jurisdiction for zoning and enforcement. The following zoning information applies to the subject property:

| | |
|------------------------------------|---|
| Zoning Designation - | RA-5 – Residential/Agricultural |
| Uses Allowed - | Variety of agricultural and limited residential |
| Minimum Lot Size for Development - | 5 acres |
| Zoning Ordinance - | Found in addendum of this report |



IDENTIFICATION OF THE LARGER PARCEL – *Before Acquisition*

The concept of the larger parcel is an analytical premise unique to eminent domain valuation. The premise asserts that it is the larger parcel which is considered in condemnation valuation, and that the larger parcel must generally possess unity of title, unity of use, and contiguity.

The parcel to be partially acquired for the project is part of a single tax parcel that comprises a single tract of land. This parcel is identified by Utah County as county parcel 29-037-0039. This parcel comprises a gross area of 15.96 acres.

LARGER PARCEL DESCRIPTION – *Before Acquisition*

Number of Parcels

A single larger parcel was identified before the acquisition.

Dimensions, Shape, and Area

The larger parcel is irregular in shape. It encloses an area of 15.96 acres.

Soil and Subsoil

No actual soil samples were taken for this appraisal, and no soil study was performed by a consulting engineer. On-site and surrounding structures indicate a soil capable of supporting development. *For purposes of this appraisal it is assumed that there is no soil contamination resulting from potential leakage from the underground storage containers.*

Access / Frontage (corner/interior)

Primary access to the subject property is from 13100 South in Utah County. A railroad line runs through the south end of the parcel. The portion of the property on the south side of the railroad appears to be land locked. This is where the proposed easement area lies. Overall, access to the subject from surrounding areas, as well as ingress / egress to the property are considered sufficient to support any use or development, with the exception of the south area.

Utilities / Water Rights

The larger parcel is located in Utah County bordering Santaquin City with power, and gas available and other utilities near the subject property. No water rights were valued in this report; however, the owner appears to have enough water for development.

Topography and Drainage

The larger parcel is mostly level in topography and is at street. There subject has no curb, gutter, sidewalk, or storm drain improvements. Drainage and storm runoff are dependent upon natural absorption by the soil.

According to Federal Emergency Management Agency community flood map 4955170460A dated October 15, 1982. The parcel is located in a low risk flood area.

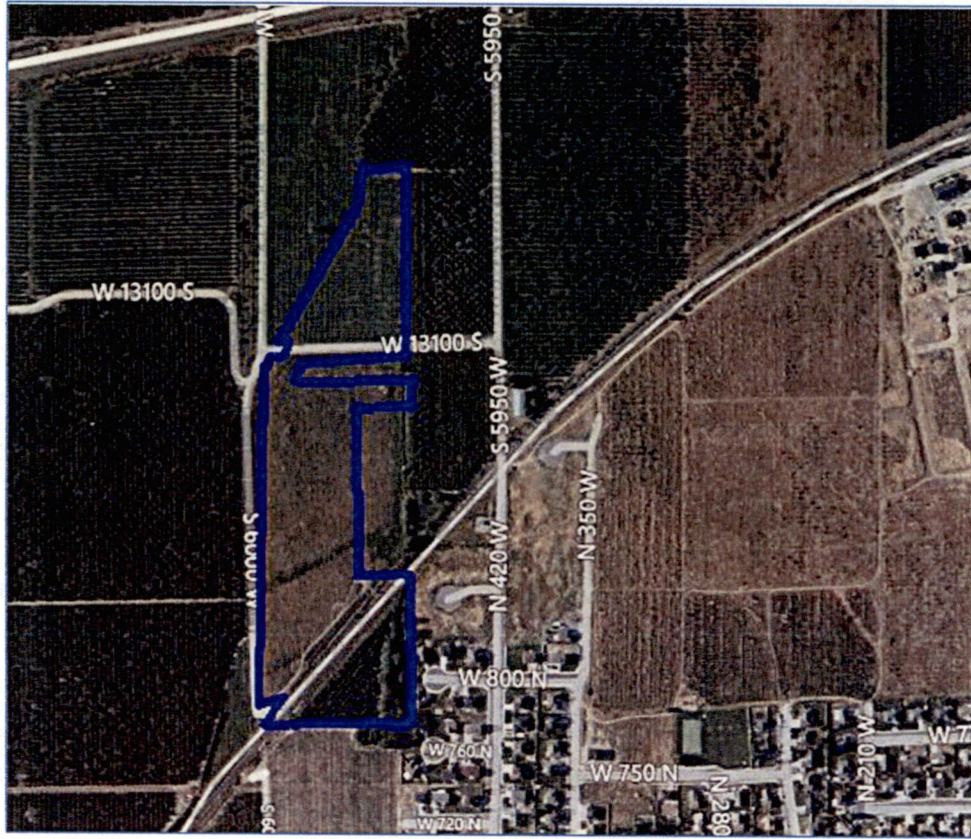
Easements, Hazards, and Adverse Conditions

The subject has a portion of the property on the south end that is divided by a railroad and appears to be land locked. This may have a negative influence on the subject property.

Building and On-Site Improvements

The subject does have some apple trees on the property. The south portion where the easement is located has mature trees which have been over grown and not harvested. These trees do not add any contributory value to the overall parcel. There are some younger fruit trees on the large portion of the overall subject property which do not affect the proposed easement and will not be considered in our valuation.

Aerial Photo



HIGHEST AND BEST USE – *Before Acquisition*

Real estate is typically valued in terms of its highest and best use. The definition provided by *The Appraisal of Real Estate*, is as follows:

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

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

1. Legally permissible uses. Are there zoning or deed restrictions that would prohibit proposed uses?
2. Physically possible uses. From the permissible uses, which are physically possible when considering all aspects of the site size, shape, and topography or any other physical aspects?
3. Financially feasible uses. Which of the above legally permissible and possible uses will produce a net return to the owner of the site?
4. Maximally productive or highest and best use. After analyzing the above considerations, which of the proposed uses will produce or generate the highest rate of net return over a projected period of time?

A highest and best use of the larger parcel based on the four criteria will be determined before the acquisitions. Because the project will not require any building improvements, determining the highest and best use *as improved* does not apply.

The highest and best use *after* the acquisition will also be determined in a subsequent section of the report.

Highest and Best Use “As If” Vacant - *Before the Acquisition*

This analysis assumes that the subject parcel of land is vacant or that it can be made vacant through the demolition of any existing improvements.

The larger parcel is zoned for agricultural use and is physically able to support agricultural development.

The principal of conformity states that maximum value is realized when a reasonable degree of architectural homogeneity exists and land uses are compatible. Conformity in use is usually a highly desirable feature of real property since it tends to create and maintain value; and maximum value affords the owner maximum return. Agricultural uses achieve conformity of use for the subject acreage and are considered to be the most financially feasible use of the land.

The highest and best use of the subject before the acquisition is agricultural use.

LAND/SITE VALUATION – *Before Acquisition*

Following the state rule, the value of the part to be acquired is valued as part of the larger parcel.

Because no building structures exist within the project parcels that will be lost to the project, only the sales comparison approach will be expanded to determine the market value of the larger parcel.

The market value of the land or site is best determined by a thorough investigation of recent market sales and listings, and analysis of market activity as it relates to the subject property.

The site is appraised as though vacant and available to be developed to its highest and best use. As determined earlier, the highest and best use of the site as if vacant is for agricultural uses.

The following methods can be employed for valuing vacant land:

1. Sales Comparison
2. Extraction
3. Allocation
4. Direct Capitalization – Land Residual Technique
5. Direct Capitalization – Ground Rent Capitalization
6. Yield Capitalization – DCF Analysis (Subdivision Development Analysis)

The acquisition does not include any building improvements, and therefore, only an opinion of the land estate value will be determined using the sales comparison approach which is the most common method for valuing land and is the preferred method when comparable sales are available. This method will be employed in this analysis.

In order to appropriately determine the value of the subject site, we have determined the best comparables would be those site parcels similar to the subject in highest and best use. We have made an extensive search in the area and have obtained sales for comparison to the subject property. Each comparable will be analyzed based on comparison with the subject property, and appropriate adjustments will be made based on market extracted information. An adjustment grid follows to account for the dissimilarities and to show the comparables adjusted values. The comparable land sales are presented on the following pages.



Comparable Land Sale #1

7500 South 5600 West
Utah County, Utah

Value Indicators

Price per SF: \$0.31
Price per Acre: \$13,471

Site Data

Tax ID: 28-017-0023
Zoning: RA-5; Residential/Agricultural
Size (SF): 611,147
Size (Acres): 14.03
Frontage: Adequate along 5600 West
Shape: Rectangular
Topography: Level
Utilities: Power
Access: Adequate
Corner: No
Improvements: None

Sales Data

Sale Date: February 28, 2011
Sales Price: \$189,000
Financing Terms: Cash Equivalent
Cash Equivalent Price: \$189,000
Grantor or Seller: Guy Sundquist
Grantee or Buyer: Cooper Bringhurst
Property Rights Conveyed: Fee Simple
Conditions of Sale: Arm's length
Exposure Time: 250 days
Verification: George Bible agent (801-310-4663) and county records by Bryan Free

Comments

This is a buildable lot in the county west of Payson. The parcel only has power available and would use propane and a septic tank. The lot included an artesian well which provided enough water for 10 animals, irrigation, and one home.



Comparable Land Sale #2

5443 West 10400 South
Utah County, Utah

Value Indicators

Price per SF: \$0.69
Price per Acre: \$29,892

Site Data

Tax ID: 37-185-0002, 0003
Zoning: RA-5; Residential Agricultural
Size (SF): 874,336
Size (Acres): 20.07
Frontage: Adequate on 10400 South
Shape: Rectangular
Topography: Basically level
Utilities: Gas, water, power
Access: Adequate on 10400 South

Comer: No
Entitlements: N/A
Improvements: Asphalt paved street

Sales Data

Sale Date: May 9, 2011
Sales Price: \$600,000
Financing Terms: Cash Equivalent
Cash Equivalent Price: \$600,000
Grantor or Seller: Oldham Enterprises LLC
Grantee or Buyer: Loye Ann Neil
Property Rights Conveyed: Fee Simple
Conditions of Sale: Arm's length
Verification: With Randy Loveless agent, 801-830-1381 and county records by Bryan Free

Comments

This is the sale of land located west of Payson in Utah County. The property is pasture land and included utilities in the street and also a private well.



