AN APPRAISAL REPORT OF A
±6.43 ACRE TRACT OF COMMERCIAL LAND

PROPERTY OWNED BY
SOUTH JORDAN CITY

LOCATED AT
±11650 SOUTH 4000 WEST
SOUTH JORDAN, UTAH

PREPARED FOR
SOUTH JORDAN CITY
c/o Mr. Don Tingey
Strategic Services Director
1600 West Towne Center Drive
South Jordan, Utah 84095

BY
KENDALL S. MITCHELL
CERTIFIED GENERAL APPRAISER

DATE OF INSPECTION
JULY 8, 2014

DATE OF VALUATION – AS IS
JULY 8, 2014

DATE OF THE REPORT
JULY 11, 2014

VAN DRIMMELEN & ASSOCIATES, INC.
REAL ESTATE APPRAISERS | CONSULTANTS

July 11, 2014

Mr. Don Tingey
Strategic Services Director
1600 West Towne Center Drive
South Jordan, Utah 84095

Re: An Appraisal Report of a ±6.43 acre tract of commercial land, located on the east side of 4000 West at ±11650 South, South Jordan, Utah. Appraisal File# 1124km0714.

Dear Mr. Tingey:

At your request, I have prepared an Appraisal Report addressing the market value – As Is of the fee simple estate of the above referenced property. This was done to formulate an opinion of the market value of the fee simple interest for internal decision making purposes by the client.

The results of the appraisal have been prepared as an Appraisal Report, which is intended to comply with the reporting requirements set forth under Standards Rule 2-2(a) of USPAP. As per prior agreement with the client and scope of work, this report presents only summary discussions of the data, reasoning, and analyses that were used in the appraisal process to develop an opinion of market value. Supporting documentation is retained in the appraiser's file. The depth of discussion contained in this report is specific to the needs of the client.

Finally, this appraisal report conforms with and is subject to the 2014-2015 Uniform Standards of Professional appraisal Practice (USPAP), the Code of Professional Ethics, and the Standards of Professional Appraisal Practice of the Appraisal Institute of the Appraisal Foundation and Code of Professional Ethics. The use of this appraisal report, by the client or by a third party, will mean acceptance of all assumptions and limiting conditions contained in the Letter of Transmittal, Preface, and attached report. The appraiser is not responsible for unauthorized use of this report.

The subject consists of a ±6.43 acre tract of commercial land located on the east side of 4000 West at ±11650 South in South Jordan. The subject is a smaller portion of Salt Lake County parcel number 27-20-352-001 and is under the recorded ownership of South Jordan City. The property is vacant land only and is part of a larger commercial development known as Oquirrh Mountain Market. A Sprouts grocery store is currently under construction adjacent north and the immediate area in general appears to be in a state of re-development and transition.

As per the instructions of the client and the scope of work agreement, this appraisal and the concluded market values contained herein are based on the following specific extraordinary assumptions:

- Reportedly, there has been significant local resistance to the development plan that was originally proposed, which included a large amount of multi-family/high density housing. South Jordan City (SJC) officials report that assumed control of the property to avoid high-density residential development and the City intends to re-zone the subject lot from A-5/VMU to office uses in the very near future. A PO zone is therefore assumed herein. Thus, an extraordinary assumption is necessary that this information is correct, and that the subject will be zoned for office uses in the near future. The concluded market values contained herein are based on the assumed PO zone for the property.

- South Jordan City will reportedly install, at their expense, street improvements including curb, gutter, sidewalk, landscaped parking strip and potential roadway widening/extension along the frontage. Additionally, the City will install a large retention pond adjacent to the east (excluded from this appraisal) that will be utilized by the entire project area. An extraordinary assumption is made that these site/street improvements will occur as reported.

In summary, this concluded market value(s) contained herein are based on the extraordinary assumptions that the subject is/will be zoned for office uses and is/will be further improved with all necessary street improvements, including curb, gutter and sidewalk.

As demonstrated within the attached appraisal report, I am of the opinion that the Market Value - As Is, of the fee simple interest (as defined in the attached Report and subject to the definitions, certifications, extraordinary assumptions and limited conditions set forth in the attached Report), as of July 8, 2014, is:

TWO MILLION FOUR HUNDRED FIFTY THOUSAND DOLLARS
($2,450,000)

Based on current market conditions and available market data, it would appear that the subject property – As Is - if properly marketed would need an exposure time of six to twelve months. Likewise, being properly marketed, the subject could be likely sold within a 12-month period from the date of this appraisal.

Mr. Tingey
July 11, 2014
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This report has been prepared primarily for your use. As is customary in assignments of this nature, neither my name, my company name, nor the material submitted may be included in any prospectus, in newspaper publicity, or as part of any printed material; or used in offerings or representations with the sale of securities or participation interests to the public.

The value given is subject to the general assumptions and limiting conditions, and specific extraordinary assumptions stated in the attached report. It is important that the reader(s) of this report review and understand all general and specific assumptions and limiting conditions. This letter must remain attached to the report in order for the value opinion set forth to be considered valid. The effective date of value is July 8, 2014. The date of the report is July 11, 2014.

Your attention is invited to the attached appraisal report, which outlines in detail the data collected and the methods used to formulate an opinion of the market value of the above-indicated interest on the above-described property. Please do not hesitate to contact me with any questions concerning the information contained herein. I can be reached at 801-483-3000.

Respectfully submitted,

Kendall S. Mitchell, Appraiser

Utah State Certified General Appraiser
Certificate #5499685-CG00, Expires 4-30-16

Appraisal Report Preface

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Certification

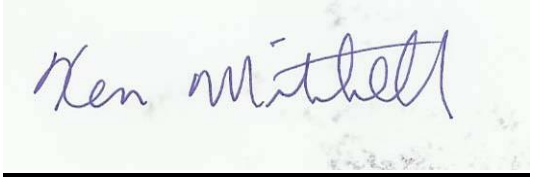
Re: An Appraisal Report of a ±6.43 acre tract of commercial land, located on the east side of 4000 West at ±11650 South, South Jordan, Utah. Appraisal File# 1124km0714.

I certify that to the best of my knowledge and belief:

1. The statements of fact contained in this report are true and correct.
2. The reported analysis, opinions and conclusions are limited only by the reported assumptions and limiting conditions and is my personal, impartial, and unbiased professional analyses, opinions and conclusions.
3. I have no present or prospective interest in the property appraised that is the subject of this report, and no personal interest with respect to the parties involved.
4. I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
5. I have not appraised or provided other professional services related to the subject property within the last three (3) years.
6. My engagement in this assignment was not contingent upon developing or reporting predetermined results.
7. My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
8. The reported analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics & Standards of Professional Appraisal Practice of the Appraisal Institute, which include the *Uniform Standards of Professional Appraisal Practice* (USPAP).
9. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
10. This appraisal assignment was not based on a requested minimum valuation, a specific valuation, or the approval of a loan.
11. Kendall S. Mitchell has made a personal inspection of the property that is the subject of this report.
12. No other individuals not named in the report provided significant professional assistance to the person(s) signing the report.
13. I have complied with the Appraisal Standards of USPAP and the Appraisal Institute in conducting the research and analysis, and in formulating the value conclusion(s) contained in this report.
14. The Ethics Rule of the Uniform Standards shall be enforced solely by enforcement of the Code of Professional Ethics under the existing enforcement procedures of the Appraisal Institute.

15. As of the date of this report, Kendall S. Mitchell is licensed by the State of Utah, Department of Commerce, Division of Real Estate. Under the state's licensing regulations, Kendall S. Mitchell is a Certified General Appraiser and his license has not been revoked, suspended, canceled, or restricted.
16. The undersigned hereby acknowledge that they have the appropriate education and experience to complete the assignment in a competent manner. The reader is referred to the appraiser's statements of qualifications found in the addendum of this report.

Dated: July 11, 2014



Kendall S. Mitchell

Utah State Certified General Appraiser
Certificate #5499685-CG00, Expires 04-30-16

ASSUMPTIONS AND LIMITING CONDITIONS

1. This is an Appraisal Report which is intended to comply with the reporting requirements set forth under Standard Rule 2-2(a) of the Uniform Standards of Professional Appraisal Practice for a Summary Appraisal Report. As such, it includes detailed 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 included within the report. The information contained in this report is specific to the needs of the client and for the intended use stated in this report. The appraisers are not responsible for any unauthorized use of this report.

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

3. A Phase I environmental assessment was not made available to the appraisers. It is therefore assumed that soil conditions are adequate to support standard construction consistent with highest and best use.

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

5. The appraisers assume no responsibility for economic or physical factors which may affect the opinions in this report which occur after the valuation date.

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

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

8. A Schedule A commitment for title insurance was not provided. We assume no responsibility for such items of record not disclosed by customary investigation.

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

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

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

ASSUMPTIONS AND LIMITING CONDITIONS, Continued

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

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

14. An engineering survey has not been made by the appraisers. Except as specifically stated, data relative to size and area was taken from sources considered reliable and no encroachment of real property improvements is considered to exist.

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

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

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

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

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

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

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

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

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

ASSUMPTIONS AND LIMITING CONDITIONS, Continued

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

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

CONSIDERATION OF HAZARDOUS SUBSTANCES IN THE APPRAISAL PROCESS

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

AMERICANS WITH DISABILITIES ACT

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

EXTRAORDINARY ASSUMPTIONS, LIMITING CONDITIONS, AND HYPOTHETICAL CONDITIONS

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

2. This report has been prepared during the month(s) of July of 2014. The last several years have been characterized by below average economic conditions and declining property values since 2007. The indicated value is based on current market conditions as of the time the report was prepared. The appraisers cannot be held responsible for unforeseeable events that alter market conditions subsequent to the effective date of the appraisal.

3. An extraordinary assumption is made that the information received from the current owner, any prospective buyer, listing broker and the client concerning the history of the property, and all other pertinent information received and that has been relied on to formulate an opinion of market value are true and correct. This would also include city and county officials.

4. In the future, the demand for real estate will be largely influenced by economic conditions and interest rates. The value shown in this report assumes that demand will be relatively steady over the next several years and that interest rates will not rise dramatically. If economic conditions weaken or decline and/or interest rates rise significantly, the value shown in this report would likely decrease.

5. SJC officials report that at least two (2) access points will be assigned to the subject property. This analysis is based on the extraordinary assumption that the subject has legal and adequate access from 4000 West Street and could be legally developed commercially.

6. Reportedly, there has been significant local resistance to the development plan that was originally proposed, which included a large amount of multi-family/high density housing. South Jordan City (SJC) officials report that assumed control of the property to avoid high-density residential development and the City intends to re-zone the subject lot from A-5/VMU to office uses in the very near future. A PO zone is assumed. An extraordinary assumption is therefore necessary that this information is correct, and that the subject will be zoned for office uses in the near future. The concluded market values contained herein are based on the assumed PO zone for the property.

7. South Jordan City will reportedly install, at their expense, street improvements including curb, gutter, sidewalk, landscaped parking strip, fire hydrants and potential roadway widening/extension along the frontage. Additionally, the City will install a large retention pond adjacent to the east (excluded from this appraisal) that will be utilized by the entire project area. An extraordinary assumption is made that these site/street improvements will occur as reported.

Executive Summary

Type of Property Appraised	A ±6.43 acre tract of commercial land.
Location/Address	±11650 South 4000 West South Jordan, Utah
Purpose of the Appraisal	Provide an opinion of market value - As Is.
Property Rights Appraised	Fee simple
Owner(s) of Record	South Jordan City
Parcel Number(s)	27-20-352-001 (portion of)
Land Size(s)	±6.43 acres, or ±280,092 square feet (total)
Area Data Summary	Apparent stabilizing economic base, modestly expanding population, stabilizing unemployment and improving/stabilizing property values and real estate investment.
Neighborhood Summary	The subject neighborhood is located within the jurisdiction of South Jordan within Salt Lake County. Demand factors affecting real estate are considered to be average. The potential for additional growth is rated as average.
Site Summary	
Location	East side of 4000 West at ±11650 South in South Jordan, Utah
Land Size	±6.43 acres, or ±280,092 square feet
Shape/Topography	Rectangular/level
Frontage	±839 linear feet along 4000 West (See Plat Map)

Executive Summary (cont'd)

Flood Zoning	X[1] (Panel # 49035C0436G, September 25, 2009)
Adverse Site Conditions	None noted.
Zoning	A-5 (Agricultural) (current) VMU (Village Mixed Use - master plan) PO (Professional Office - assumed)
Highest and Best Use	
As Vacant	office development as demand is manifest
As Improved	N/A - Vacant land only.
Reconciled Market Values	
As Is	**$2,450,000**
Per Unit	**$8.75 per square foot**
Date of Inspection	July 8, 2014
Dates of Valuation	
As Is	July 8, 2014
Date of the Report	July 11, 2014
Exposure Time	Estimated at six to twelve months.
Marketability of the Subject	The subject property is considered marketable and the marketing time is estimated to be within an 12-month period.

[1] X - Area outside the 500-year flood plain.

Subject Photographs

Subject Looking East from SWC

Subject Looking Northeasterly from SWC

Subject Looking Easterly from NWC

Subject Looking South from NWC

Street Scene: 4000 West Street Looking South

Street Scene: 4000 West Street Looking North

Factual Information

Introduction

Client	Mr. Don Tingey Strategic Services Director South Jordan City 1600 West Towne Center Drive South Jordan, Utah 84095
Appraisers	Kendall S. Mitchell Utah State Certified General Appraiser Van Drimmelen & Associates, Inc. 774 East 2100 South Salt Lake City, Utah 84106
Subject	±6.43 acre tract of commercial land.

Purpose of the Appraisal

The purpose of this appraisal is to provide an opinion of market value - As Is of the fee simple interest. Market value is defined by the Rules and Regulations, Federal Register, as follows.

- Definition of Market Value. The market value of the property rights appraised is defined as follows:

  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 the seller to buyer under conditions whereby:

  A. buyer and seller are typically motivated;
  B. both parties are well informed or well advised, and acting in what they consider their own best interest;
  C. a reasonable time is allowed for exposure in the open market;
  D. payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
  E. 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.[2]

2 Definition of "Market" Value - "Market Value" as defined in the Rules and Regulations, Federal Register, Vol. 55, No. 165, page 34696, as of Friday August 24, 1990, Rules and Regulations, 12 CFR Part 34.42(f).

The foregoing definition stipulates that value reflect cash or cash equivalent terms. The following elaborates on the concept of cash equivalency.

- Definition of Cash Equivalency

  In applying this definition of market value, adjustments to the comparables must be made for special or creative financing or sales concessions. No adjustments are necessary for those costs that are normally paid by sellers as a result of tradition or law in a market area; these costs are readily identifiable since the seller pays these costs in virtually all sales transactions. Special or creative financing adjustments can be made to the comparable property by comparison to financing terms offered by a third party financial institution that is not already involved in the property or transaction. Any adjustment should not be calculated on a mechanical dollar for dollar cost of the financing or concession, but the dollar amount of any adjustment should approximate the market's reaction to the financing or concessions based on the appraiser's judgment.[3]

Other general appraisal definitions that may be used within the narrative of the report are defined as follows:

DEFINITIONS:

- Definition of Highest and Best Use

  "The highest and most profitable use for which the property is adaptable and needed or likely to be needed in the reasonable near future…" [4]

- Definition of Extraordinary Assumption

  An assumption, directly related to a specific assignment, as of the effective date of the assignment results, which, if found to be false, could alter the appraiser's opinions or conclusions.

  Comment: Extraordinary assumptions presume as fact otherwise uncertain information about physical, legal, or economic characteristics of the subject property; or about conditions external to the property such as market conditions or trends; or about the integrity of data used in an analysis.[5]

- Definition of Hypothetical Condition

3 Federal National Mortgage Association (FNMA) and the Federal Home Loan Mortgage Corporation (FHLMC).

4 Uniform Standards for Federal Land Acquisitions, 3rd Edition, 2000.

5 Uniform Standards of Professional Appraisal Practice (USPAP), The Appraisal Foundation, 2012-2012 Edition.

A condition, directly related to a specific appraisal assignment, which is contrary to what is know by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis.

Comment: Hypothetical conditions are contrary to known facts about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis.[6]

- Definition of Jurisdictional Exception

An assignment condition established by applicable law or regulation, which precludes an appraiser from complying with a part of USPAP. [7]

[6] IBID
[7] IBID

Intended User/Use of the Report

Reportedly, this appraisal will be used by the South Jordan City, the user/client, for internal decision making purposes. Use of this appraisal by any other persons not named in the report for mortgage lending/collateral or other purposes is prohibited as dictated by State and Federal law.

