

SUMMARY APPRAISAL REPORT  
OF A

**93.89 ACRE LAND PARCEL**

**LOCATED AT**  
1260 North 18150 West  
Fairfield, Utah

**DATE OF VALUATION**  
January 21, 2013

**REPORT #13.010.C**

**PREPARED FOR**  
Mr. Wayne Klein  
10 Exchange Place, Ste 502  
Salt Lake City, Utah 84111

**PREPARED BY**  
Steven Nielsen, MAI  
Nielsen and Company  
Real Estate Appraisers and Consultants  
1459 North 1200 West  
Orem, Utah 84057  
(801) 373-8323

February 6, 2013

Mr. Wayne Klein  
10 Exchange Place, Ste 502  
Salt Lake City, Utah 84111

Re: A summary appraisal report on a 93.89 acre land parcel, located at 1260 North 18150 West, Fairfield, Utah.

Dear Mr. Klein:

At your request, I have prepared a summary appraisal report concerning the market value of the above referenced property. The following appraisal report contains the basis, data, and analysis upon which the value estimate is predicated. The report will be used for determining the market value for loan under writing purposes.

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

The "as is" subject property represents a 93.89 acre land parcel with the majority zoned for light industrial uses under Fairfield City jurisdiction. Of the 93.89 acres, 10.00 acres is located in a "hold" zone. Land located within the "hold" zone suffers from arsenic contamination and will not support development.

The subject has level topography and extensive frontage along 18150 West and limited frontage along Highway 73. Power is located along 18150 West with power and water located along Highway 73. Fairfield has no sewer and not enough water to support large scale development. The highest and best use is for continued range purposes until demand supports higher intensity development. Given current growth trends, a mid to long term hold should be anticipated.

Mr. Klein  
February 6, 2013  
Page 2

In the valuation process, the Sales Comparison Approach was expanded. This is the only applicable method of valuation. The valuation pertains to the fee simple estate. The estimated exposure/marketing time is six to twelve months.


After careful consideration of the information contained within this report, I am of the opinion that the "as is" market value of the 93.89 acre land parcel, in fee simple title, as of January 21, 2013, is:

**\$280,000**

**“TWO HUNDRED EIGHTY THOUSAND DOLLARS”**

No water rights have been included in the valuation. The value is for real estate only and does not include any personal property. This letter of transmittal is not to be misconstrued as an appraisal report, but merely indicates the final value estimate developed in the following report. The following summary report provides supporting data, assumptions, and justifications for my final value conclusions. The appraisal is made subject to the general assumptions and limiting conditions stated at the end of the report. Please feel free to call if there are any questions.

Respectfully submitted,



Steven Nielsen, MAI

SN/lh

Utah State - Certified General Appraiser License # 5468930-CG00 (Exp. 12/31/14)
--

## SUMMARY OF IMPORTANT CONCLUSIONS

SUBJECT: 93.89 acre land parcel

LOCATIONS: 1260 North 18150 West, Fairfield, Utah

HIGHEST AND BEST USE:  
Land as if Vacant - Continued range purposes until demand warrants higher intensity development

ZONING: LI and Hold (Light Industrial - Town of Fairfield). Land located in "hold" zone suffers from arsenic contamination and can not support development.

APPRAISED INTEREST: Fee Simple Title

FLOOD ZONE: FEMA has not developed a flood map for this area of Utah County.

VALUATION DATE: January 21, 2013

REPORT COMPLETION DATE: February 6, 2013

TAX PARCEL NOS.: 59:065:0001, :0040 and :0051

OWNERS OF RECORDS: Homeland Funding Corp

CURB/GUTTER: None

ON-SITE IMPROVEMENTS: None

WATER RIGHTS: None

MARKET VALUE ESTIMATE: \$ 280,000

MARKETING TIME: Twelve months

**TABLE OF CONTENTS**

**IDENTIFICATION AND SCOPE**

IDENTIFICATION OF THE PROPERTY ..... 1  
PURPOSE OF APPRAISAL ..... 1  
SCOPE OF ASSIGNMENT ..... 1  
DEFINITION OF MARKET VALUE ..... 2  
DEFINITION OF "AS IS" PREMISE ..... 2  
VALUATION DATE ..... 3  
PROPERTY RIGHTS APPRAISED ..... 3  
STATEMENT OF OWNERSHIP ..... 3  
HISTORY OF THE PROPERTY ..... 3

**FACTUAL DESCRIPTIONS**

NEIGHBORHOOD ANALYSIS ..... 4  
LAND DESCRIPTION ..... 20  
REAL ESTATE TAX INFORMATION ..... 23  
ZONING ..... 23

**VALUATION OF THE PROPERTY**

HIGHEST AND BEST USE ..... 24  
VALUATION APPROACHES ..... 26  
SALES COMPARISON APPROACH ..... 27  
RECONCILIATION AND FINAL VALUE ESTIMATE ..... 37  
  
CERTIFICATION OF VALUE ..... 38  
GENERAL ASSUMPTIONS ..... 40  
GENERAL LIMITING CONDITIONS ..... 41  
SPECIAL LIMITING CONDITIONS ..... 42  
PHOTOGRAPHS .....  
QUALIFICATIONS OF THE APPRAISER .....