Comparable Land Sale #3

10200 South 5600 West
Utah County, Utah

Value Indicators

Price per SF: \$0.39
Price per Acre: \$17,034

Site Data

Tax ID: 29-007-0056
Zoning: RA-5; Residential Agricultural
Size (SF): 652,093
Size (Acres): 14.97
Frontage: On 3600 West and 3740 West
Shape: Rectangular
Topography: Basically level
Utilities: Gas, power
Access: Adequate
Corner: No
Entitlements: N/A
Improvements: Asphalt paved street

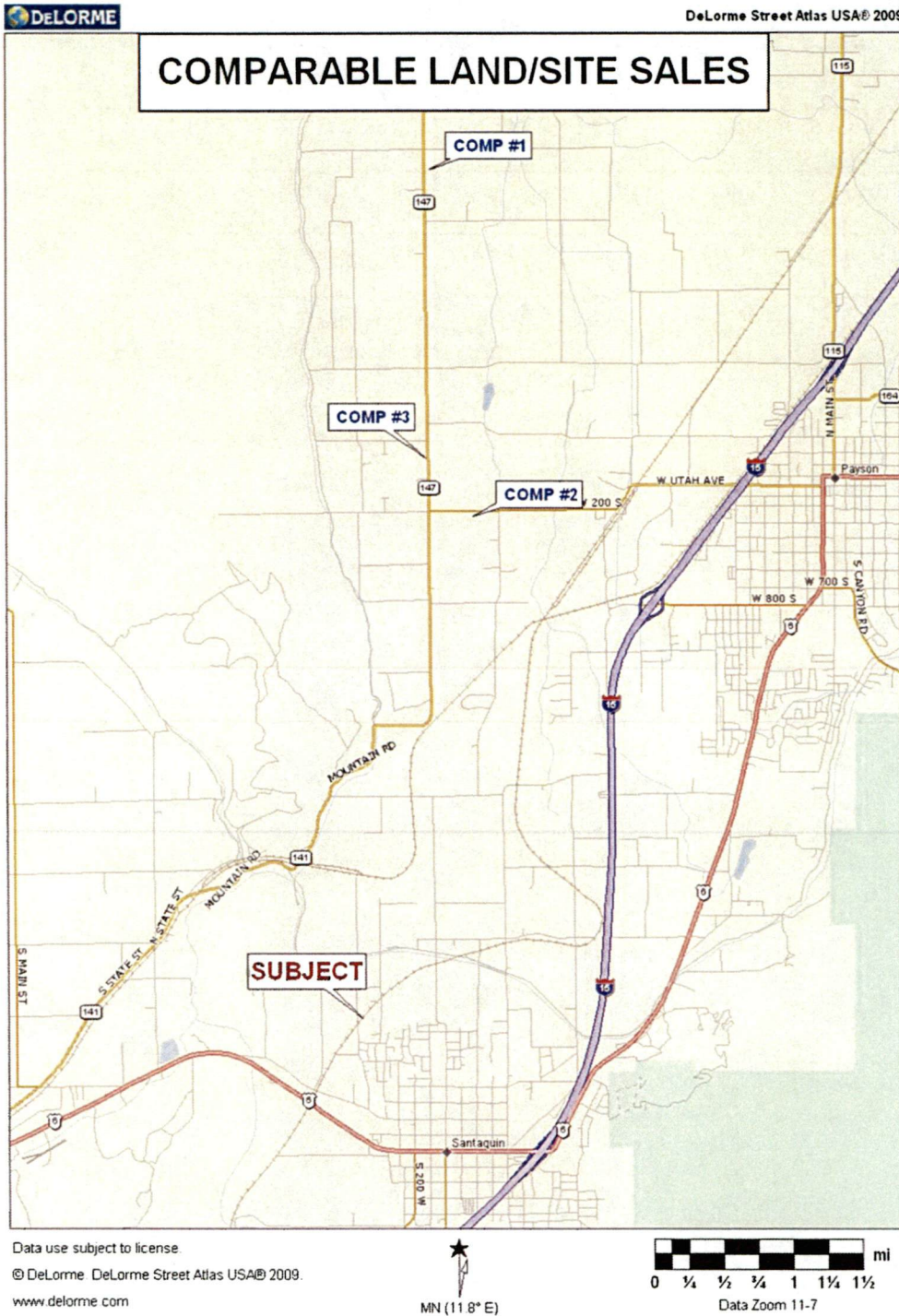
Sales Data

Sale Date: September 20, 2012
Sales Price: \$255,000
Financing Terms: Cash Equivalent
Cash Equivalent Price: \$255,000
Grantor or Seller: Cindy R & Ryan R Holt
Grantee or Buyer: Jerry L & Kassi B Vance
Property Rights Conveyed: Fee simple
Conditions of Sale: Arm's length
Exposure Time: 328 days
Verification: With Helina Carter-Thomas, agent (801-360-5147) and county records by Bryan Free

Comments

This property included 14 share of Strawberry water at 1 acre foot of water per share. The agent mentioned that someone would need 1 1/2 acre foot of water per acre to develop as subdivision. Gas and power are in the road but sewer would need to be a septic tank.

| Summary of Land/Site Sales | | | | | | | |
|-----------------------------------|--------------------------------------|------------------|---------------------|----------------------------|----------------------------------|-----------------------|------------------------|
| # | Location | Sale Date | Size (Acres) | Utilities | Zoning/ Min. Lot Size | Purchase Price | Price/ Acre |
| 1 | 7500 South 5600 West Utah County | 2/11 | 14.03 | Power | RA-5 5 acres | \$189,000 | \$13,471 |
| 2 | 5443 West 10400 South Utah County | 5/11 | 20.07 | Gas, Water, Power | RA-5 5 acres | \$600,000 | \$29,892 |
| 3 | 10200 South 5600 West Utah County | 9/12 | 14.97 | Gas, power | RA-5 5 acres | \$255,000 | \$17,034 |
| Subj. | Apprx 5990 W 13300 S Utah County | N/A | 15.96 | Gas, power Other Nearby | RA-5 5 acres | N/A | N/A |



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| Land Sales Adjustment Grid | | | | |
|-----------------------------------|------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
| Summary of Comparables | 7500 South 5600 West Utah Co | 5443 West 10400 South Utah Co | 10200 South 5600 West Utah Co | 5990 West 13300 South Utah Co |
| | 1 | 2 | 3 | Subject |
| Date of Sale | 2/11 | 5/11 | 9/12 | N/A |
| Zoning | RA-5 | RA-5 | RA-5 | RA-5 |
| Utilities | P | G, W, P | G,P | G, P |
| Sales Price | \$189,000 | \$600,000 | \$255,000 | N/A |
| Size (Acres) | 14.03 | 20.07 | 14.97 | 15.96 |
| Price/Acre | \$13,471 | \$29,892 | \$17,034 | |
| Adjustments | | | | |
| Property Rights | 0% | 0% | 0% | |
| Adjusted Price/SF | \$13,471 | \$29,892 | \$17,034 | |
| Conditions/Terms | 0% | 0% | 0% | |
| Adjusted Price/Acre | \$13,471 | \$29,892 | \$17,034 | |
| Market (Time) Adj. | -5% | -5% | 0% | |
| Adjusted Price/Acre | \$12,798 | \$28,398 | \$17,034 | |
| Location | 10% | 5% | 5% | |
| Zoning | 0% | 0% | 0% | |
| Size | 0% | 0% | 0% | |
| Utilities | 10% | 0% | 0% | |
| Shape/Topography | -5% | -5% | -5% | |
| Frontage/Access | -5% | -5% | -5% | |
| Other | 0% | 0% | 0% | |
| Adj. Price/Acre | \$14,077 | \$26,978 | \$16,182 | |
| Net Adjustment | 10% | -5% | -5% | |
| Gross Adjustment | 30% | 15% | 15% | |
| Minimum | \$14,077 | | | |
| Maximum | \$26,978 | | | |
| Mean Value | \$19,079 | | | |

Property Rights – No adjustments were necessary.

Conditions/Terms – No adjustments were necessary.

Market (Time) – Comparables one and two are slightly older sales and were adjusted downward 5 percent for time.

Location – All comparables are in locations inferior to the subject and were adjusted upward 5 to 10 percent.

Zoning – No adjustment necessary

Size – No adjustment necessary

Utilities – Comparable one had fewer utilities available and was adjusted upward 10 percent.

Shape/Topography – The subject is irregular in shape. All comparables are superior in shape and were adjusted downward 5 percent.

Frontage/Access – The subject has a portion of the parcel land locked on the south side of the railroad tracks. All comparables were superior in access and were adjusted downward 5 percent.

Other – No other adjustments necessary

The adjusted comparables indicate an adjusted sales price range of from \$14,077 to \$26,978 per acre. The average adjusted sale price is \$19,079 per acre. Most weight was given to the average.

We have determined that an appropriate price for the subject property is a rounded \$19,100 per acre. The calculation of value is as follows:

$$\$19,100 \text{ per acre} \times 15.96 \text{ acres} = \$304,836$$

LARGER PARCEL LAND VALUE BEFORE ACQUISITION: \$304,836

DESCRIPTION OF THE PARTIAL TAKING

The project will require an acquisition in the form of an easement for the sewer line project. The project taking is summarized as follows:

| <i>Project Parcel Summary</i> | | | |
|-------------------------------|-------------------------|--------------------|--------------|
| Project Parcel | Acquisition Type | Square Feet | Acres |
| 29-037-0039 | Warranty Deed | N/A | N/A |
| 29-037-0039 | Perpetual Easement | 14,815 | 0.34 |
| 29-037-0039 | Temporary easement | N/A | N/A |

Warranty Deed – No taking will be included in this project.