Property Rights/Interest(s) Appraised

The property rights/interest appraised is the fee simple estate. The fee simple estate is defined below.

- Definition of 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. [8]

Effective Date(s) of Valuation

The property was inspected on July 8, 2014, which is the effective valuation date for the subject "As Is". The report was finalized and printed on July 11, 2014.

8 The Dictionary of Real Estate Appraisal, (fifth edition); The appraisal Institute, Chicago, Illinois, 2010.

Personal Property, Fixtures, and Intangible Items

No personal property, equipment, fixtures, or intangible items are included in the appraised value.

Subject Status Appraised

As per the client's request, the subject is valued in its As Is condition as of the date of inspection. This is defined as follows:

- Definition of Value "As Is"

  The value of specific ownership rights to an identified parcel of real estate as of the effective date of the appraisal; relates to what physically exists and is legally permissible and excludes all assumptions concerning hypothetical market conditions or possible rezoning. [9]

Scope/Appraisal Development And Reporting Process

The report has been prepared in compliance with reporting requirements established by USPAP and Federal Regulations appraisal guidelines. This report contains summary discussions of the appraiser's data, analyses and conclusions. Supporting documentation is included within the appraiser's work file.

Salt Lake County parcel number 27-20-352-001 is ±9.28 acres in size, and includes land area along the east border that will be improved by South Jordan City with a large retention basin that will serve the entire Oquirrh Mountain Market project. As per the instruction of the client, the area of the storm water retention basin is excluded from this analysis leaving a net remainder land size of ±6.43 acres.

The Cost Approach is not an applicable approach for the valuation of vacant land and insufficient land lease data is available for the development of the Income Approach.

9 IBID.

Therefore, these two approaches are not applicable and the Income and/or Cost Approaches have not been completed herein. Thus, the market value estimate of the appraised property is based on the traditional approach to land value, namely the sales comparison approach. In preparing this appraisal, the following steps were taken:

- Inspected the subject neighborhood, site, and any site improvements;
- Gathered information on comparable land sales;
- Confirmed and analyzed the data and applied the Sales Comparison Approach in estimating land value – As Is.

To formulate the opinion of value the appraisers performed an appraisal as defined by the Appraisal Foundation's Uniform Standards of Professional Appraisal Practice.[10] The report has been prepared in compliance with reporting requirements established by USPAP and Federal Regulations. This Appraisal Report is a summary recapitulation of the appraiser's data, analyses and conclusions. Supporting documentation is retained in the appraiser's files.

The local real estate market was surveyed in order to obtain comparable market data and current supply and demand factors. Various government employees were interviewed regarding zoning, flood plain, ownership, etc. The subject was also discussed with the owners, developers, city officials and real estate brokers. Utah is a nondisclosure state in that sale prices are not reported to a governing agency when recorded. All comparable data used in this report were confirmed with the buyer, the seller, the broker, or other persons with firsthand knowledge of the transaction.

A highest and best use analysis is completed which indicates that the highest and best use is for office development. The neighborhood and immediate areas were canvassed to locate comparable land sales. Multiple land sales within the South Jordan and surrounding areas in Salt Lake County were gathered from various real estate agents, brokers, and data base services for a comparative analysis. The data were used to complete the sales comparison method of valuation. The values shown by this

10 Uniform Standards of Professional Appraisal Practice, Appraisal Foundation, 2012-2013 Edition.

approach were reconciled to provide the client with an estimate of market value for the property. No other individuals not named in the report provided significant professional assistance to the person(s) signing the report.

Identification Of Property

Address	±11650 South 4000 West South Jordan, Utah.
Location	East side of 4000 West at ±11650 South.
Parcel Number(s)	27-20-352-001 (portion of)
Owner(s) of Record	South Jordan City
Legal Description(s)	The legal descriptions used herein were obtained from the Salt Lake County Recorder's Office and are assumed to be correct. Copies of the legal descriptions are contained in the addendum of the report.

Area Description

There are social, economic, governmental, and environmental forces, which influence the value and marketability of the subject of this of this report. A synopsis of the State of Utah and Wasatch Front markets are analyzed below. A more specific analysis of the subject neighborhood of South Jordan City and surrounding areas in Salt Lake County will follow in the summary of neighborhood information section.

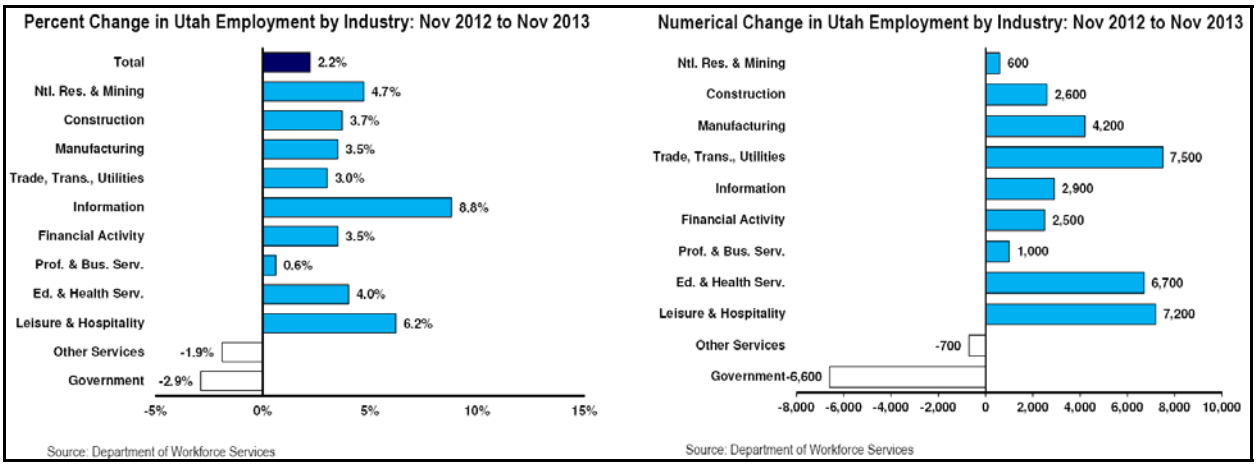
Population/Growth:

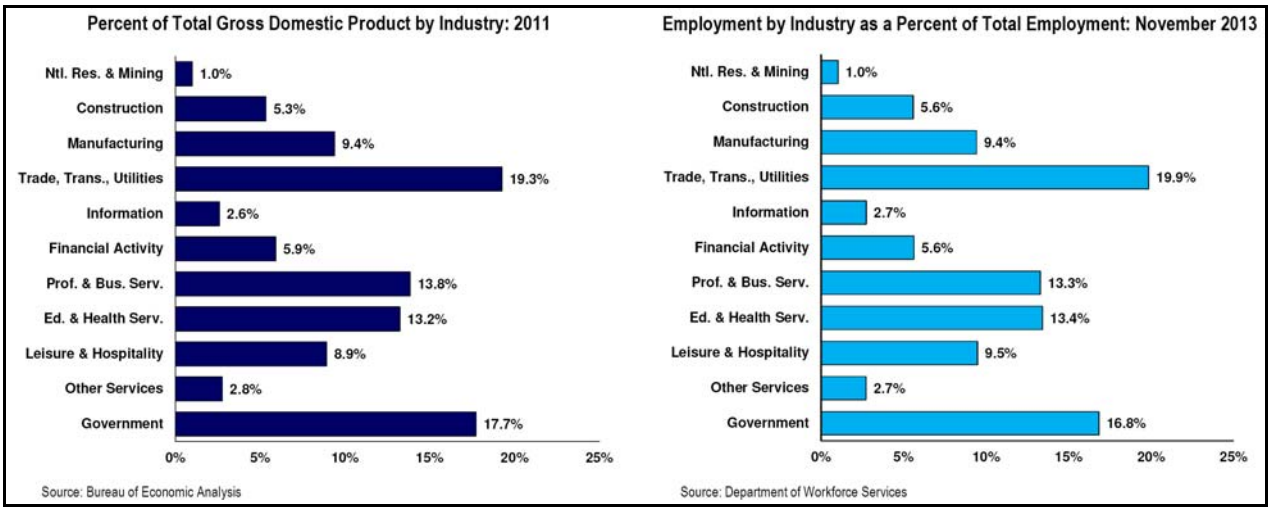
According to the *December 2013 Economic Summary Report of the Governor's Office of Management and Budget Demographic and Economic Analysis,* Utah's official population as of July 1, 2013, was estimated to be 2,900,872. This represents a population increase of 46,001 people, or 1.6% from 2012, ranking Utah third among states in population growth. Utah grew more than twice as fast as the nation from 2012 to 2013. The 2013 population count for the United States was 316,128,839. This represents a population increase of 2,255,154 people, or 0.7% from 2012.

	Utah	United States
2012 Estimate	2,854,871	313,873,685
2013 Estimate	2,900,872	316,128,839
2012-2013 Percent Change	1.6%	0.7%
2012-2013 Absolute Change	46,001	2,255,154

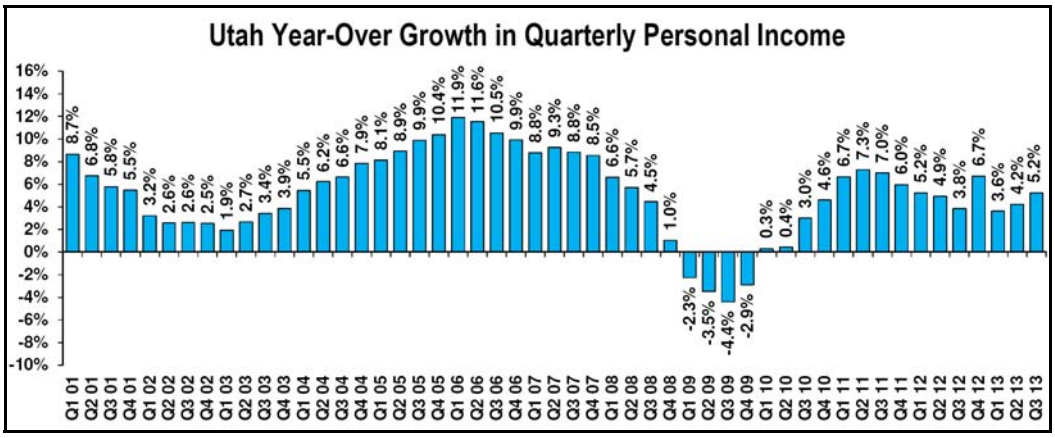
Employment:

Utah's nonagricultural employment increased an estimated 4.3%, or 27,900 jobs, between November 2012 and November 2013. Nationally, employment increased 1.7%, or 2.3 million jobs, from November 2012 and November 2013. Utah's unemployment rate was 4.3% during November 2013, lower than the November 2012 unemployment rate of 5.3%. The national unemployment rate was 7.0% in November 2013 lower than the November 2012 rate of 7.8%.





Utah's total personal income reached $105.9 billion (seasonally adjusted) in third quarter 2013. The change of 5.2% form third quarter 2012 was fourth in the nation. National change in personal income over the same period was 3.6%. Utah's average annual pay grew 1.5% to reach $41,245 in 2013. Annual pay is forecast to increase 2.5% to $42,276 in 2014. Average annual pay for the nation in 2013 was $52,389 and is forecast to be $53,796 in 2014, an increase of 2.7%.



Source: 2013 Economic Summary, Governor's Office.

Residential Market Indicators:

Residential home values are an indicator of financial stability in a market. The 30-year fixed-rate mortgage (FRM) averaged 4.7% for the week ending December 19, 2013 according to Freddie Mac. According to the Federal Housing Finance Agency (FHFA) House Price Appreciation Ranking, Utah's house prices were up 11.8% in the third quarter of 2013 from third quarter of 2012. This ranks Utah seventh in the nation. At the end of the second quarter of 2013, 1.7% of all loans were in foreclosure, ranking Utah 12th in the nation.

Home Prices: Third Quarter 2013 Over Third Quarter 2012

	Moody's Analytics		FHFA	
	Median Sales Price	Change	HPI Change	Purchase-Only Change
Logan, UT-ID MSA	$161,680	15.5%	3.8%	na
Ogden-Clearfield, UT MSA	$180,900	19.8%	6.2%	na
Provo-Orem, UT MSA	$183,300	23.6%	10.7%	na
Salt Lake City, UT MSA	$238,250	22.3%	9.9%	na
St. George	$163,730	22.1%	9.5%	na
Utah	$192,210	21.3%	12.9%	11.8%
U.S.	$197,080	12.8%	8.8%	8.4%

Note: The median price is for existing single family homes, seasonally adjusted, from Economy.com. Home price data from the FHFA is limited to conventional mortgages guaranteed by Fannie Mae or Freddie Mac. The House Price Index includes purchases and refinances, while the Purchase-Only Index excludes refinances.

Sources: Moody's Analytics; Federal Housing Finance Agency

Construction:

The value of permit-authorized construction in Utah was estimated at $4.0 billion in 2013, nearly unchanged from 2012. This total value includes residential, nonresidential and additions, alterations and repairs. Residential construction continued to improve albeit at a slower pace than expected. Residential value in 2013 totaled $2.8 billion, a 7 percent increase over 2012. Offsetting this increase was the 34 percent decline in nonresidential construction valuation. In 2013 the value of permit-authorized new nonresidential construction dropped to $700 million. Additions, alterations and repairs added $575 million in construction value, bringing the combined value of permit-authorized construction to $4.0 billion. Residential activity accounted for 70 percent of permit-authorized value in 2013 and nonresidential activity stood at 17.5 percent. The remaining 12.5 percent included additions, alterations, and repairs.

The most surprising developments for Utah's construction industry in 2013 were the steep decline in multifamily construction activity, particularly apartment units, and the continued weakness of the nonresidential market. Multifamily permits dropped by 41 percent, to 2,500 units in 2013. The market segment was hurt by the increase in interest rates in the late spring. Despite the decline in construction activity, market conditions remain very positive for new apartment development as vacancy rates have dropped to less than 4 percent and rental rates continue to increase. Consequently the decline in new construction activity is viewed as temporary.

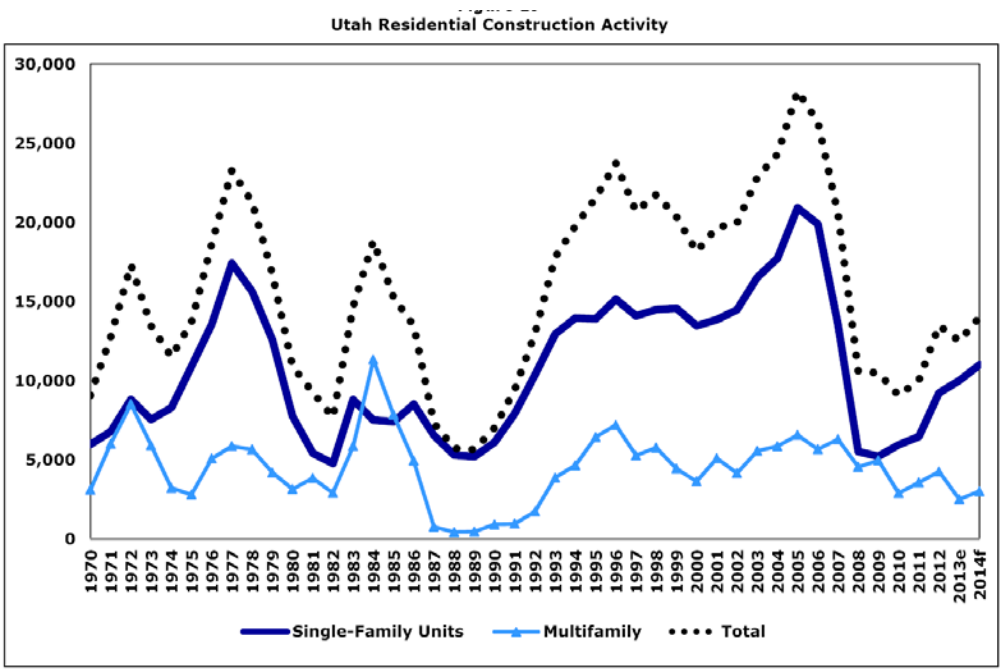
The value of nonresidential construction dropped to its lowest value in 20 years. The value of office, industrial, and retail was down 38 percent in 2013.

Utah's construction sector is anticipated to expand in 2014 with valuation increasing by 18 percent to $4.8 billion. In 2014, multifamily construction should see some improvement with 3,000 new units, a 20 percent increase over 2013. The single-family market will benefit from pent-up demand which should push new home construction to 11,000 units, an increase of 10 percent.

Nonresidential construction is anticipated to see the greatest improvement as job growth and reduced vacancies in office, retail and industrial buildings spur new development. The value of nonresidential construction in 2014 is forecast to reach $1.1 billion.

Capital market conditions and commercial real estate market fundamentals are anticipated to continue to improve, which will allow new projects to move forward. Generally speaking, the amount of commercial square footage under construction is expected to remain at similar levels heading into 2014, with some upside potential.

Nonresidential construction starts will continue to be influenced by demand from tenants, geographic preferences and dynamic sectors of the Utah economy. As many large public sector projects reached completion in 2013, the most prominent project for the near-future will be the $2.3 billion Terminal Redevelopment Program at Salt Lake City International Airport (non-permit authorized) which will commence development in 2014.



Source: University of Utah, David Eccles School of Business, Bureau of Economic and Business Research e = estimate f = forecast

Other Economic Highlights:

Personal Income—Utah's total personal income is estimated to have increased by 4 percent in 2013, lower growth compared to the 5.2 percent increase in 2012. The 2013 increase in personal income was led by strong wage growth, 4.9 percent. All sources of income were positive in 2013. Moving into 2014 as the economy continues to recover from the recession, Utah personal income is expected to increase by 5.3 percent, 0.6 percentage points above the anticipated U.S. increase. Per capita personal income is forecast to increase 3.6 percent in 2014, slightly decreasing the ratio of per capita personal income in Utah to the U.S. average to 81.2 percent.

Utah Taxable Sales—Total taxable sales were estimated to increase by 4.7 percent to $49.8 billion in 2013, which is the fourth consecutive year of positive growth. Retail trade was estimated to grow by 5.7 percent in 2013 while business investment and utility taxable sales were estimated to grow 0.4 percent, and taxable services are expected to increase by 6.5 percent. In 2014, overall growth is expected with taxable sales estimated to increase 4.8 percent. These increases are expected as a result of rising consumer confidence and improvements in the labor and housing markets but are also restrained by federal spending cuts as well as changes in tax policy.

Tax Collections—The Consensus Revenue Forecast for the General and Education Fund was released in the Governor's FY2014 Budget Recommendation. General and Education Fund unrestricted revenue is forecast to decline 1.5 percent ($82 million) in FY2014 to $5,247.24 million, and to increase 3.8 percent in FY2015 to $5,447.22 million. The primary reason for the FY2014 decline is that final FY2013 revenues came in higher than anticipated due to income shifting into FY2013 from FY2014 as a result of changes in the federal tax law. Tax collections have received a boost from an improving housing sector, strong demand for motor vehicles, healthy corporate profits, stock market gains, and steady growth in the labor market. Steady, although modest, economic growth is expected in the next two years. Taxable sales growth is estimated to be 4.8 percent in 2014.

The Consensus Revenue Forecast for the General and Education Fund was released in the Governor's FY2014 Budget Recommendation. General and Education Fund unrestricted revenue is forecast to decline 1.5 percent ($82 million) in FY2014 to $5,247.24 million

Tourism — Utah's tourism, travel, and recreation sector was heading for another successful year in 2013, but will more than likely fall slightly short of the revenue and visitation levels in 2012 due to the government shutdown in October. Even though 2013 was still a good year for tourism, it was unclear what the short term effect of the shutdown will be on final estimates.

The outlook for 2014 is cautiously optimistic. Despite factors such as the national government shutdown in October, a stagnant national economy, and tepid consumer confidence, Utah's tourism, travel, and recreation sector is expected to show a modest increase. Predictions include slow but steady growth in international, in-state, and domestic leisure travel. Additionally, travelers continue to show strong interest in national parks, from which Utah should benefit. Competition among nearby destinations for the local and regional markets will continue to intensify. National trends highlight opportunities in key segments of the travel market including adventure travel, cultural and heritage tourism, nature-based travel, and family travel. Utah is well positioned to attract these visitors. Several of Utah's resorts again received high rankings from major ski publications and hope to surpass the 2012/13 season.

Conclusion and Outlook:

The following is a summary of the key economic indicators for Utah.

Demographic	State Rank	Value	Year
Population Growth Rate	5th	1.5%	2012
Fertility Rate	1st	2.38	2011
Life Expectancy	10th	80.2	2010
Median Age	1st	29.9	2012
Household Size	1st	3.14	2012
Social Indicators			
Poverty Rate	8th	10.7%	2010-2012
Educational Attainment			
Persons 25+ w/high school degree	10th	91.0%	2012
Persons 25+ w/bachelor's degree	16th	30.7%	2012

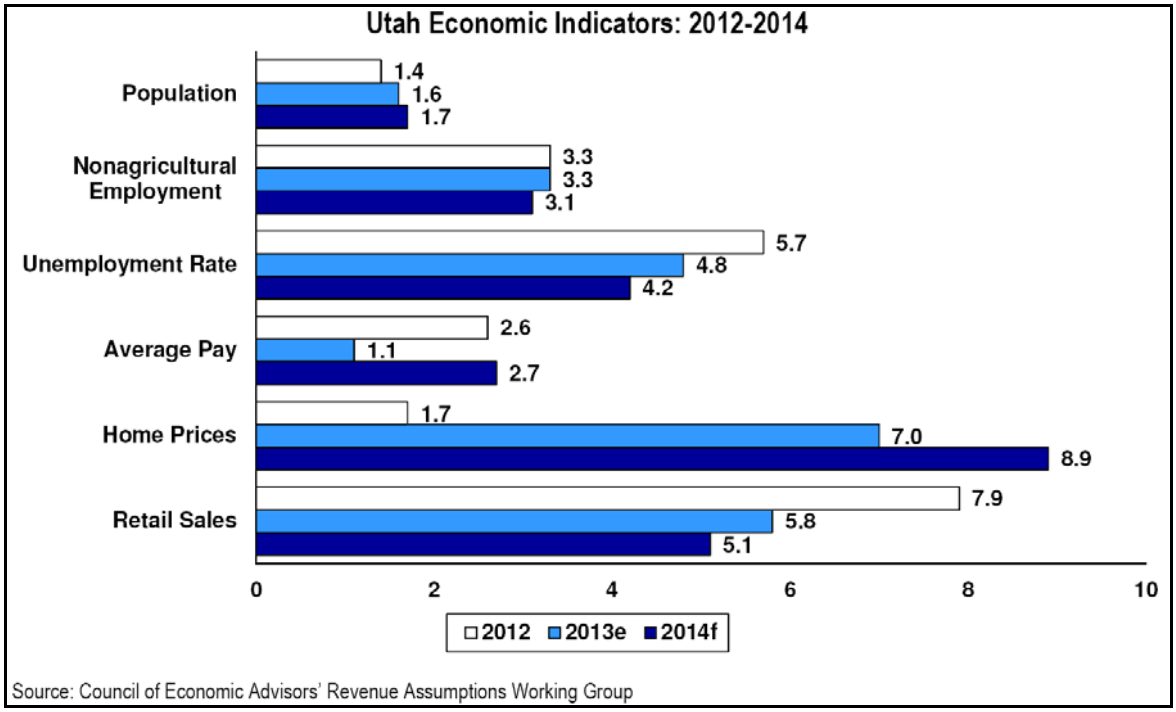
Economic	State Rank	Value	Year
Employment Change [1,2]	7th	2.2%	Nov. 2013
Unemployment Rate [1,2]	4th	4.3%	Nov. 2013
Median Household Income	13th	$58,235	2010-2012
Average Annual Pay	37th	$41,300	2012
Per Capita Personal Income	47th	$34,601	2012
Total Personal Income (% Change)	4th	5.2%	Q3 12-Q3 13

Notes: 1. Rankings are based on the most recent data available for all states and may differ from other data.
2. Job Growth and Unemployment rates are seasonally adjusted and are based on national data from BLS, which can differ from state values.
3. Rank is most favorable to least favorable.

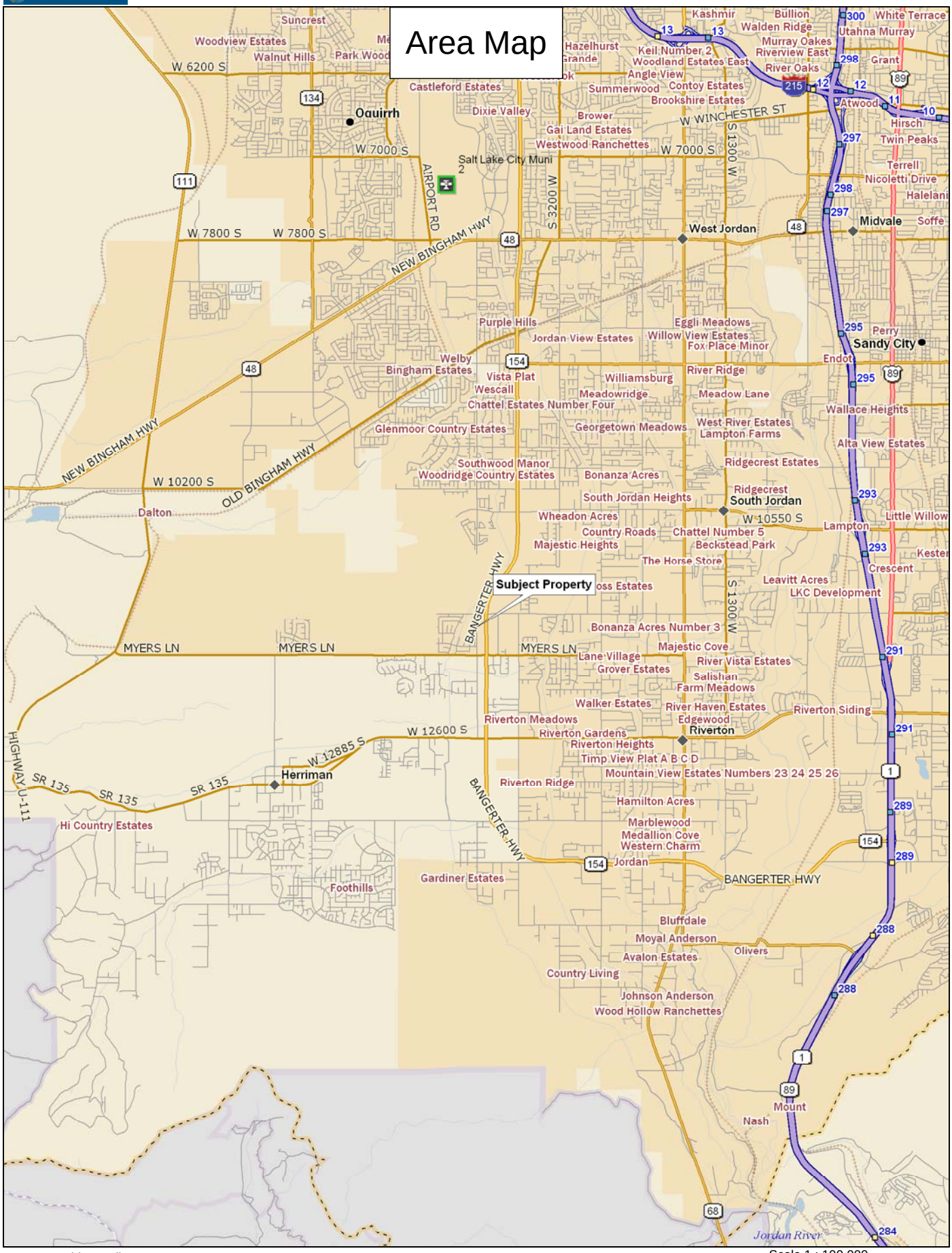
Utah typically grows more rapidly than the nation after recessions, and this pattern is continuing in the current recovery. For the U.S., employment grew 1.6% in 2013, compared to 3.3% for Utah. While employment increased during 2013, Utah's unemployment rate also improved to 4.8%, lower than the rate of 5.7% in 2012. Though housing stabilized, with building permits at 13,000 in 2013, home-building is not leading the economy as it does during a typical recovery.

In 2014, Utah's job growth is expected to grow at 3.1%, equal to its long-term average, while the nation is at 1.7%. With job growth near the long-term average, the

unemployment rate will decrease to 4.2%. In contrast to the early stages of the recovery, housing will provide noticeable support to the expansion. Repeating its leading role from 2012, construction employment will grow 9.4% in 2013. The continuing housing recovery accounts for most of the strong showing in construction.



Area Map



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TN

MN (11.7°E)

Scale 1 : 100,000

1" = 1.58 mi

Data Zoom 11-0

Neighborhood Information

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

Proximity

The subject is on the east side of 4000 West at ±11650 South within South Jordan City in Salt Lake County. West Jordan is north of South Jordan City, with Sandy and Draper to the east, Riverton and Herriman to the south, and unincorporated areas of Salt Lake County and the Oquirrh Mountains to the west. South Jordan City is ±15 miles driving distance south of the Central Business District (CBD) of Salt Lake City.

Boundaries and Accessibility

Boundaries of the neighborhood are generally defined by the existing city limits of South Jordan City and the adjacent communities previously named. I-15 is a major north/south interstate freeway that connects all the Wasatch Front areas previously mentioned with Nevada and California to the south, and Idaho and Montana to the north. I-15 is east of the subject with I-15 interchanges located at 9000 South, 10600 South, 11400 South and 12300 South.

Other major roadways into the immediate area include 9000 South, 11800 South, Bangerter Highway, Redwood Road, 4800 West, 7800 South/New Bingham Highway, Old Bingham Highway, South Jordan Parkway, 4000 West and 11400 South. All roads are asphalt paved and publicly maintained.

Jurisdiction

The neighborhood is within the jurisdiction of South Jordan City and the other nearby municipalities previously named, as well as Salt Lake County. The cities and county within the neighborhood provide all major services and control development within their respective borders.

Land Use Characteristics

Development within the defined boundaries comprises a mixture of residential, agricultural, commercial, industrial and retail uses. Commercial uses are primarily located along major roadways previously mentioned and interstate/interchange frontage. Residential uses are interspersed throughout the subject neighborhood, primarily along secondary transportation routes. Residential developments are comprised of single-family, moderate, and high density multi-family uses. Multi-family use includes townhomes, duplexes/triplexes, condominium and apartment development. Agricultural uses are primarily located near the peripheries of development.

The immediate subject neighborhood is near The District, which is a recently developed commercial area that is the primary commercial/retail hub for the immediate neighborhood. The District is mainly east of Bangerter Highway and is well developed with a wide variety of retail, restaurant, bank, service-oriented, grocery store and other similar uses. A Sprouts grocery store is currently under construction adjacent north of the subject and the area in general appears to be in a state of transition. Overall, the immediate neighborhood is approximately 80% to 85% developed.