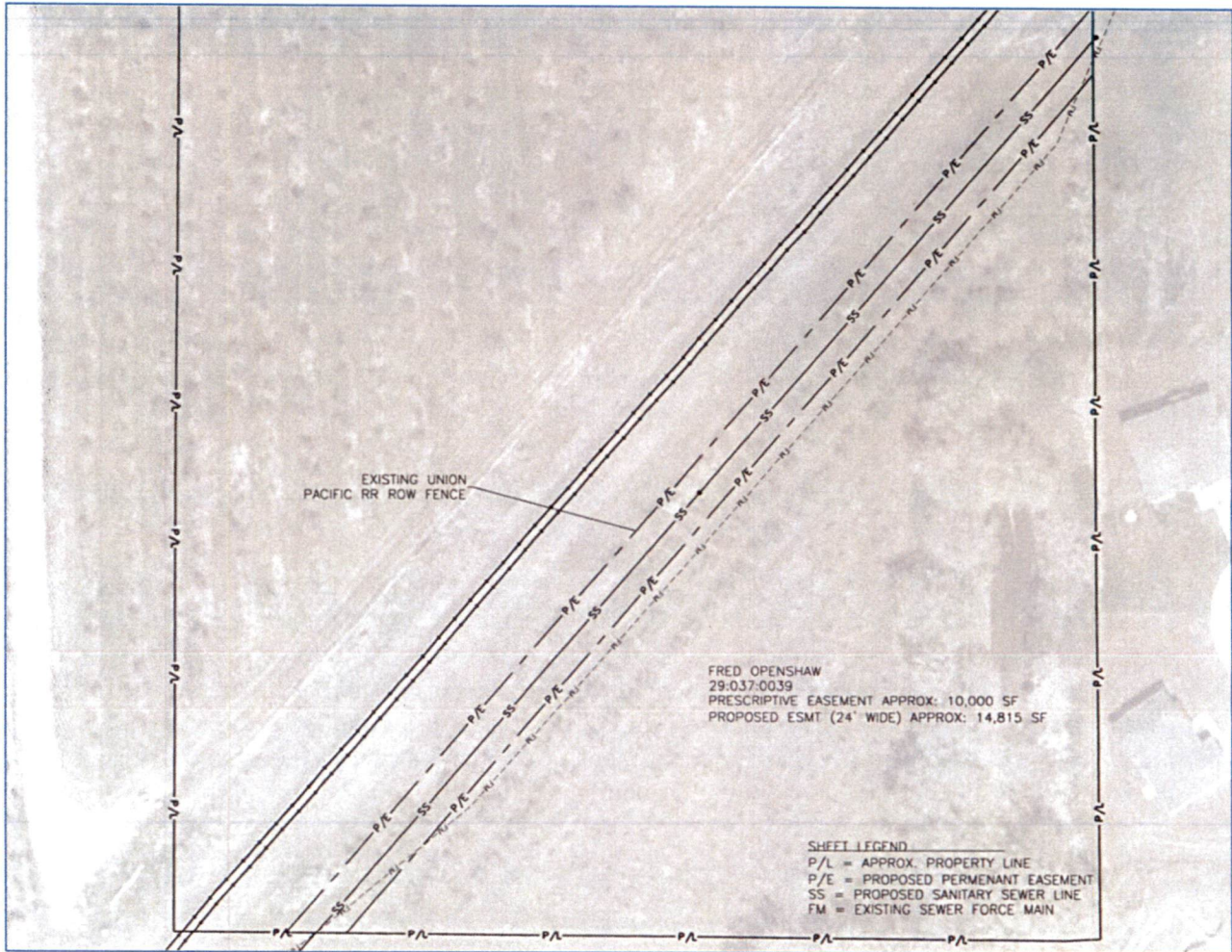
Perpetual Easement – This parcel is a 24 foot wide parcel that lies on the south end of the subject parcel along the railroad property line. The easement will remain an encumbrance upon the estate into perpetuity.

Temporary Easement – No temporary easements will be included in this project.

On-Site Improvements – The only on site improvement within the parcel easement area include some mature trees. These are apple trees which were previously harvested as part of an orchard. Based on our inspection of the trees it appears that these trees have been left unmanaged and been overgrown within the easement area of the subject parcel. It is our opinion that the trees no longer provide any added value to the subject parcel and will not be considered in our valuation.

The image on the next page shows the perpetual easement for the subject parcel.

ACQUISITION AREA



VALUATION OF THE ACQUISITION

The project will require an acquisition in an easement from the larger parcel. The part(s) to be acquired are part of a single larger parcel, sharing unity of title and unity of highest and best use being contiguous to land that will not be acquired by the project. As such, the value of the acquisition will be considered as a part of the whole or larger parcel.

Warranty Deed

Not applicable.

Perpetual Easement

Certain property rights in the form of a perpetual easement will be required from the subject estate. The easement will be used for construction of sewer lines, and maintenance of sewer lines.

The perpetual easement will allow the owner to retain ownership of the area to be encumbered by the easement.

The location and type of use of a perpetual easement is a factor in determining the percentage of fee value to be paid for the encumbrance of the easement upon an estate. An encumbrance of an easement that crosses the interior of an estate is greater than following a property line. The size of the land parcel to be encumbered is another factor of determining the impact of an easement upon an estate. Large tracts of land allow a greater amount of design flexibility to incorporate and easement into development plans. In some instances, the utility contained in the easement is a benefit to developing the encumbered tract.

From interviews with utility companies, the percentage of fee value paid for underground easements varied from 25 to 60 percent. Utility companies frequently settle with land owner without an appraisal. The percentages of fee value paid by utility companies are not considered market value. In most cases, there is not a willing seller, nor is the easement area exposed to market. Another method of determining the impact of an easement upon an estate is a before and after method, or comparing encumbered land values to unencumbered land values.

An analysis of two subdivisions encumbered by underground easements showed no diminution in value. One subdivision was encumbered by a 50-foot wide high pressure gas line. Despite the encumbrance to four lots, there was no diminution in value and each reportedly sold without any discount and within the typical marketing period of the subdivision. The second subdivision was bisected by a 20-foot wide drainage easement. Reportedly, the easement had no impact on the price paid for the land or on a lot encumbered by the easement. In both cases, the easement did not impact developing the land to its highest use.

Further evidence is Riverside Apartment which is encumbered by three perpetual easements. The largest is a 20-foot wide drainage easement that crosses the mid-section of the 6.549 acre parcel. Zoning allowed a maximum density of 22.6 units per acre or 148 units (22.6 unit/acre x 6.549 acres). The parcel was developed with 148 units showing no impact of the easement upon highest and best use of the land.

The perpetual easement is a 24 foot wide area totaling 14,815 square feet or 0.3401 acres. Given the size of the parcel to be encumbered, and that the easement is located along the south side of the railroad where the land area is landlocked, the impact of the easement upon the utility of the land is considered minimal. However, there is an impact upon property rights. An easement typically includes the right to maintain and inspect the installed utility which encroaches upon the owner's right to quiet enjoyment of their estate.

Given equal parcels of land, a buyer would typically prefer an unencumbered estate to an encumbered estate. Recognizing the impact of the easement upon property rights, it is our opinion that the encumbrance of the easement to the estate is 30 percent of fee value.

The value of the perpetual easement is the product of the percentage of fee multiplied by the concluded value per acre and the acreage required for the project.

$$\$19,100 \text{ per acre} \times 0.34 \text{ sf} \times 0.30 = \$1,949$$

PERPETUAL EASEMENT ACQUISITION: \$1,949

On-Site Improvements

There are some mature apple trees in the land taking area. These trees have fully matured and been unmanaged and overgrown. They are considered to have no contributory value to the subject property and will not be considered in our valuation.

ON-SITE IMPROVEMENTS: \$0

(Lost to Project)

Value Conclusion of Parts Acquired

The following table shows a summary of value for the parts to be acquired.

| Value of Parts Acquired | |
|-------------------------|---------|
| Perpetual Easement | \$1,949 |
| Temporary Easement | \$0 |
| On-Site Improvements | \$0 |
| Total | \$1,949 |

VALUE OF PARTS ACQUIRED: \$1,949

IDENTIFICATION OF THE LARGER PARCEL – *After Acquisition*

The identification of the larger parcel after the acquisition is subject to the same three tests as before the acquisition: unity of ownership, contiguity, and unity of use.

The acquisitions will not change the size, ownership, or use of the remaining acreage. Therefore, the larger parcel after the acquisitions is the 15.96 acre larger parcel.

LARGER PARCEL DESCRIPTION – *After Acquisition*

The part required for the project will not reduce the larger parcel in size. The physical characteristics of the larger parcel after the acquisition will be the same to that which existed before the acquisition.

Established points of access will remain. Any on-site improvements within the easement area will be restored as part of the project or compensation paid to the owner for restoration of the on-site improvements.

HIGHEST AND BEST USE – *After Acquisition*

The part required for the project will not change the highest and best use of the larger parcel as concluded before the acquisition. The highest and best use after the acquisition remains for continued agricultural use as if vacant and continuation as improved.

REMAINDER VALUE, DAMAGES, SPECIAL BENEFITS, CONCLUSION

Remainder Value – Before Damages

The value of the remainder is the total land value before the acquisition less the part being acquired in fee and the perpetual easement.

| Remainder Value | |
|---------------------------------|-----------|
| Land Value Before | \$304,836 |
| Acquired in Fee (Warranty Deed) | 0 |
| Perpetual Easement | (1,949) |
| Remainder Value | \$302,887 |

REMAINDER VALUE: \$302,887
(*Before Compensable Damages*)

Compensable Damages

No compensable damage to the remainder as a result of the project is evident.

COMPENSABLE DAMAGES: \$0

Cost to Cure

There are no costs to cure items.

Special Benefits

In Utah, special benefits can offset compensable damages to the remainder, but not against the value of the real property taken. A definition of special benefits is:

Benefits deductible in ascertaining the amount of damages to be awarded in eminent domain, as resulting from the improvement for which land is taken and peculiar to condemnee's property or interest, not being shared by all the property in the vicinity.