Adjacent Properties

Adjacent properties are generally compatible with the subject as follows:

North	Proposed Sprouts Grocery Store
South	Vacant lot proposed for LDS Church development/11800 South ROW
East	Bangerter Highway ROW/The District commercial area
West	4000 West ROW/Single-family residential development

Influences

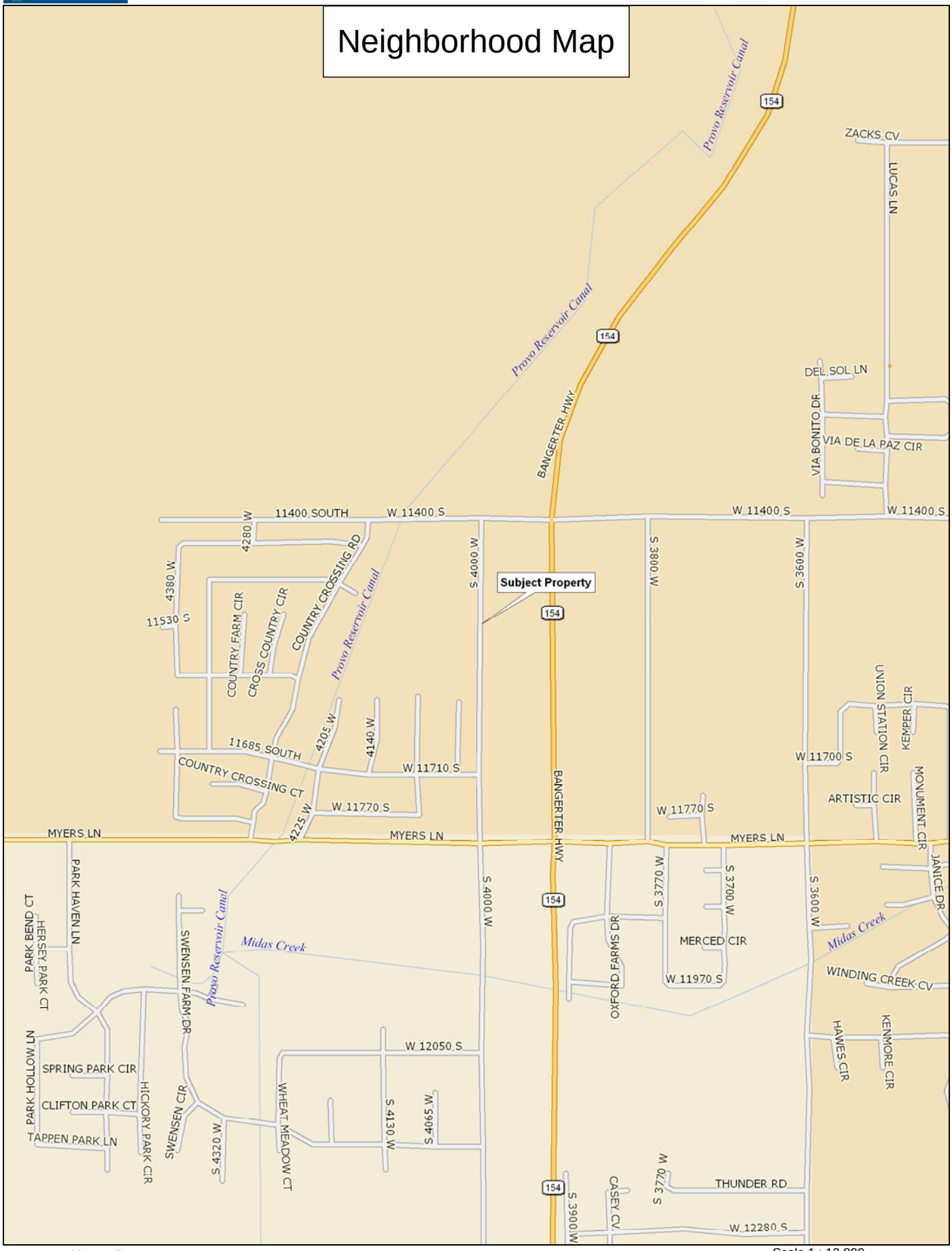
Positive influences stem primarily from the relative strong growth of the Wasatch Front area in general with respect to strong job formation and population growth over the past several years and projections for continued population growth in the state. Other

positive influences include the relatively stable demand for commercial developments and improvement in the residential market sector. Although market conditions are still below average, signs of increasing market activity and stabilizing and even improving prices are apparent during the last several quarters.

Conclusion

In summary, the subject is located within South Jordan City within Salt Lake County. Commercial support services are located in adequate proximity. Access to primary transportation routes is considered to be average, with 9000 South, 11800 South, Bangerter Highway, Redwood Road, 4800 West, 7800 South/New Bingham Highway, Old Bingham Highway, South Jordan Parkway, 4000 West and 11400 South all located nearby. The long-term outlook is for a relatively stable growth pattern with apparently stabilizing property values.

Neighborhood Map



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TN
MN (11.7°E)

Scale 1 : 12,800

1" = 1,066.7 ft

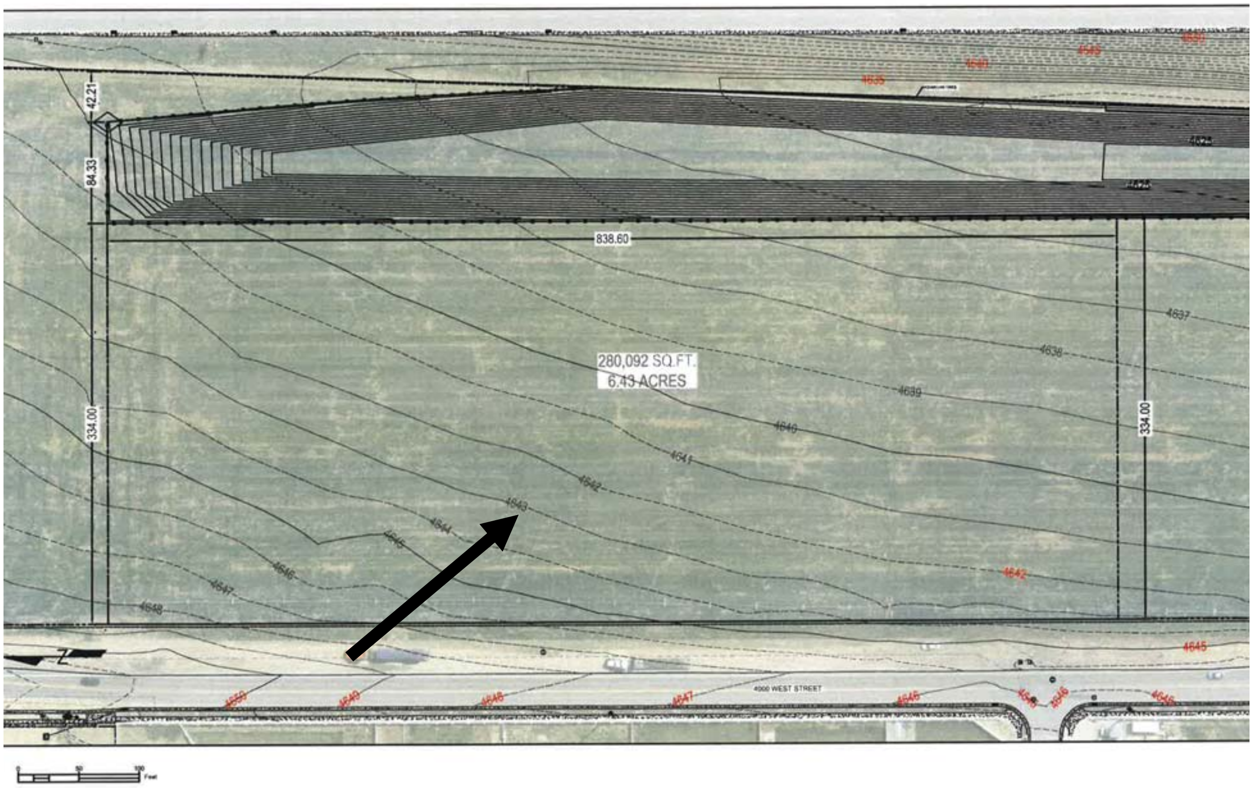
Data Zoom 14-0

Site Description

The subject site consists of a ±6.43 acres tract of vacant land that comprises a portion of parcel number 27-20-352-001 under the taxing jurisdiction of Salt Lake County. Copies of the legal descriptions provided by Salt Lake County are contained in the addendum. Review of an A.L.T.A. Survey of the subject property is recommended.

County Plat Map

SJC Site Plan



General Site Data

Land Area	
Parcel Number	Western majority of Salt Lake County parcel number(s) 27-20-352-001.
Land Size	±6.43 acres, or ±280,092 square feet
Street Orientation	The subject parcel is an interior lot.
Shape	Rectangular
Frontage	±839 linear feet along 4000 West
Depth	Appears to be ±334 linear feet.
Topography	Level. It appears the majority of the site has been graded.
Drainage	Natural drainage is generally easterly.
Development Limitations	All utilities are reported to be available for development.
Detrimental Influences	No apparent external obsolescence or other detrimental influences were noted.
Soil	Soil studies have not been made available to the appraisers. Soil stability is assumed to be adequate for slab on grade construction. Review of a geo-technical investigation prepared by a qualified engineer/firm is recommended.
Wetland Areas	A GIS aerial overlay and wetland study indicating the existence of wetlands was not provided. The subject is not within a reported flood zone. Determination of wetlands is beyond my area of expertise. This analysis assumes that there are no wetland areas contained within the subject and the existence of wetlands has not been further considered. Review of a wetlands investigation by a qualified firm is recommended.

Street Improvements 4000 West Street is a two-lane (one-lane per direction of travel) asphalt-paved right-of-way. There is a center turn lane. The frontage of the subject currently consists of dirt shoulder area only. Full street improvements including curb, gutter and sidewalk are assumed in this analysis as per the extraordinary assumption previously explained.

Traffic Counts The nearest Average Annual Daily Traffic (AADT) counts as per a 2012 UDOT traffic study are reported to be 13,390 cars per day on 4000 West and ±38,710 cars per day on Bangerter Highway.

Utilities Utilities are provided to the immediate subject area and/or site, and are adequate to support development.

Culinary Water	Municipal
Sanitary Sewer	Municipal
Natural Gas	Questar Gas
Telephone	Centurylink Communications
Electrical Power	Rocky Mountain Power

Abutting Right-of-Way 4000 West Street.

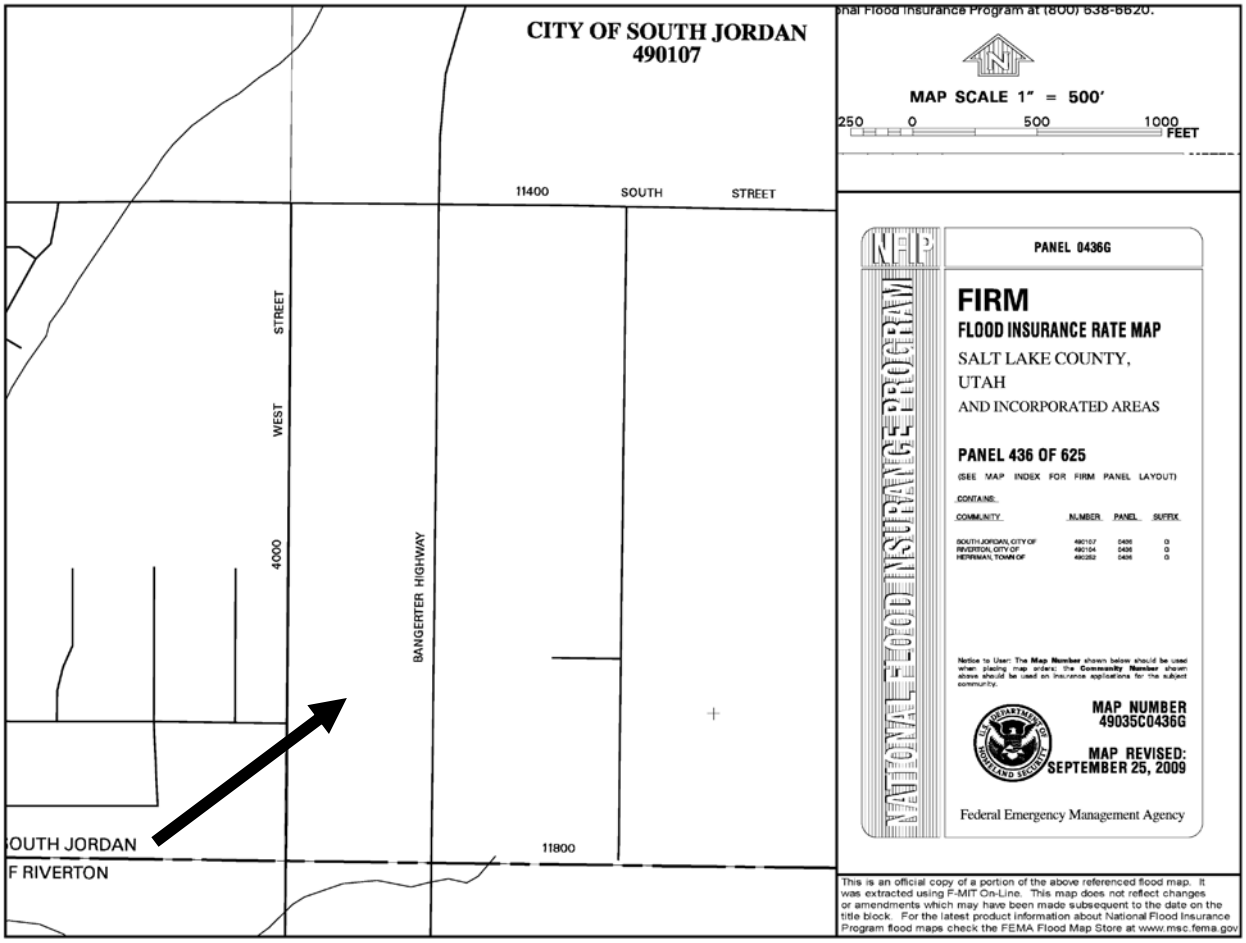
Easements, Restrictions and Encroachments No title policy was provided in conjunction with this report. It is assumed that typical public utility easements (P.U.E.'s), drainage, and/or public street easements exist along one or more of the site's borders, and/or traverse portions of the site.

No other known unusual easements, restrictions, and/or encroachments are indicated in the legal description for the subject parcel than otherwise indicated. No additional unusual encumbrances were noted during the inspection. The plat map does not identify any unusual easements and/or rights-of-way traversing the site. It is assumed that typical public utility, street, and drainage easements and/or any other undisclosed easements and/or rights-of-way would not adversely impact the development potential of the subject site. Review of an engineering survey performed by a qualified engineering firm is highly recommended.

Special Hazards

Flood Zone Zone X (X - areas outside 500-year flood plain); Community Panel #49035C0436G; dated September 25, 2009

FEMA Flood Map



Environmental

There is no evidence of environmental problems associated with the subject. The client has not provided a copy of a Phase I Environmental Site Assessment. This analysis assumes that no environmental hazards/contamination exists on the subject premises. If environmental hazards/contamination were to be found on site, the final value estimate would need to be reevaluated. Review of a complete Phase I environmental assessment specific to the subject property, preformed by a qualified engineer/firm is strongly recommended.

Zoning

The subject is under the jurisdiction of South Jordan City and is within the A-5 (Agricultural) zone. The site is master planned VMU for Village Mixed Use, which allows for a wide variety of commercial, office and multi-family uses. Based on the extraordinary assumption previously explained, a PO

zone is assumed herein. The definition of the PO zone as per the South Jordan zoning ordinance is as follows:

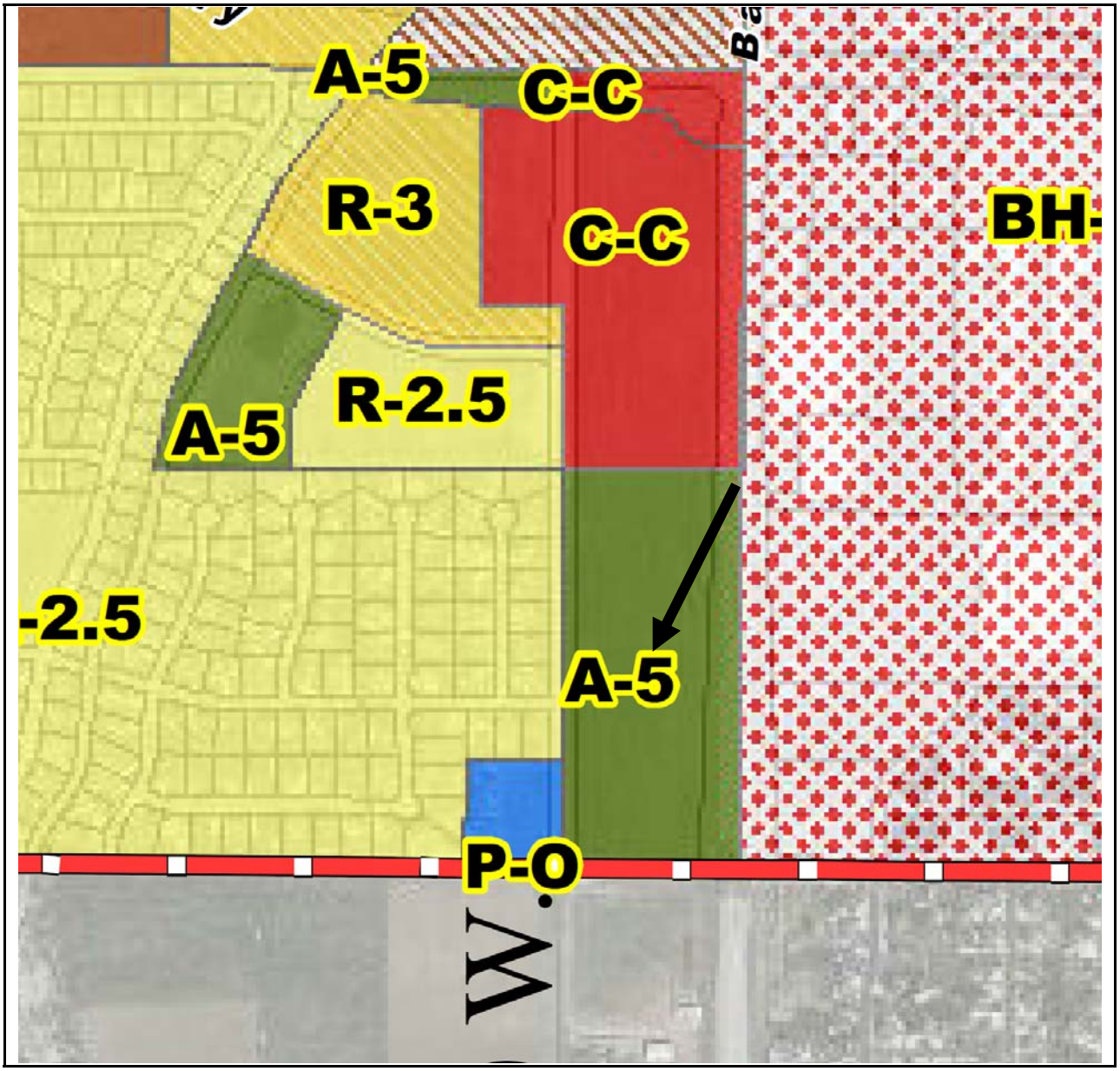
17.50.010: PURPOSE:

The professional office (P-O) zone may be cited as the "P-O zone" and is established to provide areas where large and small scale offices and office parks can be located in the city. Smaller office developments should be harmoniously integrated with surrounding residential areas and serve as residentially compatible buffers to heavier uses such as commercial and industrial businesses and major roadways. Large office buildings should be well buffered from residential areas with landscaped open space. Buildings and signs should be coordinated with high quality materials and architecture. (Ord. 2013-02, 2-19-2013)

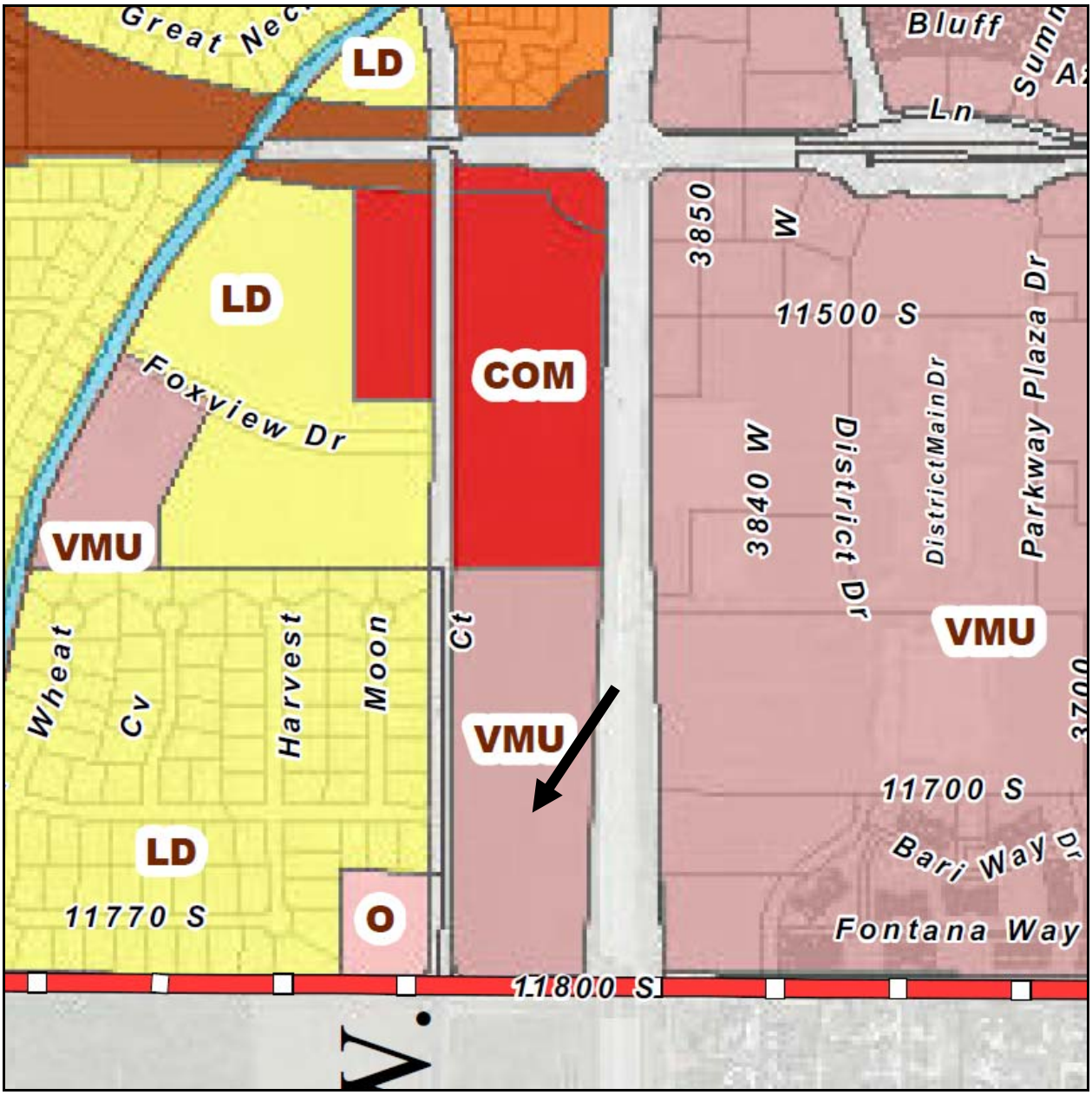
Zoning Summary

Please refer to the zoning map to follow and a copy of the PO zoning ordinance contained in the addendum.

Current Zoning Map



Master Plan Zoning Map



Site Utility

The subject represents a larger sized, rectangular shaped, interior parcel with visibility/exposure and assumed access from 4000 West Street. The site also has modest visibility/exposure from Bangerter Highway to the east. The site is level and at street grade with 4000 West Street, and is reportedly served by all necessary utilities. Overall, utility of the site is rated as average.

Subject History

Fee title ownership of the subject property is presently vested in the name of the South Jordan City, represented by Mr. Don Tingey. Mr. Tingey provided documentation showing that South Jordan City purchased the subject property as part of a larger transaction that involved ±13.00 acres. The purchase price was $5.30 per square foot, or $230,868 per acre, and the transaction closed in January of 2014. Copies of the purchase documents are retained in the appraiser's work file. No listings or sales of the subject could be found on the Wasatch Front MLS or any other public listing source. Therefore, no sales or listings of any portion of the subject property are known within the last three (3) years.

Property Taxes and Assessment Data

The subject is under the recorded ownership of South Jordan City, which is a tax exempt municipal entity. Additionally, the parcel is newly created for 2014. As such, no assessment or tax information is available. This appraisal analyzes current market data and makes specific adjustments to each sale in order to derive an indication of a specific market value for the subject. The assessed value is typically computer generated and is not specific in adjustments. Additionally, the market value contained herein for the land is based on the highest and best use of the site for office development and is more specific to the subject property. Thus, limited to no weight is placed on the assessed value as a market value indicator.

Existing Improvements

The subject is vacant land only.

Highest and Best Use

A market value estimate requires a highest and best use analysis of the subject site. The highest and best use analysis determines the basis on which the appraised property is evaluated. The definition of highest and best use as defined by the Dictionary of Real Estate Appraisal, Appraisal Institute, 5th Edition, is:

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

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

Highest and Best Use of the Site As Vacant

- ***Physically Possible***

The subject is on the east side of 4000 West at ±11650 South in South Jordan, Utah. The total site area is ±6.43 acres, or ±280,092 square feet. The site is rectangular in shape and the topography is level, with natural drainage easterly. The subject has adequate frontage of ±839 linear feet along 4000 West. 4000 West Street is a two-lane (one-lane per direction of travel) asphalt-paved right-of-way. There is a center turn lane. The frontage of the subject currently consists of dirt shoulder area only. However, curb, gutter and sidewalk are assumed in this analysis. Considering the physical aspects, the subject appears to be adequately sized and shaped to accommodate stand alone development and no major physical detriments are noted.

- ***Legally Permissible***

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

As mentioned previously, the subject property is currently within an agricultural zone and mixed use master plan zone but a PO zone under the jurisdiction of South Jordan City is assumed herein based on the instructions and information received from the client. The PO zone is a professional office zone that permits a wide variety of office uses as well as some quasi-retail uses such as for health clubs, banks/credit unions, etc.

- ***Financial Feasibility***

A financially feasible use must be one that can provide the highest return on an improvement over a prolonged period of time. The use will be constrained by zone restrictions and the physical characteristics of the land. Also considered are current economic trends, neighborhood influences, and existing supply/demand characteristics, as they pertain to real estate.

Location has a significant impact on the potential uses that are financially feasible. The subject property is located on the east side of 4000 West at ±11650 South in South Jordan, Utah and is near The District, which is a major commercial hub east of Bangerter Highway that is well established with a variety of commercial establishments including retail, restaurant, bank, grocery store, service-oriented and other similar developments. The site has average visibility from Bangerter Highway and 4000 West Street. Traffic counts are 13,390 cars per day on 4000 West and ±38,710 cars per day on Bangerter Highway. Linkages are average with 9000 South, 11800 South, Bangerter Highway, Redwood Road, 4800 West, 7800 South/New Bingham Highway, Old

Bingham Highway, South Jordan Parkway, 4000 West and 11400 South all located nearby. Surrounding development is of mixed uses, and mainly consists of retail/commercial to the north and east, with residential to the west and south.

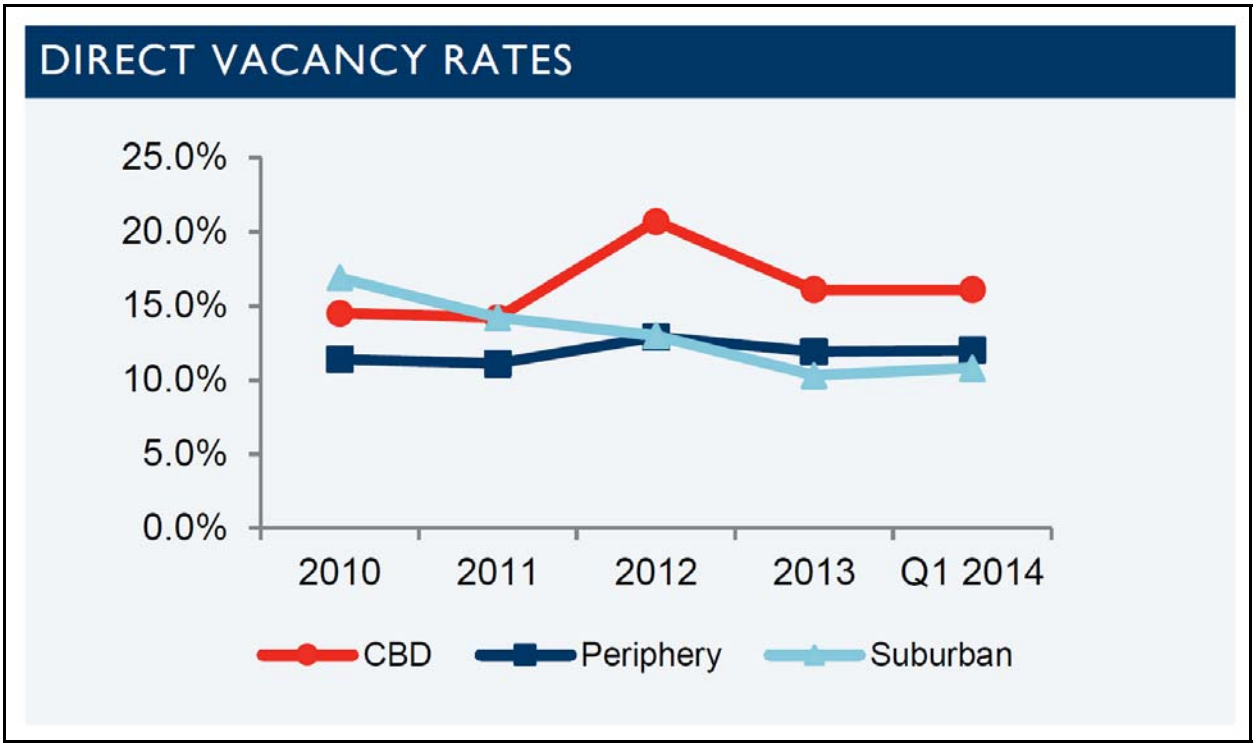
The subject is close to, but not part of, The District commercial area and the lower traffic counts on 4000 West and interior lot orientation of the subject would not lend itself particularly well to retail development. Additionally, development west and south is primarily residential in nature. Given the good visibility and assumed PO zone, office uses would be a logical development option for the site and would provide a transitional area and buffer zone between more intensive commercial area northerly and residential development west and south. Thus, the office market is more closely examined. The demand for finished office product has a direct relationship on the demand for vacant land.

As noted throughout the report, signs of a significant market slowdown from late 2007 through 2011 and into early 2012 are apparent and were exacerbated by a recession during 2008 and the majority of 2009. The period of strongest declines was during 2008 to 2011. Recent economic indicators suggest that the bottom of the market may have been realized during 2012/2013, and signs of stabilization and/or improvement are apparent during the last 6-8 quarters. The industrial and commercial markets appear to have fared better in comparison to the residential market, but declines and reduced market activity are still obvious.

Cushman-Wakefield/Commerce compiles on a semi-annual basis, a synopsis of each market segment within the four Wasatch Front Counties. According to the most recent 1Q 2014 Marketbeat quarterly report, the Salt Lake County office market has showed improvement over the last 6-8 quarters but has experienced a slight slowdown during the 1Q of 2014 as direct vacancy rates have ticked up. However, the 1Q 2014 office vacancy rate of 12% represents a decrease of almost 2% over the last year. The summary grid showing market trends is included below, followed by a graph showing vacancy rates within the Salt Lake County office market during the last five years.