No special benefit to the remainder as a result of the project is evident.

SPECIAL BENEFITS: \$0

Remainder Value – Including Damages

After consideration for damages to the remainder parcel, the value of the remainder—including damages—is then calculated as follows:

| Remainder Value | |
|--------------------|-----------|
| Land Value Before | \$304,836 |
| Perpetual Easement | (1,949) |
| Remainder Value | \$302,887 |

REMAINDER VALUE: \$302,887
(Including Compensable Damages)

Acquisitions Plus Damages Conclusion

Based on market data and analysis, the follow table shows a summary of value conclusions using the state rule. The allocation is as follows:

| Summary of Conclusions | | | | |
|--|--------------|-------------------|-----------|-----------|
| <i>(Accounting tabulation not indicative of appraisal method employed)</i> | | | | |
| Indicated Value Before Acquisition | | | | |
| Highest and Best Use: Agricultural | | | | |
| <u>Land</u> | <u>Acres</u> | <u>Unit Value</u> | | |
| Larger Parcel | 15.96 | \$19,100 | \$304,836 | |
| Improvements | | | | |
| <u>Type</u> | | | | |
| Not Valued | | | \$0 | |
| <i>Total Indicated Value</i> | | | | \$304,836 |
| Value of Acquisition (as part of whole) | | | | |
| Highest and Best Use: Agricultural | | | | |
| <u>Land</u> | <u>Acres</u> | <u>Unit Value</u> | | |
| Perpetual Easement | 0.34 | \$19,100 x .30 | \$1,949 | |
| <i>Total Acquisition of Land and Perpetual Easement</i> | | | | \$1,949 |
| | | | | \$1,949 |
| Improvements | | | | |
| <u>Type</u> | | | | |
| On-Site | | | \$0 | |
| Building | | None | \$0 | |
| <i>Total Acquisition of Improvements</i> | | | | \$0 |
| Remainder Land Value Before Damages | | | | |
| <u>Land</u> | <u>Acres</u> | <u>Unit Value</u> | | |
| Larger Parcel | 15.96 | \$19,100 | \$304,836 | |
| Improvements | | | | |
| <u>Type</u> | | | | |
| Not Valued | | | \$0 | |
| <i>Total Indicated Value</i> | | | | \$302,887 |
| Remainder Land Value After Damages | | | | |
| <u>Land</u> | <u>Acres</u> | <u>Unit Value</u> | | |
| Larger Parcel | 15.96 | \$19,100 | \$302,887 | |
| Improvements | | | | |
| <u>Type</u> | | | | |
| Not Valued | | | \$0 | |
| <i>Total Indicated Value</i> | | | | \$302,887 |
| Damages to Remainder | | | | |
| <u>Item</u> | | | | |
| None | | | \$0 | |
| Total Damages | | | | \$0 |
| Benefits (subtract) | | | | |
| <u>Item</u> | | | | |
| None | | | \$0 | |
| Total Benefits (not to exceed Damages) | | | | \$0 |
| <i>Net Damages to Remainder</i> | | | | \$0 |
| Improvements | | | | |
| On-Site - Cost to Cure | | | \$0 | |
| <i>Total</i> | | | | \$0 |
| Acquisition Cost Plus Damages | | | | \$1,949 |

After careful consideration of the information and analysis contained within the report, we are of the opinion that the acquisition value for the partial taking, plus damages, based on the fee simple market value of the larger parcel, as of September 26, 2012, is:

\$1,950 (Rounded)

“ONE THOUSAND NINE HUNDRED FIFTY DOLLARS”

CERTIFICATION

I, STAN C. CRAFT, certify that, to the best of my knowledge and belief:

The statements of fact contained in this report are true and correct.

I am not aware of any times within the past three years that I have performed any services, including appraisal work, pertaining to the subject property within the past three years.

The reported analysis, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and is my personal, unbiased professional analyses, opinions, and conclusions.

I have no present or prospective interest in the property that is the subject of this report, and I have no personal interest or bias with respect to the parties involved.

My compensation is not contingent on an action or event resulting from the analysis, opinions, or conclusions in, or the use of, this report.

The appraisal assignment was not based on a requested minimum valuation, a specific valuation, or the approval of the loan.

My analysis, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Practice of the Appraisal Foundation, the Supplemental Standards of the Appraisal Institute, and the Uniform Standards of Professional Appraisal Practice. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.

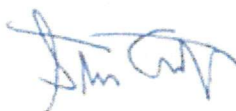
I, Stan C. Craft, have made a personal inspection of the property that is the subject of this report.

The Appraisal Institute and other appraisal organizations, of which this appraiser is a member, conduct a voluntary program of continuing education for its designated members. MAI's and SRA's who meet minimum standards of this program are awarded periodic educational certification. As of the date of this report, I, STAN C. CRAFT, have completed the requirements of the continuing education program of the Appraisal Institute.

The undersigned hereby acknowledges 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 Qualification. Bryan Free provided significant professional assistance to the person(s) signing this report (his involvement included property inspection, collection of data, analysis, and report writing).

October 3, 2012

DATE



STAN C. CRAFT, MAI
VICE PRESIDENT

Utah State - Certified General Appraiser
License # 5468268-CG00 (Exp. 11/30/12)

GENERAL ASSUMPTIONS

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

1. The legal description used in this report is assumed to be correct.
2. No survey of the property has been made by the appraiser and no responsibility is assumed in connection with such matters. Sketches in this report are included only to assist the reader in visualizing the property.
3. No responsibility is assumed for matters of a legal nature affecting title to the property nor is an opinion of title rendered. The title is assumed to be good and marketable, unless otherwise stated.
4. Information furnished by others is assumed to be true, correct and reliable. A reasonable effort has been made to verify such information; however, no responsibility for its accuracy is assumed by the appraiser.
5. All mortgages, liens, encumbrances, leases and servitudes have been disregarded unless so specified within the report. The property is appraised as though under responsible ownership and competent management.
6. It is assumed that there are no hidden or unapparent conditions of the property, subsoil or structures which would render it more or less valuable. No responsibility is assumed for such conditions or for engineering which may be required to discover such factors.
7. Full compliance with all applicable federal, state and local environmental regulations and laws is assumed unless noncompliance is stated, defined and considered in the appraisal report.
8. It is assumed that all applicable zoning and use regulations and restrictions have been complied with, unless some nonconformance has been stated, defined and considered in the appraisal report.
9. It is assumed that all required licenses, certificates of occupancy, contents, or other legislative or administrative authority from any local, state, or national government or private entity or organization have been or can be obtained or renewed for any use on which the value estimate contained in this report is based.
10. It is assumed that the utilization of the land and improvements is within the boundaries or property lines of the property described and that there is no encroachment or trespass unless noted in the report.

GENERAL LIMITING CONDITIONS

The appraisal report has been made with the following general limiting conditions:

1. The appraiser will not be required to give testimony or appear in court because of having made this appraisal, with reference to the property in question, unless arrangements have been previously made.
2. Possession of this report, or a copy thereof, does not carry with it the right of publication. It may not be used for any purpose by any person other than the party to whom it is addressed without the written consent of the appraiser, and in any event only with proper written qualification and only in its entirety.
3. The distribution of the total valuation in this report between land and improvements applies only under the reported highest and best use of the property. The allocations of value for land and improvements must not be used in conjunction with any other appraisal and are invalid if so used.
4. Disclosure of the contents of this appraisal report is governed by the By-Laws and Regulations of the Appraisal Institute.

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

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

SPECIAL LIMITING CONDITIONS

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

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



VIEW OF SUBJECT



VIEW OF SUBJECT



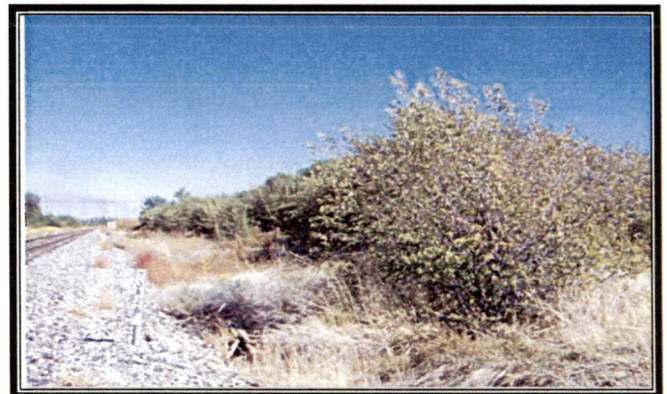
VIEW OF SUBJECT



VIEW OF SUBJECT



VIEW OF SUBJECT



VIEW OF FRONTAGE



VIEW OF FRONTAGE



VIEW OF SUBJECT



VIEW OF SUBJECT

QUALIFICATIONS OF APPRAISER

STAN C. CRAFT, MAI

Free and Associates, Inc.