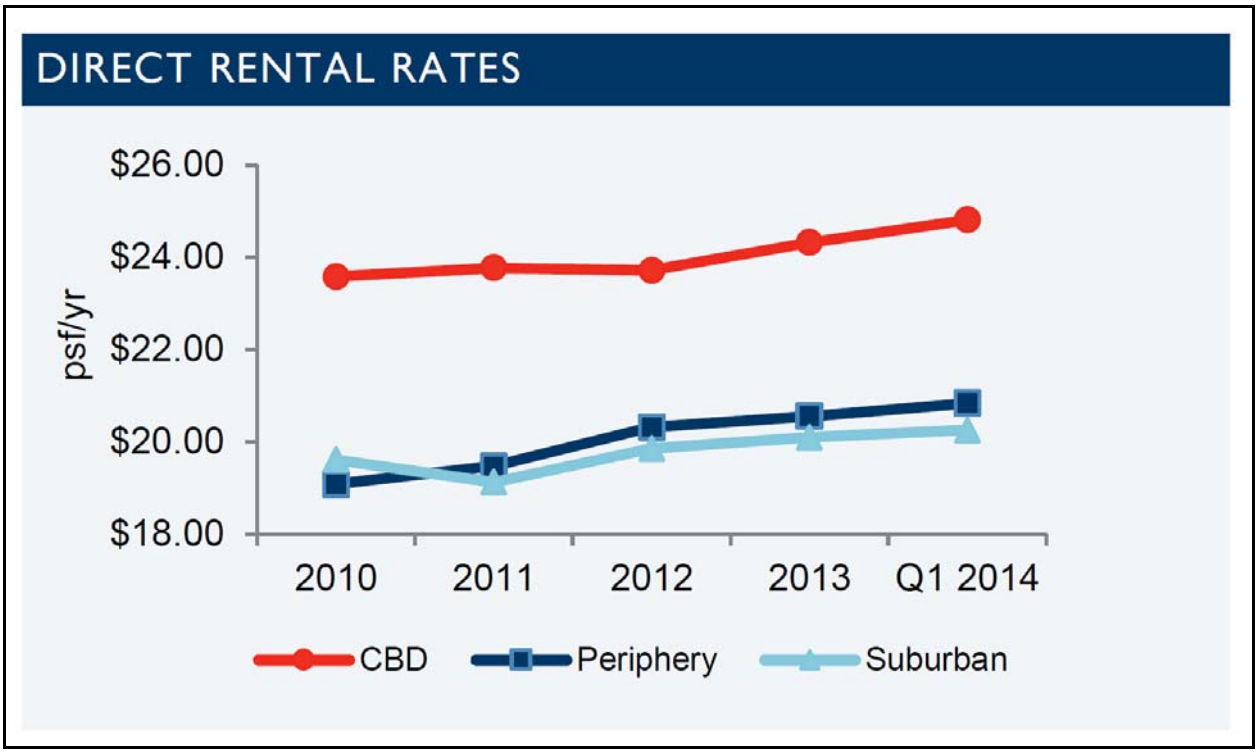
STATS ON THE GO

	Q1 2013	Q1 2014	Y-O-Y CHANGE	12 MONTH FORECAST
Direct Vacancy	13.9%	12.0%	-1.9pp	▲
Direct Asking Rents (psf/yr)	$20.83	$21.31	2.3%	▲
YTD Net Absorption (sf)	262,504	145,179	-44.7%	▲



As shown in the graph above, the office vacancy rate in Salt Lake County has been declining during the last two years. The CBD continues to experience the highest vacancy rates, while the suburban market has experienced traditionally lower vacancy rates. According to the most recent report, overall Class A, B and C direct vacancy rates were 9%, 11.4% and 18.3%, respectively.

The following graph shows lease rate history within the county.



The average lease rate for office improvements has increased by ±2.3% during the last year, from $20.83 PSF (1Q 2013) to $21.31 PSF (1Q 2014). The average lease rate for office improvements as of the 1Q of 2014 is the highest in the five year period and has been steadily ticking upward, further indicating stabilization and improvement in the market.

In summary, the office sector in general appears to be showing signs of stabilization and improvement over the last year to two years. The forecast for 2014 is for increasing new construction with stabilizing/improving lease and vacancy rates as available inventory is gradually absorbed. Approximately 350,000 square feet of new or renovated office space is projected to come on-line within the year, which is an increase over the last several years and more in-line with traditional construction. Market conditions are anticipated to show further signs of improvement during 2014.

- ***Maximally Productive Use***

After reviewing the above, it is concluded that the maximally productive use of the subject as vacant would be for office development, consistent with the assumed PO zoning designation.

- ***Conclusion (As Vacant)***

After considering the location of the subject, assumed office zoning designation, surrounding development and other factors, the concluded highest and best use as vacant is for office development. Given the location and zoning restrictions, alternative uses that would provide a higher return to the land are not apparent.

Highest and Best Use of the Site As Improved

N/A - The subject is vacant land only and this area of analysis does not apply.

An Overview of the Valuation Process

The market value estimate of the appraised property is based on the traditional approach to land value, namely the sales comparison approach. The Sales Comparison method of valuation is the primary approach to value and is completed to provide an estimate of the property's As Is market value through a comparative analysis of land sales.

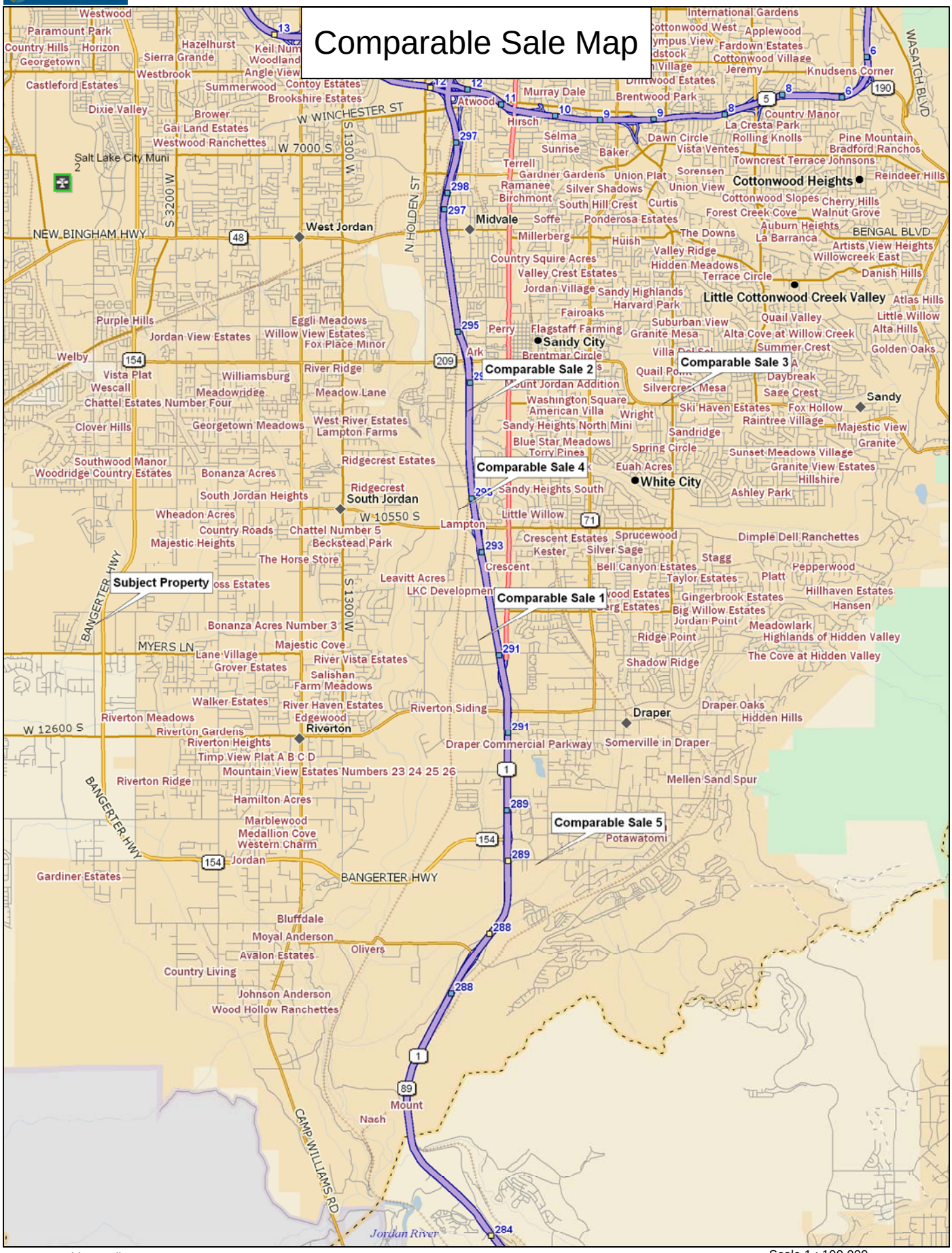
Land Valuation Via the Sales Comparison Approach

The Sales Comparison method of valuation is completed to provide an estimate of the property's As Is market value through a comparative analysis of land sales. This involves obtaining land sales with similar characteristics and comparing those sales to the subject site. The concluded highest and best use of the site as vacant is for office development. Adjustments are made to the comparables for differing features. The adjusted values of the comparables are then reconciled into a single estimate of value for the subject land.

Multiple sales of commercial land are compared to the subject and if there are differences between the subject and the comparable property, appropriate adjustments are made to the comparables. The unit of comparison is the price per square foot. The areas typically analyzed for adjustment include property rights transferred, the financing terms used in each sale, any special conditions or restrictions of the sale, changing market conditions that result in an increase or decrease in value over time, location features, physical characteristics, and zoning restrictions. The following table is a summary of the land sales used in this report. Complete data sheets and plat maps for the comparables are contained in the addenda.

Comparable Land Sales					
ID	**1**	**2**	**3**	**4**	**5**
Address	11175 S. Jordan Gateway	9490 S. 300 W.	±1220 E. 9400 S.	10428 S. Jordan Gateway	±14178 S. Bangerter Pkwy
City/Utah	South Jordan	Sandy	Sandy	South Jordan	Draper
Land Size (Ac)	5.42	6.50	4.30	5.16	6.06
Land Size (SF)	236,095	283,140	187,308	224,770	263,974
Shape	Rectangular	Rectangular	Mostly rectangular	Mostly rectangular	Irregular
Street Orientation	Interior	Interior	Interior	Interior	Interior - 2 street access
Topography	Level	Mostly level	Level	Mostly level	Level
Utilities	All available	All available	All available	All available	All available
Zoning	CF	RD	SD-H	CF	CG
Date of Sale	April 2013	June 2013	July 2012	October 2013	October 2013
Sales Price	$2,350,000	$2,972,970	$1,956.582	$1,910,000	$1,875,000
Sales Price/SF	$9.95	$10.50	$10.45	$8.50	$7.10

Comparable Sale Map



Data use subject to license.
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www.delorme.com

TN
MN (11.7°E)

Scale 1 : 100,000
1" = 1.58 mi
Data Zoom 11-0

Analysis and Reconciliation of Land Sales

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

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

Property Rights Conveyed

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

Financing Terms

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

Conditions of the Sale

No unusual or atypical conditions were reported for Sales #1, #2, #3 or #5 and no adjustment is necessary for these four sales. Sale #4 was bank owned as a result of foreclosure and sold within two months of listing. The buyer's real estate agent felt that the purchase price was close to market at that time, but conceded that a "slight" discount may have been realized. Modest upward adjustment of 5% is necessary for Sale #4.

Expenditures Made Immediately After the Sale

Expenditures after the sale refer to the cost to demolish any structures or to rezone the property. It typically considers costs that were known to the buyer as a prudent investor would generally discount the sale price appropriately based on any anticipated expenditures after the purchase.

No unusual expenditures after the transaction are reported and adjustment is not necessary in this area of concern.

Market Conditions:

Market conditions refer to price changes occurring over time due to various market forces. As has been discussed throughout the report, market conditions along the Wasatch Front and the State of Utah in general experienced strong declines during 2007 through 2011 and into 2012, particularly for residential land and improvements. The decline was mainly due to national credit concerns and economic conditions, as well as the steeply rising costs of energy and construction materials and was exacerbated by a national recession during 2008 and most of 2009.

As discussed in the highest and best use section of the report, signs of stabilization/improvement are apparent during the second half of 2012 into 2014. Vacancy rates for the major submarkets (i.e. retail, office, industrial) within Salt Lake

County and other Wasatch Front counties have generally declined or remained stable, while lease rates have remained stable and/or shown signs of increasing. Speculative and build to suit construction is also on the uptick, and most brokers and developers report increased interest, activity and real estate investment during the last 6-8 quarters. The direct office vacancy rate for Salt Lake County has declined during the last two years, and speculative construction is increasing, as are direct realized lease rates for office improvements within the county.

Some signs of stabilization in the market are present and indicate the bottom of the market may have been realized during mid to late 2012. The available market information indicates that the peak of the market was in late 2007, with continued depreciation since that time. Depreciation was strongest during 2008, 2009, 2010 and into 2011, with some moderating depreciation during late 2011 and into 2012. It does appear that values stabilized during mid to late 2012, and that some sectors of the commercial market experienced modest appreciation beginning in the 1Q/2Q of 2013.

A concerted effort was made to obtain recent comparable land sales representative of current market conditions. The comparable sales all took place within the last two years, from July of 2012 to October of 2013. Sales #1 and #2 took place in the 2Q of 2013 and are adjusted upward by 2%. Sale #3 took place two years ago, and upward adjustment of 4% is necessary for Sale #3. Sales #4 and #5 occurred during the 3Q of 2013 and are adjusted upward by 1.5%.

Location Factors:

Location refers to access, exposure, attractiveness of surrounding properties, and proximity to surrounding support services. The subject property is located on the east side of 4000 West at ±11650 South in South Jordan, Utah and is near The District, which is a major commercial hub east of Bangerter Highway that is well established with a variety of commercial establishments including retail, restaurant, bank, grocery store, service-oriented and other similar developments. The site has average visibility from

Bangerter Highway and 4000 West Street. Traffic counts are 13,390 cars per day on 4000 West and ±38,710 cars per day on Bangerter Highway. Linkages are average with 9000 South, 11800 South, Bangerter Highway, Redwood Road, 4800 West, 7800 South/New Bingham Highway, Old Bingham Highway, South Jordan Parkway, 4000 West and 11400 South all located nearby. Surrounding development is of mixed uses, and mainly consists of retail/commercial to the north and east, with residential to the west and south.

Overall the subject is relatively well located near the Bangerter Highway corridor, but is further west within more of a periphery location in comparison to several of the comparables. Surrounding development for several of the comparables is also somewhat superior. For these reasons, Sales #1, #2, #3 and #4 are adjusted downward accordingly. The degree of adjustment is based largely on traffic counts, visibility/exposure, linkages and surrounding development. Sale #5 is inferior in terms of surrounding development and linkages and is adjusted upward.

Physical Characteristics:

The physical characteristics of the subject property are similar to many of the physical features of the comparables. Adjustments are made for differing physical aspects in the following areas of concern:

- **Size:**

Small land parcels often sell for a higher unit price than do large ones, as they are less risky to develop. Development risk increases in proportion to the difficulty of maximizing the development potential of a parcel of land. Larger tracts of land often require the construction of a larger building or even multiple structures in order to maximize development potential. Also, the time frame for construction generally increases, which often puts the developer at a greater risk. Consequently developers are often willing to pay a higher unit price for smaller, less risky parcels of land. Economies of scale dictate that size adjustments are reduced when considering large tracts of land. This is due to the load potential of the land and risk associated with developing larger tracts of land.

The subject is ±6.43 acres in size. The following grid shows the size of the comparables and adjustments applied.

Land Size Adjustments						
Comp. #	**Subject**	**1**	**2**	**3**	**4**	**5**
Square Feet (SF)	280,092	236,095	283,140	187,308	224,770	263,974
Difference	N/A	-43,997	3,048	-92,784	-55,322	-16,118
Adjustment	N/A	**-5.00%**	**0.00%**	**-10.00%**	**-5.00%**	**0.00%**

- **Topography/Developability:**

Adjustments made for this area of adjustment recognize those differences in a site's topography and/or need of fill in order to accommodate development. Typically, sites that are relatively level with stable and adequate fill conditions, sell for a higher per unit basis. The reason is that there is less site work cost incurred on a buyer's part in bringing these sites into a developable condition versus a site that has a sloping or undulating terrain and/or one that is in need of fill. The subject is level in topography but is somewhat below street grade. All five comparables have a level to mostly level topography and no adjustment is warranted in this area of consideration.

- **Shape:**

Shape refers to the physical shape or layout of a site or parcel of raw land. Typically, rectangular, square, or even moderately irregular configurations are more desirable than severely irregular configurations because they allow the developer to maximize the potential development of the land with the least amount of wasted or excess land.

The shape of the subject is rectangular. Adjustment for shape differences is outlined below.

Shape Adjustment						
Comp. #	**Subject**	**1**	**2**	**3**	**4**	**5**
Adjustment	Rectangular	Rectangular	Rectangular	Mostly rectangular	Mostly rectangular	Irregular
Total Adjust.	N/A	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**5.00%**

- **Street Orientation**:

Street orientation is another factor that can influence the price a buyer is willing to pay for commercial land and it plays a particularly strong role for retail land. For example, corner lots will typically sell for a higher price than an interior parcel due to the added exposure from two streets. For commercial/retail sites, a corner street orientation is particularly advantageous, as it provides for greater visibility as well as improved ease of access from two roadways. Primary corner orientations at signalized intersections for retail parcels are often recognized by the market in terms of substantially higher purchase prices for primary corner parcels. Parcels with a secondary corner orientation at un-signalized intersections also command higher prices than typical interior lots for the same reasons, but secondary corner lots are generally inferior to primary corner lots at busy, signalized intersections.

The subject has frontage of ±839 linear feet along 4000 West and is an interior lot. Adjustment for street orientation is outlined below.