Vice President

260 South 2500 West, Suite 301

Pleasant Grove, Utah 84062

Office (801) 492-0000; Cell (801) 360-1198

Education

MBA - Brigham Young University, Provo, Utah 1992

Bachelor of Science, Finance - Brigham Young University, Provo, Utah 1985

Membership and Affiliations

Certified General Appraiser, State of Utah - License # 5468268-CG00

Certified General Appraiser, State of Arizona - Certification # 31764

MAI (Member Appraisal Institute) - professional designation from the Appraisal Institute

Secretary - Utah Chapter, Appraisal Institute, 2011

Treasurer - Utah Chapter, Appraisal Institute, 2012

Real Estate and Appraisal Courses & Seminars (Partial List)

(Sponsored by the Appraisal Institute or other Utah Entities)

Real Estate Appraisal Principles - 1993

Basic Valuation Procedures - 1993

Advanced Income Capitalization - 1995

Highest & Best Use and Market Analysis - 1995

Appraisal of Retail Properties - Appraisal Institute - 1995

Report Writing and Valuation Analysis - 1996

Advanced Sales Comparison and Cost Approaches - 1998

Advanced Applications - 1999

Real Property Foreclosures - 2002

Residential Development - 2002

Analyzing Operating Expenses - 2002

Planning and Growth Issues - 2003

Eminent Domain and Private Property Rights - 2004

Appraisal Review - General - 2006

UDOT Appraisal Expectation Meeting - 2006

Litigation Skills for the Appraiser - 2007

Real Estate Finance, Value, and Investment Performance - 2009

Small Hotel/Motel Valuation - 2009

Eminent Domain and Condemnation - 2009

Self-Storage - 2010

Condemnation Appraising: Principles & Applications - 2010

Allocation of Hotel Total Assets - 2010

Water Rights - 2010

Uniform Standards of Professional Appraisal Practice Update - 2010

Business Practices and Ethics - 2011

Appraisal Curriculum Overview (General & Residential) - 2011

Fundamentals of Separating Real, Personal Property, and Intangible Business Assets - 2012

Work History

Real Estate Appraiser / Consultant - Free & Associates - 1994 to Present
Real Estate Appraiser - Stuart & Company, Salt Lake City, Utah - 1993 to 1994
Financial Analyst (Internship) - Intermountain Health Care, Salt Lake City, Utah - 1991
Accountant - GTE Incorporated, San Angelo, Texas - 1986 to 1990

Appraisal Experience (Partial List)

| | | |
|----------------------------|----------------------------|------------------------------|
| Airport Hanger | Equestrian | Office/Warehouses |
| Apartments | Expert Witness in Court | Post Office Facilities |
| Assisted Living Facilities | Fabrication Facility | Public Schools |
| Athletic Clubs | Golf Course | Recreational Property |
| Automobile Dealerships | Gravel Pits | Regional Mall |
| Auto Repair Shops | Hotels/Motels | Residential |
| Bank/Credit Unions | Industrial | Restaurants |
| Bed & Breakfast | Jails | Retail (including "Big Box") |
| Bowling Alley | Land | Right-of-Way |
| Campground Facility | Market Analysis | Saw Mill |
| Car Wash Facilities | Medical & Dental Buildings | Self-Storage Facilities |
| Churches | Mobile Home Parks | Service Station/Quick Lube |
| Condominiums | Mortuary/Cemeteries | Shopping Centers |
| Convenience Stores | Movie Theaters | Steel Plant |
| Day Care Facilities | Museum | Subdivisions |
| Eminent Domain | Office Buildings | Timeshares |

Commercial Clients Served (Partial List)

Banks & Financial Institutions:

America First Credit Union
AmericanWest Bank (Far West Bank)
Bank of America
Bank of American Fork
Bank of the West
Bank of Utah
Barnes Bank
Brighton Bank
Central Bank & Trust
Draper Bank & Trust
First City Capital
First Colony
Great Basin Bank of Nevada
Holladay Bank and Trust
Mountain America
Mountain West Small Business Finance
Small Business Administration
State Bank of Southern Utah
Utah Community Credit Union
Wells Fargo Bank
Western Community Bank
Zions First National Bank

Cities & Municipalities:

Alpine City
American Fork City
Draper City
Highland City
Lehi City
Ogden City
Orem City
Payson City
Provo City
Salt Lake County
Springville City
Tooele City
Utah County

Other:

Alpine School District
Amoco Pipeline Company
Central Water Conservancy District
Kern River Gas Company
Horrocks Engineers
NAI Corporate Services Group
Utah Department of Transportation (UDOT)

ADDENDUM

When recorded, mail to:
Santaquin City Recorder
275 W MAIN STREET
Santaquin, UT 84655

PERPETUAL RIGHT-OF-WAY AND EASEMENT

KNOW ALL MEN BY THESE PRESENTS:

That in consideration of One Dollar and other good and valuable consideration paid to **FRED OPENSHAW** hereinafter referred to as **GRANTOR**, by **SANTAQUIN CITY CORPORATION**, hereinafter referred to as **GRANTEE**, the receipt of which is hereby acknowledged, the **GRANTOR**, does hereby grant, bargain, sell, transfer, and convey unto the **GRANTEE**, its successors and assigns, a construction easement and a perpetual easement over, across, under and through land of the **GRANTOR**, which land is known as parcel number 29.037.0039 and is described in Entry 7685, Book 391 at Pages 124-125 at the office of the Utah County Recorder, which land is situate in Utah County, State of Utah.

The centerline of said construction easement and perpetual easement, following the centerline of an existing Santaquin City 10-inch force main pipeline, is described more particularly as follows (the Premises):

Beginning at a point on the **GRANTOR'S** south boundary line, which point is SOUTH 466.51 feet and WEST 205.08 feet, more or less, from the Center of Section 35, Township 9 South, Range 1 East, Salt Lake Base and Meridian, which point is 17.21 feet perpendicularly distant southeasterly from the easterly Union Pacific Railroad right-of-way fence; thence following the centerline of said 10-inch force main pipeline the following three (3) courses: (1) North 50°53'26" East 78.16 feet; (2) North 41°40'52" East 467.14 feet; (3) North 23°47'48" East 46.44 feet to a point of terminus on the **GRANTOR'S** east boundary line, which point is 19.13 feet perpendicularly distant southeasterly from said Union Pacific Railroad right-of-way fence.

The premises may partially or completely lie within **GRANTOR'S** property. The construction easement shall be 60 feet in width granted for the time of original installation of the facilities hereinafter described, 30 feet on each side of the centerline of the said existing pipeline and premises. The perpetual easement shall be 25 feet in width, 8.25 feet on the northwesterly side of the center line of the said existing pipeline and premises and 16.75 feet on the southeasterly side of the centerline of the said existing pipeline and premises. In the event that the facilities to be constructed in the premises cannot be located within the premises, the legal description shall be modified and an amendment to this easement shall be executed by the parties.

TO HAVE AND TO HOLD the same unto the **GRANTEE**, its successors and assigns as follows:

A construction easement with the right to erect, construct, install, lay and inspect pipelines, manholes, valves, valve boxes, cleanouts, and other similar structures and appurtenances, (facilities) over, across, under and through the premises; and

A perpetual easement with the right to use, operate, inspect, repair, maintain, replace, and remove pipelines, manholes, valves, valve boxes, cleanouts, and other similar structures and appurtenances (facilities) over, across, under and through the premises.

So long as such facilities shall be maintained, with the right of ingress and egress to and from said right-of-way for the purpose described in the construction and perpetual easements. During temporary periods, the GRANTEE may use such portion of the property along and adjacent to said right-of-way as may be reasonably necessary in connection with construction, maintenance, repair, removal or replacement of the facilities. The GRANTEE shall notify GRANTOR prior to entering the Premises for purposes of the initial construction and shall not construct facilities during the growing season in such a way as to unreasonably interfere with the ingress and egress of the GRANTOR for farming purposes for which this right-of-way and easement is granted to the GRANTEE provided such use does not interfere with the facilities or any other rights granted to the GRANTEE hereunder.

GRANTEE as a condition of the granting of the easements shall pay damages, restore or replace in kind, at GRANTEE'S discretion and at GRANTEE'S expense, fences, crops, underground pipes, and other improvements in the event such are damaged by the construction, maintenance, repair, replacement, or removal of the facilities.

The GRANTOR shall not build or construct, nor permit to be built or constructed, any building or other similar improvement over, across, or under said right-of-way, nor change the contour thereof without written consent of the GRANTEE. This right-of-way grant shall be binding upon GRANTOR, its successors and assigns, and shall insure to the benefit of GRANTEE, its successors and assigns, and may be assigned in whole or in part by the GRANTEE.

IN WITNESS WHEREOF, the GRANTOR has executed this instrument this _____ day of _____, 2012

STATE OF UTAH)
 :SS
COUNTY OF _____)

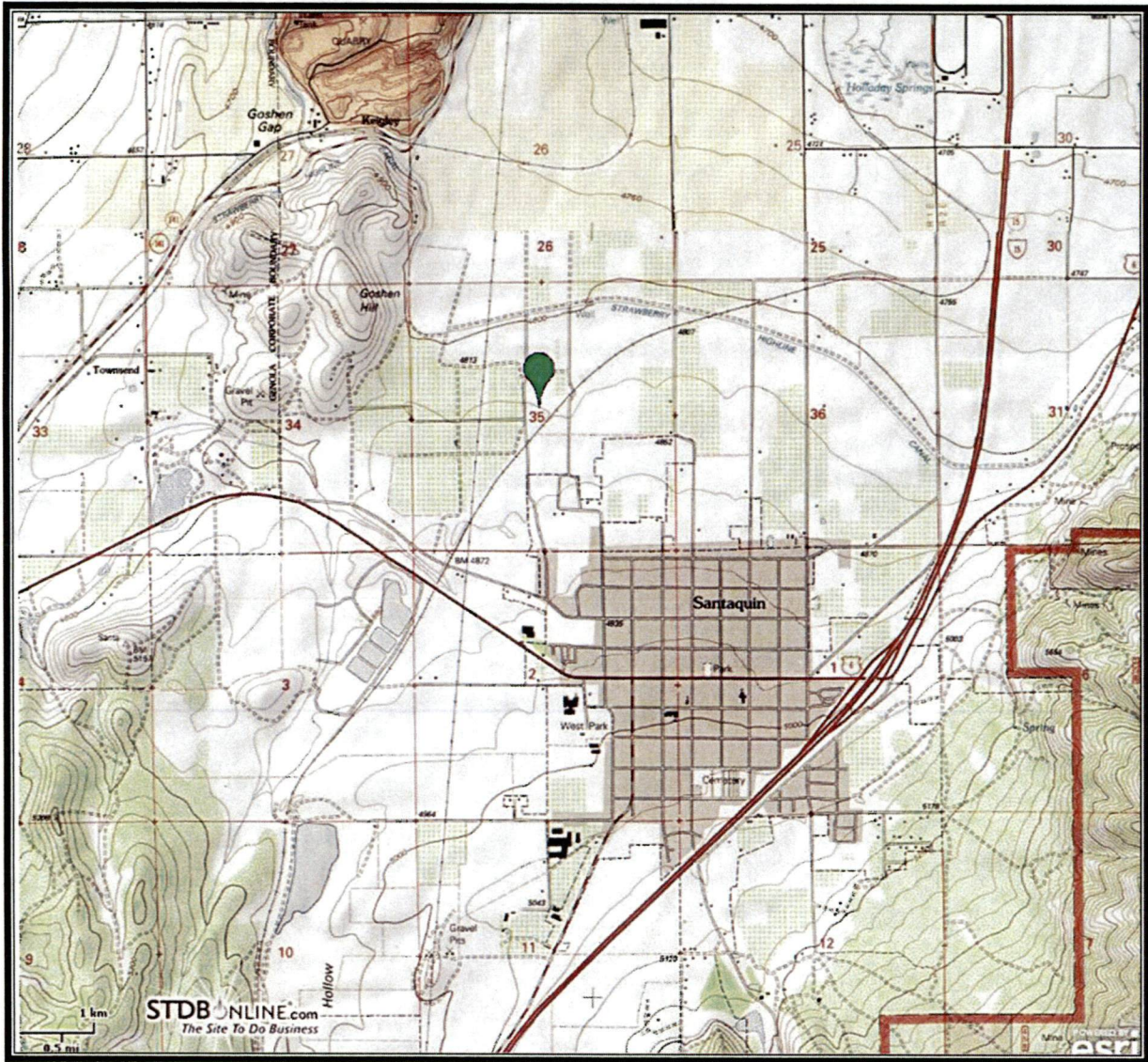
Personally appeared before me on the _____ day of _____, 2012 the signers of the above instrument, who duly acknowledged to me that they executed the same.