Street Orientation/Access						
Comp. #	**Subject**	**1**	**2**	**3**	**4**	**5**
Street	Interior	Interior	Interior	Interior	Interior	Interior - 2 street access
Adjustment	N/A	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**-5.00%**

- **4Utilities:**

The subject property reportedly has all utilities available nearby that are adequate for development. All five comparables also have adequate access to utilities and no adjustment is applied.

- **Zoning:**

The subject is within the jurisdiction of South Jordan City and is currently zoned A-5 (Agricultural) for agricultural uses. However, this analysis is based on the extraordinary assumption previously outlined that assumes a zoning change to PO (Professional Office) uses. Two of the comparables are within office zones, but three of the sales are within more intensive commercial zoning designations, which have more permitted commercial and retail uses in addition to office uses. Adjustment is necessary as outlined below.

Zoning Adjustment						
Comp. #	**Subject**	**1**	**2**	**3**	**4**	**5**
Zone	PO	CF	RD	SD-H	CF	CG
Adjustment	N/A	**-5.00%**	**0.00%**	**0.00%**	**-5.00%**	**-5.00%**

- **Street Improvements:**

Currently, the frontage consists of dirt shoulder area only but South Jordan officials report that the City will install curb, gutter and sidewalk along the frontage as well as landscaped parking strips and fire hydrants. This information is assumed to be correct, and adjustment for street improvement differences is outlined below.

Street Improvements						
Comp. #	**Subject**	**1**	**2**	**3**	**4**	**5**
Improvements	Curb, gutter & sidewalk	Curb, gutter & sidewalk	Curb, gutter & sidewalk	Curb, gutter & sidewalk	Curb, gutter & sidewalk	Curb and gutter
Adjustment		**0.00%**	**0.00%**	**0.00%**	**0.00%**	**5.00%**

- **Other:**

In all other areas of comparison, the sales used were judged to be similar to the appraised property and no further adjustments were made. The following grid outlines the adjustments that are made.

LAND ADJUSTMENT GRID

SUBJECT LOCATION:	Approximately 11650 South 4000 West, South Jordan, Utah
SIZE (SF/Ac)	280,092 SF 6.43 Ac **ZONING:** PO (Assumed)

	COMPARABLES				
	1	**2**	**3**	**4**	**5**
Sales Price	$2,350,000	$2,972,970	$1,956,582	$1,910,000	$1,875,000
Adjustments:					
Property Rights	$0	$0	$0	$0	$0
Adjusted Price	$2,350,000	$2,972,970	$1,956,582	$1,910,000	$1,875,000
Financing Terms	$0	$0	$0	$0	$0
Condition of Sale	$0	$0	$0	$95,500	$0
Expenditures After Purchase	$0	$0	$0	$0	$0
Adjusted Price	$2,350,000	$2,972,970	$1,956,582	$2,005,500	$1,875,000
Date of Sale	Apr-13	Jun-13	Jul-12	Oct-13	Oct-13
Market Conditions	$47,000	$59,460	$78,263	$30,083	$28,125
Adjusted Price	$2,397,000	$3,032,430	$2,034,845	$2,035,583	$1,903,125
Unit of Comparison					
Square Feet (SF)	236,095	283,140	187,308	224,770	263,974
Price per Acre	$10.15	$10.71	$10.86	$9.06	$7.21
Other Adjustments:					
Location	-5%	-10%	-5%	-5%	10%
Physical Characteristics					
Size	-5%	0%	-10%	-5%	0%
Topography/Develop.	0%	0%	0%	0%	0%
Shape	0%	0%	0%	0%	5%
Street Orientation	0%	0%	0%	0%	-5%
Utilities	0%	0%	0%	0%	0%
Zoning/Density	-5%	0%	0%	-5%	-5%
Street Improvements	0%	0%	0%	0%	5%
Adjusted Price Per/SF	$8.63	$9.64	$9.23	$7.70	$7.93
Total % Change	-13%	-8%	-11%	-8%	12%
Gross % Change	17%	12%	19%	22%	32%

	Low	**Mean**	**High**
Adjusted Value Range	**$7.70**	**$8.63**	**$9.64**

Reconciliation of Land Value

After adjustments, the comparables indicate a value ranging from $7.70 per square foot to $9.64 per square foot. The overall adjusted average value indication for the subject is bracketed by the comparable sales, before and after adjustment. The average adjusted sale price per square foot is $8.63 per square foot. All of the sales required a relatively similar percentage of gross adjustment, but Sales #1 and #2 required the lowest percentage of gross adjustment and are given higher consideration in the final value conclusion and indicate a figure slightly above the mean is necessary. In summary, the comparable sales and secondary market information support a value of $8.75 per square foot for the subject in its As Is condition.

±280,092 SF @ $8.75 per square foot = $2,450,805

Rounded to.....$2,450,000

Final Reconciliation of Market Value "As Is"

The sales comparison approach was used in this report to determine the value of the subject property, which comprises a ±6.43 acres parcel of land. The land has been appraised based on the Sales Comparison approach and the concluded highest and best use of the site as vacant is for office development. Given surrounding development, linkages, traffic and the current and future land use zoning designations, any other use is unlikely to provide a comparable return to the land as vacant.

In conclusion, I am of the opinion that the **Market Value – As Is**, of the fee simple interest, as of July 8, 2014, is:

TWO MILLION FOUR HUNDRED FIFTY THOUSAND DOLLARS ($2,450,000)

The value outlined above is based on the extraordinary assumptions explained herein and assumes that 1) the site is/will be zoned PO for Professional Office uses, and 2) that curb, gutter, sidewalk and other site improvements are/will be installed as reported. If either of these extraordinary assumptions are shown to be incorrect or are not complete as reported, it would have a significant impact on the final value conclusion contained herein.

Exposure and Marketing Time "As Is"

Based on current market conditions and available market data, it would appear that the subject property As Is, if properly marketed, would need an exposure time of six to twelve months. Likewise, being properly marketed, the subject could likely be sold within a 12-month period from the date of this appraisal.

Addenda

Comparable Sales

LAND SALE #1

Identification:

Location	11175 South Jordan Gateway
City/County/State	South Jordan/Salt Lake/Utah
Parcel #	27-24-251-016

Land Description:

Land Size	5.42 acres; 236,095 sq.ft.
Shape	Rectangular
Frontage	Along Jordan Gateway and Interstate 15
Street Orientation	Interior
Topography	Level
Utilities	All available
Street Improvements	curb, gutter and sidewalk
Zoning	C-F
Site Utility	Average

Transaction:

Date of Sale	April 2013
Conditions	Arm's length
Sales Price	$2,350,000
Financing	Cash or cash equivalent
Cash Equivalent Sales Price	$2,350,000
Listing Price	$3,287,037
Marketing Period	Over 2 years
Grantor	Carmax Auto Superstores West C
Grantee	Sju, LLC
Verification	Chris Terry, Commerce Real Estate Solutions

Unit of Comparison:

Sales Price/Sq.Ft.	$9.95

Comments

This property is north of the Carmax dealership on Jordan Gateway and was listed for over two years. It includes 3.43 acres of fee simple land and 1.99 acres of leasehold land under the Rocky Mountain Power Lines. The majority of the surrounding development is office in nature, with a car dealership and boat dealership nearby. The verification source was unclear as to the proposed development but did note it would be good destination retail or office location.

Comparable Plat/Parcel Map

LAND SALE #2

Identification:

Location	9490 South 300 West
City/County/State	Sandy/Salt Lake/Utah
Parcel #	27-12-127-007

Land Description:

Land Size	6.50 acres; 283,140 sq.ft.
Shape	Rectangular
Frontage	Along 300 West Street
Street Orientation	Interior
Topography	Mostly level
Utilities	All available
Street Improvements	Curb, gutter and sidewalk
Zoning	RD
Site Utility	Good

Transaction:

Date of Sale	June 2013
Conditions	Arm's length
Sales Price	$2,972,970
Financing	Cash or cash equivalent
Cash Equivalent Sales Price	$2,972,970
Listing Price	$3,539,250
Marketing Period	1.5 years
Grantor	FR/CAL Sandy, LLC
Grantee	Boyer 9400 South, LC
Verification	Kelsie Akiyama, Newmark Grubb Acres

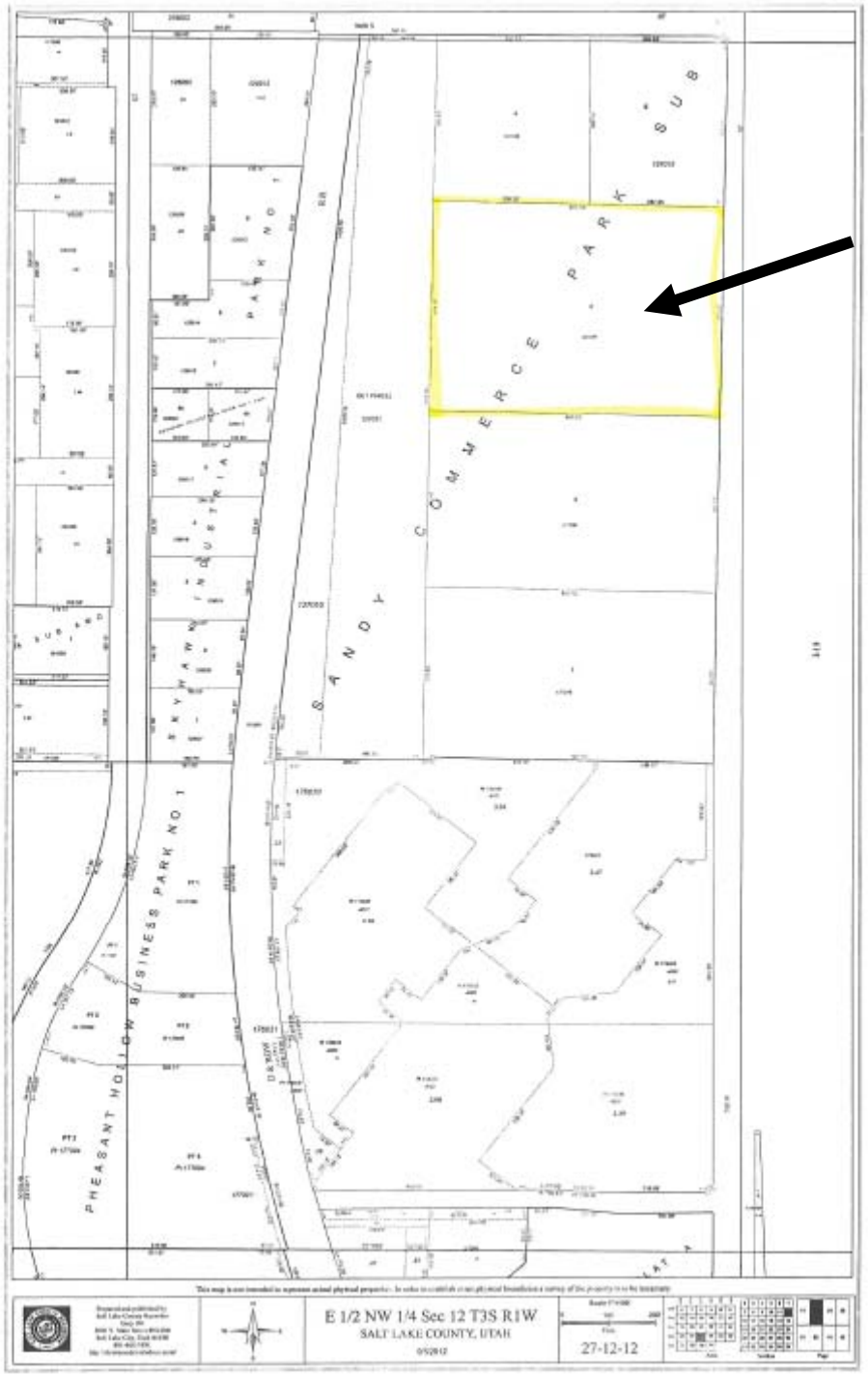
Unit of Comparison:

Sales Price/Sq.Ft.	$10.50

Comments

This is the sale of Lot 3 in the Sandy Commerce Park subdivision. This is an established office/business park and surrounding development is mainly office in nature. It is along the west side of I-15 but is below grade. There is an additional 2.79 acre available for sale to the northwest at $12.50 per square foot. However, the 2.79 acre parcel fronts along 9400 South, not 300 West.

Comparable Plat/Parcel Map



LAND SALE #3

Property Identification

Property Type:	Commercial/Office land
Address:	1220 East 9400 South
City/County/State:	Sandy/Salt Lake/Utah
Parcel Number:	28-08-227-01928-08-230-001

Transaction Information

Rights Transferred:	Fee simple
Seller:	Sandy City Corporation
Buyer:	IHC Health, Inc.
Sales Price:	$1,956,582
Date of Sale:	July 2012
Financing Terms:	Cash, or cash equivalent
Cash Equivalent Price:	$1,956,582
Listing Price:	$2,150,000
Exposure Time:	20 days on market
Street Improvements:	Curb, gutter and sidewalk

Land Description

Land Size:	4.30 acres; 187,308 square feet
Zoning:	SD-H (Special District - Hospital)
Frontage:	9400 South
Topography:	Level
Configuration:	Mostly rectangular
Street Orientation:	Interior
Utilities:	All available

Units of Comparison

Price Per Sq.Ft.:	$10.45

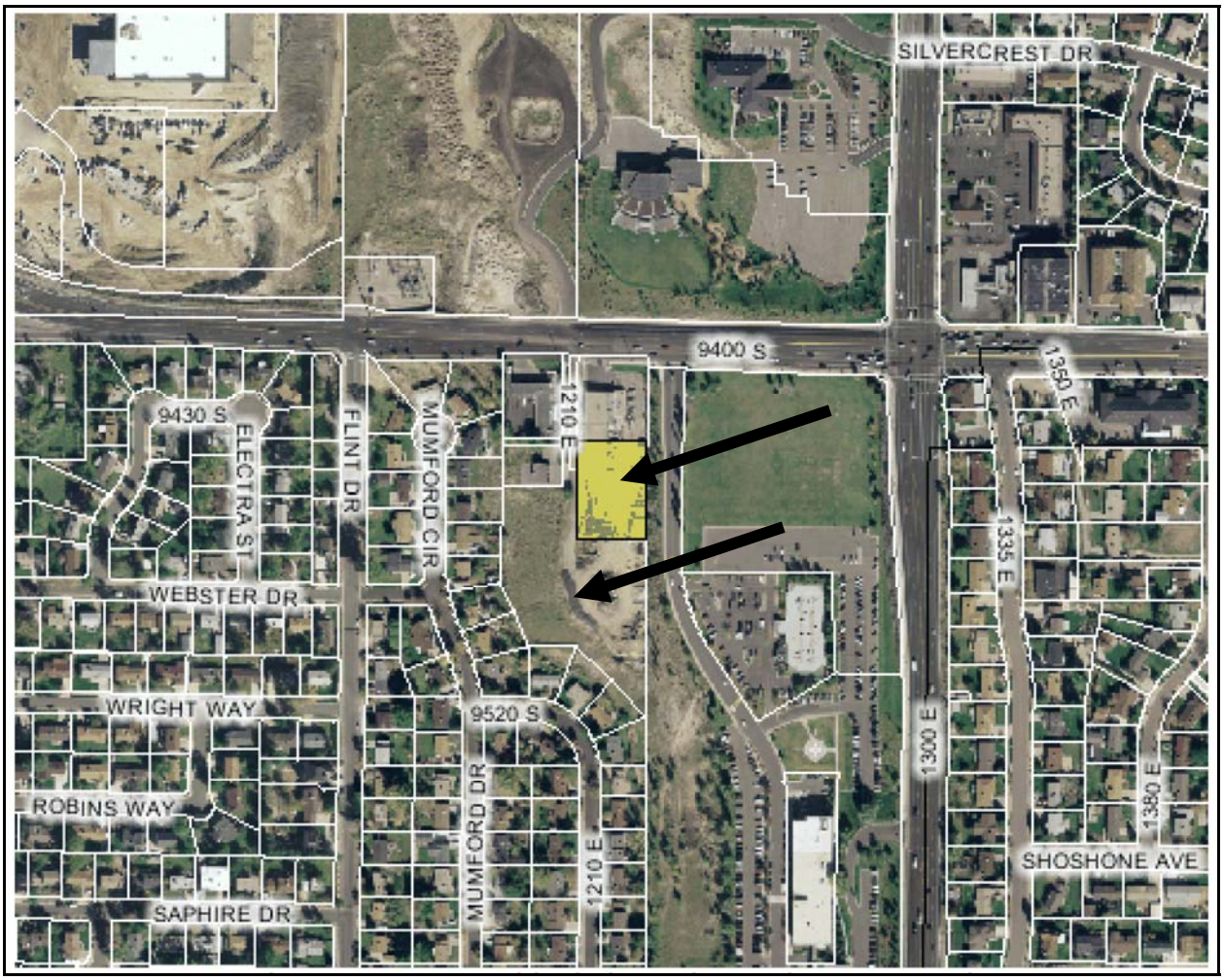
Verification

Verified With:	Max Burdick; real estate agent

Comments:

This sale is on the south side of 9400 South in Sandy. It is near the Alta View Hospital and is within a special district zone that allows for medical office, hospital, business office and other related office uses. There were some older buildings on the site that were attributed no value and will be removed by the buyer. The verification source did not have any estimate of demolition costs but stated that the buyers would likely use or rent the buildings out short term until demolition is necessary. The rental income will likely offset demolition costs.