Notary Public _____

My commission expires _____

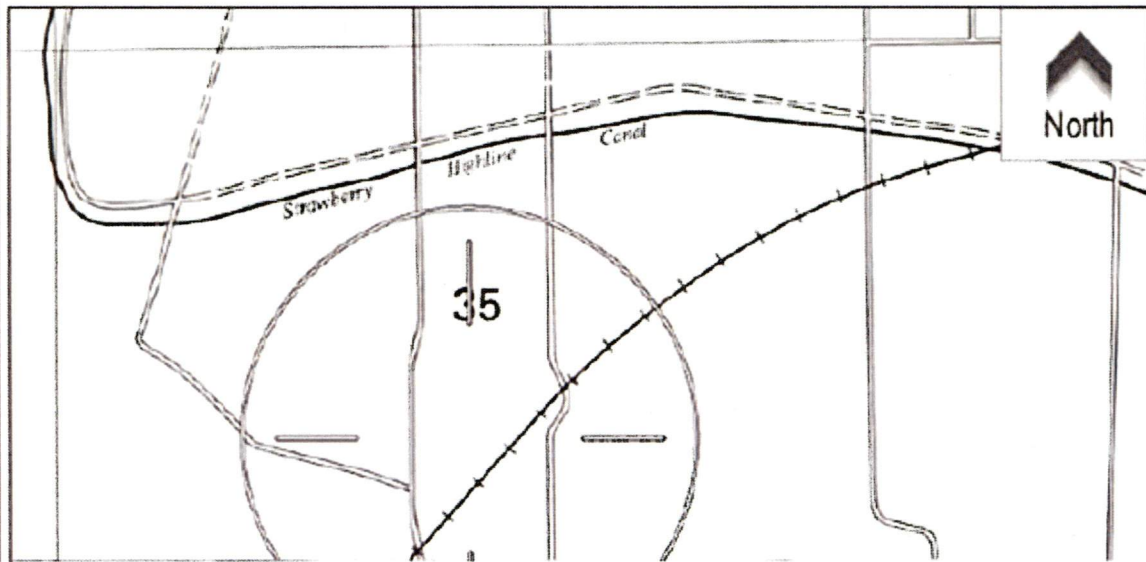
Residing in _____

TOPOGRAPHY MAP





PROPERTY ADDRESS:
Lat: 4864523.950327, Lon: -12445086.220187



FLOODSCAPE™

Flood Hazards Map

Map Number
4955170480A

Effective Date
October 15, 1982

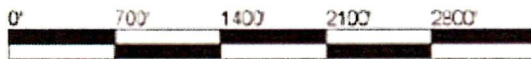
Flood Legend

- High flood risk
- Moderate flood risk
- Low flood risk

This report makes no representations or warranties concerning its content, accuracy or completeness.

STDBonline.com
489.574.1234

Powered by FloodSource
877.77.FLOOD
www.floodsource.com



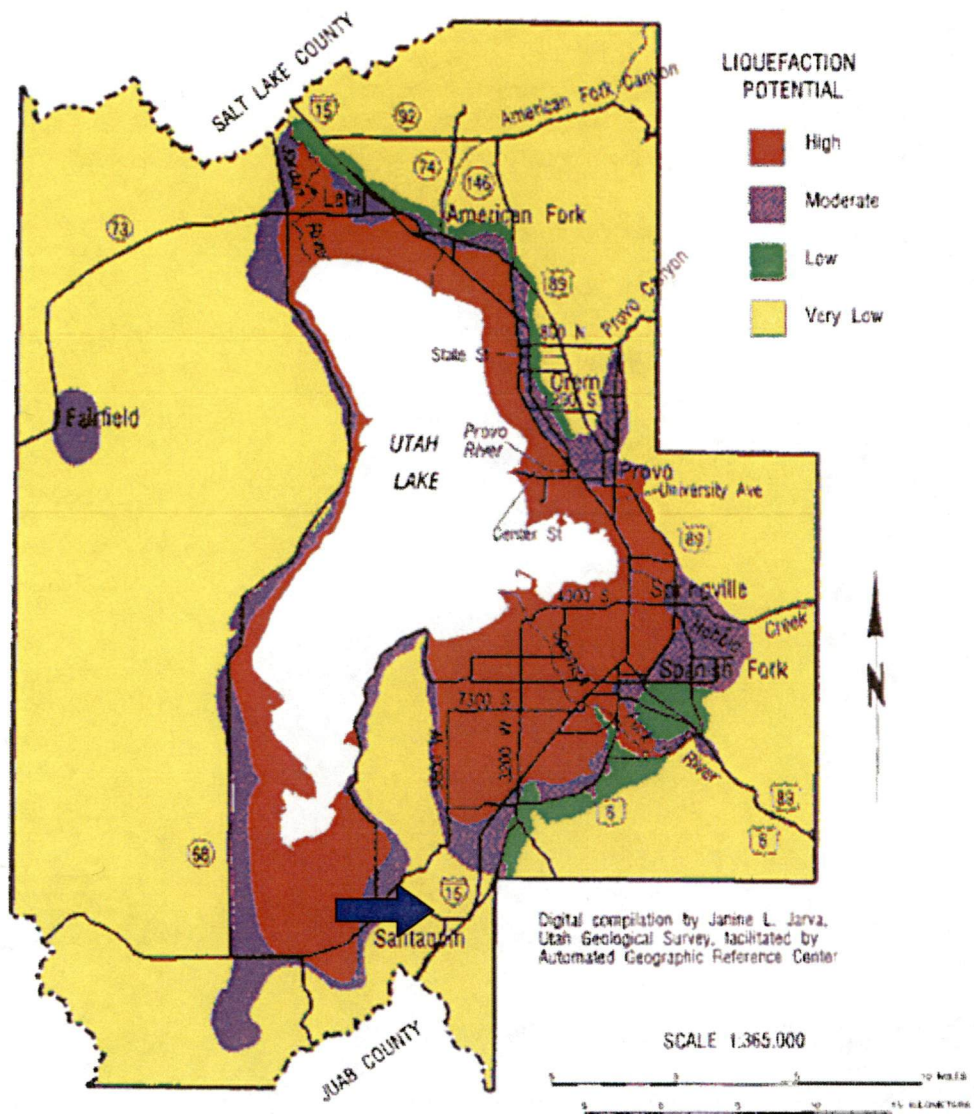
© 1999-2012 SourceProse Corporation. All rights reserved. Protected by U.S. Patent Numbers 6631326, 6679615, 6842658, and 7039681.

Earthquake Map

LIQUEFACTION-POTENTIAL MAP FOR A PART OF UTAH COUNTY, UTAH

UTAH GEOLOGICAL SURVEY
Public Information Series 28

August 1994



This map is for general reference only and was modified from Anderson, L.R., Keaton, J.R., and Biedhoff, J.E., 1994. Liquefaction potential map for Utah County, Utah: Utah Geological Survey Contract Report 94-3, 46 p., scale 1:48,000. Copies of this report are available at the Utah Geological Survey.

CHAPTER 5

REGULATIONS WITHIN ZONES

5-1: DECLARATION

It is hereby declared that the location, height, size of buildings and other structures, the percentage of lot which may be occupied, the size of yards, courts, and other open spaces, the uses of land, buildings and structures for trade, industry, residence, recreation, public activities, or other purposes are regulated as set forth in this ordinance.

5-2: RA-5 RESIDENTIAL AGRICULTURAL ZONE

A. DECLARATION OF LEGISLATIVE INTENT

The RA-5 Residential Agricultural Zone covers that portion of Utah County which historically has been irrigated land and utilized for the growing of crops and the raising of livestock. It includes that area of the county where the combination of soil quality, size of land parcel, availability and supply of water, and other natural and man-caused factors make the land most appropriately suited for agricultural use. Although the main thrust of the RA-5 zone is to protect the farming industry, certain non-farm uses and residences on lots large enough to preclude conflict with the surrounding farms are allowed in the zone.

It is hereby declared that the specific purposes and intent of the County Commission in establishing the RA-5 Residential Agricultural Zone are:

1. To take advantage of the powers and more fully implement the basic purposes for planning and zoning set forth in Utah Code Annotated 1953, as amended.
2. To preserve agricultural land.
3. To foster and protect agriculture from incompatible land uses.
4. To coordinate rural development in a way that is economical for the continuation of agriculture.
5. To encourage the cultivation of crops and the raising and keeping of livestock and related uses.
6. To promote the conservation of water, land, and other resources.
7. To maintain open space and agricultural areas near urban centers for the preservation of the environment.
8. To avoid public service costs which result from the remoteness of urban uses.