Comparable Plat/Parcel Map



LAND SALE #4

Identification:

Location	10428 South Jordan Gateway
City/County/State	South Jordan/Salt Lake/Utah
Parcel #	27-13-178-009 & -010

Land Description:

Land Size	5.16 acres; 224,770 sq.ft.
Shape	Mostly rectangular
Frontage	South Jordan Gateway
Street Orientation	Interior
Topography	Mostly level
Utilities	All available
Street Improvements	Concrete curb, gutter, and sidewalk
Zoning	CF (Commercial Freeway)
Site Utility	Average

Transaction:

Date of Sale	October 2013
Conditions	Arm’s length
Sales Price	$1,910,000
Financing	Cash or cash equivalent
Cash Equivalent Sales Price	$1,910,000
Listing Price	$2,130,000
Marketing Period	50 days on market
Grantor	America West Bank
Grantee	SJ Utah, LLC
Verification	Micah Lewis; buyer's real estate agent

Unit of Comparison:

Sales Price/Sq.Ft.	$8.50

Comments

The is a recent sale for land on the west side of Jordan Gateway, close to the north of 10600 South near the I-15 interchange. Surrounding development is almost entirely office in nature, and the lower traffic counts does not lend itself well to retail uses. The verification source stated that the buyers were going to attempt to get the site approved for apartment development, but this was reported to be somewhat speculative. He stated that office development is more likely and that some office may still be developed on the rear portion in the event that the site is approved for apartments.

It is noted that this is bank owned/foreclosure sale. Mr. Lewis felt that it was near market considerations at the time but stated that they may have realized a "slight discount". The shorter marketing period supports this statement.

Comparable Plat/Parcel Map

LAND SALE #5

Property Identification

Property Type:	Commercial/Office Land
Address:	±14178 South Bangerter Parkway
City/County/State:	Draper/Salt Lake/Utah
Parcel Number:	34-06-377-014

Transaction Information

Rights Transferred:	Fee simple
Seller:	DJ Investment Group
Buyer:	DFG LCG, LLC
Sales Price:	$1,875,000
Date of Sale:	October 2013
Financing Terms:	Cash, or cash equivalent
Cash Equivalent Price:	$1,875,000
Listing Price:	N/A
Listing Period (DOM):	N/A

Land Description

Land Size:	6.06 acres, or 263,974 square feet
Zoning:	CG
Frontage:	Bangerter Parkway & Southfork Drive
Topography:	Level
Configuration:	Irregular
Street Orientation:	Interior - two street access
Street Improvements:	Curb and gutter; no sidewalk
Utilities:	All Available

Units of Comparison

Price Per Sq.Ft.:	$7.10

Verification

Verified With:	Mark Reynolds, real estate agent Loopnet County Records

Comments:

This is a recent sale on the south side of Bangerter Parkway, close to the east of I-15 in Draper. The zoning is general commercial, but surrounding development is primarily office and multi-family in nature. The verification source stated that the buyers are planning a multi-story office building on the site.

Comparable Plat/Parcel Map

ZONING INFORMATION

Chapter 17.50
PROFESSIONAL OFFICE (P-O) ZONE

17.50.010: PURPOSE:

The professional office (P-O) zone may be cited as the "P-O zone" and is established to provide areas where large and small scale offices and office parks can be located in the city. Smaller office developments should be harmoniously integrated with surrounding residential areas and serve as residentially compatible buffers to heavier uses such as commercial and industrial businesses and major roadways. Large office buildings should be well buffered from residential areas with landscaped open space. Buildings and signs should be coordinated with high quality materials and architecture. (Ord. 2013-02, 2-19-2013)

17.50.020: PERMITTED USES:

The following uses may be conducted in the P-O zone:

Banks, credit unions, financial institutions without drive-up facilities.

Computer services.

Computer software and media production and distribution.

Electronics and computer hardware production and distribution.

Health and fitness centers.

Healthcare facilities and services.

Insurance, accounting, marketing, finance, tax and similar services.

Medical and dental offices or clinics.

Mortuary, funeral home.

Personal or business services.

Publishing, printing.

Real estate, engineering, legal, architectural, development and similar services.

Research and development with or without ancillary manufacturing and distribution.

Telemarketing. (Ord. 2013-02, 2-19-2013)

17.50.030: CONDITIONAL USES:

A conditional use permit may be issued for the following uses in the P-O zone:

Assisted living centers, maximum two (2) stories.

Banks, credit unions, financial institutions with drive-up facilities located to the rear of the structure and at least one hundred feet (100') from a residential district.

Buildings exceeding two (2) stories with only allowed P-O uses.

Care centers, maximum two (2) stories.

Convention, arena, reception and assembly facilities.

Cultural exhibits and activities.

Daycare center facility.

Educational and training activities.

Golf courses.

Hospitals.

Hotels, motels.

Nature or zoological exhibits.

Parks.

Preschool center facility.

Public, quasi-public facilities.

Religious activities. (Ord. 2013-02, 2-19-2013)

described in section 17.50.010 of this chapter.

5. Residential and retail uses may be incorporated as components of mixed use office developments.

6. Sexually oriented businesses are prohibited.

B. The following standards and regulations may not be varied for performance developments:

1. Building and infrastructure construction standards.

2. Use regulations as set forth in section 17.50.040 of this chapter.

3. Required landscaping as set forth in section 17.50.140 of this chapter, except open space.

4. Sign regulations as set forth in title 16, chapter 16.36 of this code.

5. Requirements of section 16.24.050 of this code.

6. Requirements of section 16.24.070 of this code.

7. Any standards relating to the public health, safety and welfare. (Ord. 2013-02, 2-19-2013)

17.50.060: LOT WIDTH AND FRONTAGE:

No minimum lot width is required for lots in the P-O zones except for the initial lot of a development which shall have a minimum width of one hundred fifty feet (150') measured at the minimum front yard setback at a point which corresponds to the midpoint of the front lot line. The initial lot shall abut the right of way line of a public street a minimum distance of one hundred fifty feet (150'). Lots not fronting on a street must be accessible to the public via a recorded easement or right of way. (Ord. 2013-02, 2-19-2013)

17.50.070: AREA REQUIREMENTS:

The following area requirements shall apply in the P-O zones:

A. Minimum Zone Area: The minimum area of P-O zones shall be one acre.

B. Minimum Project Area: "Project" shall be defined as any development in P-O zones for which preliminary plat or site plan approval has been proposed or granted. The minimum area of any project in P-O zones shall be one acre.

C. Minimum Lot Area: There shall be no minimum lot area in P-O zones. (Ord. 2013-02, 2-19-2013)

17.50.080: PRIOR CREATED LOTS:

Nonconforming lots or parcels of land which legally existed or were created by a preliminary or final plat approval prior to the establishment of P-O zones shall be brought into conformance with the requirements of this chapter prior to development. (Ord. 2013-02, 2-19-2013)

17.50.090: YARD REQUIREMENTS:

The following yard requirements shall apply on lots in the P-O zones:

A. Front Yard, Interior And Corner Lots: The minimum landscaped front yard for lots in P-O zones shall be twenty feet (20').

B. Side Yard, Interior Lots: No minimum side yard is required adjacent to nonresidential or nonagricultural zones. The minimum side yard for lots adjacent to residential or agricultural zones shall be thirty feet (30'), of which at least ten feet (10') adjacent to the property line shall be landscaped.

C. Side Yard, Corner Lots: The minimum landscaped street side yard for corner lots shall be twenty feet (20').

D. Rear Yard: No minimum rear yard is required adjacent to nonresidential or nonagricultural zones. The minimum rear yard for lots adjacent to residential or agricultural zones shall be thirty feet (30'), of which at least ten feet (10') adjacent to the property line shall be landscaped.

COUNTY TAX/LEGAL DESCRIPTION

DIVERSE SALT LAKE COUNTY

Esc / CLEAR | Logoff | Applications

VTRU 27-20-352-001-0000 BOOK 10203 PAGE 1 DATE 06/13/2014 LEGAL D PAGE 1

NAME SOUTH JORDAN CITY NEW/UPDT TAX DIST ??
CONT ASR DATE 00/00/0000
C/O,AT ACREAGE 9.28
STREET 1600 W TOWNE CENTER DR NO: EDIT ADDR SUPPRESS
CITY SOUTH JORDAN UT ZIP 840958697 COUNTRY
LOCATE 11601 S 4000 W EDIT CERTIFY ASSR BATCH NO 0 SEQ 00
SUBDIV OQUIRRH MTN MARKETPLACE EDIT N
PROPERTY DESCRIPTION
DESC 1 LOT 13, OQUIRRH MOUNTAIN MARKETPLACE. WORK CRD
DESC 2 10212-7651,7679 PRINTED

2 DESC LINES

MORE

OLD PARCEL NUMBERS
27-20-302-002-0000

MORE TOTAL 1

01/007

Reset | Default | Refresh | Disconnect | View Print Jobs | Turn Keyboard Off

Salt Lake County Government Center – 2001 South State Street Salt Lake City, UT 84190 – 801 468-3000

APPRAISER'S QUALIFICATIONS

QUALIFICATIONS OF APPRAISER

KENDALL S. MITCHELL

ken@valueutah.com

EDUCATION/TRAINING

BA; Family Economics & Consumer Studies — University of Utah; June 1996

- *Emphasis of Market Research Techniques*
- *Emphasis on Statistical Analysis*
- *Emphasis on Economic Principles*

Fundamental Appraisal (101)	O'Brien Real Estate School; May 2001
Appraising Residences (102)	O'Brien Real Estate School; June 2001
Standards of Professional Practice (USPAP)	O'Brien Real Estate School; February 2001
Residential Case Study 2-4 Units (104)	O'Brien Real Estate School; April 2001
Basic Income Capitalization (310)	Appraisal Institute; October 2002
Advanced Cost and Sales Approach (530)	Appraisal Institute; May 2003
Eminent Domain for Appraisers and Attorneys	National Highway Institute; January 2004
Highest and Best Use & Market Analysis (520)	Appraisal Institute; June 2005
Advanced Income Capitalization (510)	Appraisal Institute; September 2005
National USPAP Update Course	Every two (2) years as required since 2004
UDOT Right of Way Appraiser Seminar	UDOT; May 2006
Utah Law of Eminent Domain	Utah Land Use Institute; February 2008
Appraising from Blueprints and Plans	Appraisal Institute; March 2008
Small Hotel/Motel Valuation; Limited Lodging	Appraisal Institute; March 2008
Report Writing and Valuation Analysis (540)	Appraisal Institute; January 2009
Appraisal Institute Symposium	Appraisal Institute; March 2010
Eminent Domain Seminar	The Utah Land Use Institute; February 2011
Legislative Report to Appraisers	Utah Association of Appraisers; April 2012
Utah Appraiser Supervisor & Trainee Course	Appraisal Institute; February of 2014
Reviewing Appraisals in Eminent Domain (410)	IRWA; March 2014
Rates & Ratios: Making sense of GIM's, OAR's, DCF	Appraisal Institute; April 2014

PROFESSIONAL EXPERIENCE

Researcher and Market Analyst	Bodell Van Drimmelen; August 2000 - September 2002
Licensed Appraiser & Market Analyst	Bodell Van Drimmelen; September 2002 - April 2004
Certified General Appraiser/Market Analyst	Van Drimmelen & Associates, Inc. April 2004 - Present

PROFESSIONAL AFFILIATIONS/LICENSES

Utah State Certified General Appraiser	License # 5499685-CG00; exp 4-30-2016
Utah Chapter of the Appraisal Institute	Associate Member; 2008-2010

APPRAISAL EXPERIENCE

I have worked as a Staff Researcher, Licensed Appaiser and Certified General Appraiser for Van Drimmelen & Associates, Inc. Commercial Appraisers since August of 2000. I have taken the prescribed courses and have been a Utah State Certified General Appraiser since April 2004. I am on the UDOT approved appraiser lists for State and Local right-of-way (ROW) projects for both complex ROW Appraisal Services, and ROW Appraisal Review Services. I have extensive experience in a wide range of commercial, industrial, retail, residential and vacant land appraisals but specialize in vacant and right-of-way appraisals. I have taken the majority of the prescribed courses for MAI designation and continue to work toward this goal. Some of the differing types of properties that I have appraised since 2000 are below.

Residential Subdivisions	Office Buildings	Hazardous Waste Facility
Service/Gas Stations	Retail Buildings	Intelligent Buildings/Data
Restaurants/Bars	Bank/Credit Union Buildings	Land Leases
Churches/Religious Buildings	Historic buildings	Animal Control Facilities
	Landlocked land parcels	Power/Canal/Trail Corridors
Day Care Facilities	Eminent Domain Appraisals	Farm/Ranch Property
Strip Retail Shopping Centers	Partial Fee Acquisitions	Vacant Industrial land
Full Service Autobile Dealerships	Townhome/Condo Subdivisions	Residential Land and Lots
Recreational Cabins	Perpetual/Temporary Easements	Commercial land
Duplexes, Triplexes, Fourplexes	Severed Tracts/Damages	Recreational land
Convenience Stores	Federal Yellow Book	Medical Office Buildings
RV Sales and Services Sites	Campgrounds/RV Parks	Drive-in Theater
Multi-tenant Industrial Buildings	Bars/Taverns	Day Spas
Residential Paper Lots	Retirement Communities	Fitness Centers
Airplane Hangars	Valuation of Life Estates	Dive Shop
Power, Utility/Irrigation corridors	Single Family Residences (URAR)	Water Rights
Office/Warehouse Buildings	Multi-unit apartment complex	Auto Repair Shops

CLIENT LIST (PARTIAL)

First National Bank	Cache Valley Bank	UDOT
First Community Bank	Envision Lending Group	Orem City
Jordan Credit Union	Logan City	Grand County
Amegy Bank	Murray School District	Lindon City
Zions Bank	Sunfirst Bank	South Jordan City
Bank of Utah	Frontier Bank	UTA (Utah Transit Authority)
Deseret First Credit Union	NAI Utah Real Estate Division	Granite School District
Bona Vista Water District	JUB Engineers	Sandy City
Castleview Hospital (Price)	CIT Financial	Ogden City
Central Bank	Kaysville City	South Salt Lake City
Celtic Bank	Snell & Wilmer Law Firm	Clinton City
Home Savings Bank	Maughan Law Firm	Tooele City
Kenworth Trucking Co.	West Valley City	Herriman City
Eagle Mountain City	Saratoga Springs City	West Jordan City
Bonneville Mortgage	H.W. Lochner Engineers	Lehi City
ANB Financial Corporation	Envirocare of Utah	SITLA
Frontier Bank	Salt Lake City RDA	BLM (Federal)
Wells Fargo Bank	Enterprise Financial	Wellington City
America West Bank	Staker Parsons Group	Tooele County
**Numerous Individual investors, landowners and developers*		

STATE OF UTAH
DEPARTMENT OF COMMERCE
DIVISION OF REAL ESTATE

ACTIVE LICENSE

DATE ISSUED: 04/24/2014

EXPIRATION DATE: 04/30/2016

LICENSE NUMBER: 5499685-CG00

LICENSE TYPE: Certified General Appraiser

ISSUED TO: KENDALL S MITCHELL
774 E 2100 S
SALT LAKE CITY UT 84106

SIGNATURE OF HOLDER

REAL ESTATE DIVISION DIRECTOR