The specific regulations necessary for the accomplishment of the purposes outlined above are hereinafter set forth.

B. PERMITTED USES

The following shall be permitted in the RA-5 zone upon compliance with the standards and requirements as set forth in this ordinance:

1. The care and keeping of domestic livestock and fowl; and barns, stables, corrals, feed yards, pens, coops, other structures for the keeping of such livestock or fowl, and ancillary agricultural wastewater treatment lagoons, and systems, and related facilities when associated with an approved fowl or domestic livestock operation and when such agricultural wastewater treatment is approved by the State Department of Environmental Quality, Division of Water Quality, or approved by other federal or state regulatory agencies with specific jurisdiction for agriculture wastewater, subject to the provisions of chapter 3 of this land use ordinance.
2. The raising of mink, and similar fur bearing animals, and the pens and sheds used in the

- raising of such animals, subject to the provisions of chapter 3 of this land use ordinance.
3. The production of fruit and crops in the field, packing plants for fruit and vegetables, and office, restroom and shower facilities for such production of fruit and crops and packing plants.
 4. Agricultural structures for the storage and keeping of farm products and farm machinery.
 5. Buildings and facilities for the fabrication and portion control (killing, skinning, and meat cutting) of domestic livestock and poultry raised on the premise.
 6. Dairy farms, milking barns including an office, or an independent office structure on the same site as the dairy, for the exclusive use of the dairy operation, also restrooms, showers, and buildings and facilities for the processing and packaging of milk produced on the premise, subject to the provisions of chapter 3 of this land use ordinance.
 7. Apiaries and establishments for extracting and processing honey.
 8. Private dog kennels as an accessory use to the dwelling in which the owner of the kennel resides.
 9. Fish hatcheries for the raising of game fish or fish for human consumption.
 10. Plant and tree nurseries, greenhouses, and associated structures for the sale of plant stock grown on the premises.
 11. Incidental produce stands, and Farmers' Markets, subject to the provisions of chapter 3 of this land use ordinance.
 12. The boarding of horses within a structure or in the open field.
 13. Buildings and facilities for a licensed veterinarian engaged in the practice of treating domestic livestock.
 14. One-family dwellings and manufactured homes.
 15. Residential accessory structures, when located on the same parcel as the dwelling to which such structures are appurtenant.
 16. Family day-care and private preschools.
 17. Residential facilities for persons with a disability and residential facilities for elderly persons, subject to the provisions of chapter 3 of this land use ordinance.
 18. Home occupations, subject to the provisions of chapter 3 of this land use ordinance.
 19. Churches and other structures for religious worship, and churches with a parsonage.
 20. Public parks and public park facilities, public information structures and rest areas, and public historical monuments.
 21. Landscape parks.
 22. Man-made lakes, ponds, dams and other uncovered water impoundments if such are under ten (10) acre feet in capacity; and covered water tanks and reservoirs which do not extend over two (2) feet above natural grade.
 23. Marinas, subject to the provisions of chapter 3 of this land use ordinance.
 24. Fences, walls, and landscaping, subject to the provisions of chapter 3 of this land use ordinance.
 25. Signs, subject to the provisions of chapter 3 of this land use ordinance.
 26. A Cellular telephone, radio, television, or other microwave transmission facility which has a license from the Federal Communication Commission or its successor agency.
 27. Oil, gas, and water wells, and appurtenant pipelines, pumps and pump houses.
 28. Private roping and riding arenas that do not have lights.
 29. Windmills.
 30. Buildings and appurtenant grounds and facilities, when such are owned and occupied by a

governmental agency and used for one or more of the following:

- a. Fire and police stations, plus buildings housing ambulance and similar emergency service vehicles and equipment.
- b. Buildings and yards for the storage and upkeep of vehicles and equipment required for the maintenance and operation of roads, utility systems and other functions of a governmental entity.
- c. Office buildings housing the administrative and governmental activities of the agency; group assembly rooms; and post offices.

C. PERMITTED CONDITIONAL USES

In the RA-5 zone the following shall not be permitted by the Zoning Administrator unless approval of a conditional use has been authorized in accordance with this land use ordinance by the designated reviewing agency:

1. A man-made lake, pond, dam or other uncovered water reservoir over ten (10) acre feet in capacity, or a covered water tank or reservoir which extends over two (2) feet above natural grade, when such is found to be compatible with the surrounding neighborhood and approved by the Board of Adjustment as a conditional use according to the provisions of chapter 7 of this land use ordinance.
2. A residential treatment center which the Board of Adjustment has approved as a conditional use according to the provisions of chapters 3 and 7 of this land use ordinance.
3. A preschool, primary school, or secondary school, which the Board of Adjustment has approved as a conditional use according to the provisions of chapter 7 of this land use ordinance.
4. A nursing home which the Board of Adjustment has approved as a conditional use according to the provisions of chapter 7 of this land use ordinance.
5. Private roping and riding arenas with lights and all commercial roping and riding arenas, when approved by the Board of Adjustment as a conditional use according to the provisions of chapter 7 of this land use ordinance.
6. A hunting preserve or shotgun shooting range and incidental accessory structures, which the Board of Adjustment has approved as a conditional use according to the provisions of chapter 7 of this land use ordinance, subject to the applicant submitting a site plan and providing adequate evidence of safe setbacks, location, layout, noise reduction, and continuing management.
7. A helicopter pad, landing strip, flying field, or airport, including terminal and aircraft storage facilities, which the Board of Adjustment has approved as a conditional use according to the provisions of chapters 3 and 7 of this land use ordinance.
8. A landscape park recreational facility which the Board of Adjustment has approved within a landscape park and approved as a conditional use according to the provisions of chapters 3 and 7 of this land use ordinance.
9. A cemetery which has been approved as a conditional use by the Board of Adjustment according to the provisions of chapters 3 and 7 of this land use ordinance.
10. A planned subdivision which has been approved as a conditional use and plat approval by the County Commission according to the provisions of chapter 6 of this land use ordinance.
11. An agricultural accessory use for the production of value added agricultural products when approved by the Board of Adjustment as a conditional use, according to the provisions of chapter 7 of this land use ordinance, and when the Board finds that all of the following standards are met:

- a. The subject parcel of property shall be located in an Agriculture Protection Area.
 - b. The property shall not be less than five (5) acres in area.
 - c. The property owner shall designate the specific agricultural product for which the value added use is requested (the "Pre-Value Added Product"), and shall designate the value added agricultural product which will be produced (the "Value Added Product").
 - d. The area of the property used for the value added agricultural use shall not exceed two and one-half (2 ½) acres, and the area of the property devoted to the active agricultural production of the Pre-Value Added Product, shall not be less than fifty percent (50%) of the total area of the Property.
 - e. The Value Added Product shall contain not less than fifty percent (50%), by weight, of the Pre-Value Added Product, as determined when the Value Added Product leaves the Property.
 - f. Not less than fifty percent (50%) of the Pre-Value Added Product shall be grown or produced exclusively on the property, or on the property and on other property located in Utah County which (i) either has identical ownership as the property or is leased by a lessee which is identical to the ownership of the property, (ii) has a direct relationship to the total agricultural enterprise, (iii) makes a significant contribution to the total production of the agricultural enterprise, and (iv) is assessed under the Farmland Assessment Act, U.C.A. 1953, as amended; provided that this fifty percent (50%) production requirement shall be determined by the production of each consecutive two(2) year period.
 - g. The Board of Adjustment may establish the maximum daily hours of operation of the agricultural accessory use, the permitted days of operation, the maximum noise levels as measured at any boundary of the Property, the maximum number and size of transport vehicles, required buffers, or visual barriers, dust control measures, odor control measures, traffic and road usage restrictions, and other items deemed appropriate by the Board of Adjustment to mitigate public health and safety concerns, and such other items to address the standards of chapter 7 of this land use ordinance.
 - h. Value added production processes which include the rendering of any animal, or animal product, shall not be permitted.
 - i. The value added use shall be found to be compatible with both the existing residential uses and the potential future residential uses in the zone.
 - j. Only the designated and approved Value-Added Product shall be produced.
12. A livestock auction yard including livestock pens, auction facilities and structures, and public and livestock transport parking, for the sale of domestic livestock only, which has been approved by the Board of Adjustment as a conditional use, according to the provisions of chapter 7 of this land use ordinance.
 13. Commercial dog kennels as an accessory use to the dwelling in which the owner of the kennel resides, when approved by the Board of Adjustment as a conditional use according to the provisions of chapter 7 of this land use ordinance.
- D. AREA REQUIREMENTS
- The minimum area of a zoning lot within the RA-5 zone shall be as follows:
1. Each one-family dwelling, manufactured home, family day-care residential facility for persons with a disability, residential facility for elderly persons, nursing home, residential treatment center, planned subdivision, preschool, primary school, secondary school, landscape park, livestock auction yard, or and riding arenas, shall be on a lot containing at

least five (5) acres of land.

2. Each church or other structure for religious worship shall be located on a lot containing at least two and one-half (2 ½) acres of land; each church with a parsonage shall be on a lot containing at least five (5) acres of land.
3. Each private or commercial dog kennel shall be on a parcel with a minimum area of ten (10) acres and on the same parcel as the dwelling to which it is accessory.
4. For other permitted structures and uses, there shall be no minimum area requirement except as may be necessary to meet the other provisions of this land use ordinance.

E. WIDTH REQUIREMENTS

The minimum width of a zoning lot within the RA-5 zone shall be as follows:

1. For each one-family dwelling, manufactured home, family day-care residential facility for persons with a disability, residential facility for elderly persons, nursing home, residential treatment center, preschool, primary school, secondary school, landscape park, roping and riding arena, or livestock auction yard, the minimum width of the lot at any point between the frontage and the structure shall be two hundred fifty (250) feet.
2. For each church or other structure for public worship, or church with a parsonage, the minimum width of the lot at any point between the frontage and the structure shall be two hundred fifty (250) feet.
3. For other permitted uses and structures, there shall be no minimum width requirement, except as may be necessary to meet the other provisions of this land use ordinance.

F. LOCATION REQUIREMENTS

The minimum location requirements within the RA-5 zone shall be as follows:

1. Front Setback

All buildings and structures, other than certain public facilities, landscaping features and fences which meet the standards of chapter 3 of this land use ordinance, shall have a front setback of at least thirty (30) feet, unless a greater setback is required by chapter 3 of this land use ordinance.

2. Side and Rear Setback

All buildings and structures, other than landscaping features and fences which meet the standards of chapter 3 of this land use ordinance, shall have a side and rear setback of at least fifteen (15) feet, unless a greater setback is required by chapter 3 of this land use ordinance or by adopted building and fire codes.

G. HEIGHT REQUIREMENTS

The height requirements within the RA-5 Zone shall be as follows:

1. The maximum permissible height of any structure shall be forty (40) feet as determined by the currently adopted building construction codes of Utah County or by any future edition of these codes that may be adopted.

Exception 1: An antenna of a "stealth telecommunications transmission facility" which is attached to an existing pole of an electrical (or other utility) line (or placed on a replacement pole therein) may exceed the initial elevation of such pole by no more than 10 feet.

Exception 2: For large scale utility line structures, there shall be no maximum height.

Exception 3: The maximum height for windmills shall be 55 feet measured from finished grade to the highest point of the windmill blade.

Exception 4: Otherwise, a height in excess of 40 feet, if for unoccupied structures, may be approved by the Board of Adjustment as a conditional use granted according to the terms of

chapter 7 of this land use ordinance.

Note: The provisions of the APO Airport Overlay Zone, setback standards, or other provisions of the ordinance may result in a lesser height than that stated above.

H. DWELLING SIZE AND PATTERN

For any one-family dwelling, manufactured home, or other building containing a dwelling unit permitted in the zone:

1. The combined minimum habitable floor area of a dwelling's ground level story and any habitable stories above the ground level shall be not less than eleven-hundred (1100) square feet, excluding basements, crawl spaces, decks, patios, garages, unoccupied areas and non-habitable areas. For the purposes of this section, a story is deemed to be "ground level" or above if half or more of the distance between the floor and ceiling is elevated above the average grade of the ground surrounding the building. A "basement" is a story with half or more of the distance between the floor and ceiling below such average grade.

I. SPECIAL REQUIREMENTS

1. The yards around buildings shall be kept free of debris, refuse, weeds, and other flammable material which may constitute a fire or health hazard.
2. No building site, street, driveway, or other cut or fill shall be made so the side slopes exceed the critical angle of repose of the soil unless engineered retaining structures are approved and constructed.
3. The grade of driveways which serve a dwelling unit or other occupied structure shall not exceed twelve (12) percent.

J. SUPPLEMENTARY REGULATIONS

Uses within this zone shall also comply with the applicable requirements set forth in Chapter 3, entitled Supplementary Requirements and Procedures Applicable Within Zones and all other provisions of this land use ordinance.

EXHIBIT B
EASEMENT

COPY

When recorded, mail to:
Santaquin City Recorder
275 W MAIN STREET
Santaquin, UT 84655

PERPETUAL RIGHT-OF-WAY AND EASEMENT

KNOW ALL MEN BY THESE PRESENTS:

That in consideration of One Dollar and other good and valuable consideration paid to **FRED OPENSHAW** hereinafter referred to as **GRANTOR**, by **SANTAQUIN CITY CORPORATION**, hereinafter referred to as **GRANTEE**, the receipt of which is hereby acknowledged, the **GRANTOR**, does hereby grant unto the **GRANTEE**, its successors and assigns, a perpetual easement over, across, under and through land of the **GRANTOR**, which land is known as parcel number 29:037:0039 and parcel number 29:039:0007 at the office of the Utah County Recorder, which land is situate in Utah County, State of Utah, which easement thereon is described more particularly as:

A perpetual easement, upon part of an entire tract of property which is described as Parcel 2 in Warranty Deed Entry 7685, in Book 391, at Pages 124-125 dated 7/20/1943, which easement is also upon part of an entire tract of property described in that certain Court Order Entry 46101:2002 dated 4/24/2002 on the records of the Utah County Recorder, which tracts are situate in the Southwest Quarter of the Northeast Quarter, the Northwest Quarter of the Southeast Quarter and the Northeast Quarter of the Southwest Quarter of Section 35, Township 9 South, Range 1 East, Salt Lake Base and Meridian, which easement is described as follows:

Beginning at a point on a fence line which is on the north boundary of an entire tract of property described as Parcel 5 in Warranty Deed Entry 20462, in Book 4218, at Pages 774-778 dated 3/19/1997 on the records of the Utah County Recorder, which point is North 00°29'57" West 2,177.29 feet along the quarter section line and South 89°30'03" West 213.83 feet from the South Quarter Corner of said Section 35 (*Basis of bearings: The line between the South Quarter Corner of Section 35 and the North Quarter Corner of Section 35, Township 9 South, Range 1 East, Salt Lake Base and Meridian bears North 00°29'57" West*); thence North 89°37'32" West 33.06 feet (*North 89°18'30" West by record*) along said north boundary to a fence line on the southeasterly railroad right-of-way, thence North 41°14'36" East 647.85 feet along said railroad right-of-way to a point on the north line of the Northwest Quarter of the Southeast Quarter of said Section 35; thence North 41°14'36" East 23.35 feet to the northerly projection of the westerly boundary of Apple Cove Plat "C" subdivision according to the official plat thereof, recorded as Entry 104329:2007, Map No. 12372 of plats; thence the following three (3) courses which are along the boundaries of said Apple Cove Plat "C"; (1) South 00°29'57" East 18.00 feet (*South 00°29'21" East 16.58 feet by plat*); (2) South 89°09'30" West 11.43 feet (*South 89°10'06" West by plat*); (3) South 00°06'36" East 32.54 feet (*South 00°06'00" East by plat*); thence South 41°14'36" West 604.05 feet to the point of beginning along a line which is parallel with and 25.00 feet perpendicularly distant southeasterly from said southeasterly railroad right-of-way.

The above described easement contains 15,860 square feet or 0.364 acre in area, more or less.

The premises may partially or completely lie within GRANTOR'S property. The perpetual easement shall be 25 feet in width. In the event that the facilities to be constructed in the premises cannot be located within the premises, the legal description shall be modified and an amendment to this easement shall be executed by the parties.

Sheet B

COPY

TO HAVE AND TO HOLD the same unto the GRANTEE, its successors and assigns as follows:

A perpetual easement with the right to use, operate, inspect, repair, maintain, replace, and remove pipelines, manholes, valves, valve boxes, cleanouts, and other similar structures and appurtenances (facilities) over, across, under and through the premises.

So long as such facilities shall be maintained, with the right of ingress and egress to and from said right-of-way for the purpose described in the construction and perpetual easements. During temporary periods, the GRANTEE may use such portion of the property along and adjacent to said right-of-way as may be reasonably necessary in connection with construction, maintenance, repair, removal or replacement of the facilities. The GRANTEE shall notify GRANTOR prior to entering the Premises for purposes of the initial construction and shall not construct facilities during the growing season in such a way as to unreasonably interfere with the ingress and egress of the GRANTOR for farming purposes for which this right-of-way and easement is granted to the GRANTEE provided such use does not interfere with the facilities or any other rights granted to the GRANTEE hereunder.

GRANTEE as a condition of the granting of the easements shall pay damages, restore or replace in kind, at GRANTEE'S discretion and at GRANTEE'S expense, fences, crops, underground pipes, and other improvements in the event such are damaged by the construction, maintenance, repair, replacement, or removal of the facilities.

The GRANTOR shall not build or construct, nor permit to be built or constructed, any building or other similar improvement over, across, or under said right-of-way, nor change the contour thereof without written consent of the GRANTEE. This right-of-way grant shall be binding upon GRANTOR, its successors and assigns, and shall insure to the benefit of GRANTEE, its successors and assigns, and may be assigned in whole or in part by the GRANTEE.

IN WITNESS WHEREOF, the GRANTOR has executed this instrument this 29th day of October, 2012

Fred K. Oprea

OF UTAH)
COUNTY OF DECATUR) :SS.

Personally appeared before me on the 29th day of October, 2012 the signers of the above instrument, who duly acknowledged to me that they executed the same.

Notary Public *Edith Linda Midgley*
My commission expires 07/13/2014
Residing in Santaquin, Utah





COPY

Receipt of Financial Donation

October 29, 2012

This letter represents a receipt of financial donation from Dr. Fred H C Openshaw in the amount of Twenty-one Thousand One Hundred Fifty Dollars (\$21,150.00) to Santaquin City, Inc., a political subdivision of the State of Utah, for the purpose installing an 18" Sewer Main pursuant to the terms described in an Easement Agreement between said parties dated October 29, 2012.

Respectfully,

Benjamin A. Reeves
Santaquin City Manager/Treasurer

10/31/2012 \$40,000.00

Forty Thousand Dollars

DR. FRED H. C. OPENSHAW

Vendor: DR. FRED H. C. OPENSHAW
Vendor No:

Check Number: 59423
Paid Date: 10/31/2012

| <u>Date</u> | <u>Invoice No.</u> | <u>Amount</u> |
|-------------|--------------------|---------------|
| 10/31/2012 | 10-31-2012 | 40,000.00 |

| <u>Date</u> | <u>Invoice No.</u> | <u>Amount</u> |
|-------------|--------------------|---------------|
|-------------|--------------------|---------------|

Total Amount: \$40,000.00

Vendor: DR. FRED H. C. OPENSHAW
Vendor No:

Check Number: 59423
Paid Date: 10/31/2012

| <u>Date</u> | <u>Invoice No.</u> | <u>Amount</u> |
|-------------|--------------------|---------------|
| 10/31/2012 | 10-31-2012 | 40,000.00 |

| <u>Date</u> | <u>Invoice No.</u> | <u>Amount</u> |
|-------------|--------------------|---------------|
|-------------|--------------------|---------------|

Total Amount: \$40,000.00