**ADDENDUM**

**IDENTIFICATION OF THE PROPERTY**

The subject property represents 93.89 acres of land located at 1260 North 18150 West, Fairfield, Utah. The Utah County Recorder's office identifies the subject as tax parcel number 59:065:0001, :0040 and :0050. A legal description of each tax parcel, as provided by the Utah County Recorder, can be found in the addendum.

**PURPOSE OF APPRAISAL**

The purpose of the appraisal is to estimate the "as is" market value of the subject property as of January 21, 2013. The appraisal has been ordered by Mr. Wayne Klein, trust administrator in Salt Lake City. The appraisal will be used for internal management purposes.

**SCOPE OF THE APPRAISAL ASSIGNMENT**

I have performed an extensive investigation in the local marketplace for valuation of the subject property. My research included, but was not limited to, talking with local property owners, city and county officials, brokers, appraisers, and local business owners. All of the sales data and rental information has been verified.

In the valuation process, a summary analysis of the Sales Comparison Approach was developed and leads to a final value estimate. Because the subject represents vacant land, this is the only applicable approach.

The information and analysis has been prepared in a summary format and is intended to comply with the current Uniform Standards of Professional Appraisal Practice (USPAP) as adopted by the Appraisal Foundation as of July 1, 1994.

Understanding that Utah is a non-disclosure state, information used in this report is as reliable as practical.

**DEFINITION OF MARKET VALUE**

"Market Value" as used in this report 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 seller to buyer under conditions whereby:

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

**DEFINITION OF "AS IS" PREMISE**

The definition of "AS IS" as used in this report is based on the following:

"Market Value "as is" on appraisal date means an estimate of the market value of a property in the condition observed upon inspection and as it physically and legally exists without hypothetical conditions, assumptions, or qualifications, as of the date the appraisal is prepared."<sup>2</sup>

---

<sup>1</sup> *Federal Register*, Volume 55, Number 163, (August 22, 1990), 34228 and 34229; also quoted in the Definitions Section of the *Uniform Standards of Professional Appraisal Practice*, 1996 ed., and *The Appraisal of Real Estate*, 11th ed. (Chicago: Appraisal Institute, 1996), 23.

<sup>2</sup> Appraisal Policies and Practices of Insured Institutions and Service Corporations, Federal Home Loan Bank Board, "Final Rule", 12 CFR Parts 563 and 571, December 21, 1987.

**VALUATION DATE**

The effective date of the value estimate is the last date of personal inspection of the property by Steven Nielsen is January 21 2013. The completion date of the report is February 6, 2013.

**PROPERTY RIGHTS APPRAISED**

The appraisal is based on the property rights being in fee simple estate.

**Fee Simple Estate**

A fee simple estate is defined as:

"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."<sup>3</sup>

**STATEMENT OF OWNERSHIP**

The subject is currently vested in the name of Homeland Funding Corp.

**HISTORY OF THE PROPERTY**

Homeland Funding Corp took ownership of the subject as trustee in the summer of 2007. No information was available prior to this date. Homeland Funding Corp is in the process of placing the subject on the market. The asking price will be based on the value estimate of this report.

The aforementioned represents the only known market activity involving the subject in the past three years.

---

<sup>3</sup> Appraisal Institute, *The Appraisal of Real Estate*, 11th ed. (Chicago: Appraisal Institute, 1996), 137.



## **NEIGHBORHOOD DATA**

The neighborhood analysis is an essential and critical section of the appraisal process. It identifies the specific area of analysis in which certain forces and influences will be analyzed in application of the three approaches to value. The forces influencing the neighborhood are very important when considering the immediate and long range use and value of the subject property. A neighborhood is defined as "A group of complementary land uses."<sup>4</sup> A district is more restrictive in definition and is defined as "A type of neighborhood that is characterized by homogeneous land use."<sup>5</sup>

### **Geographic Location**

The subject is located within the Town of Fairfield. Fairfield is located in a remote area of west Utah County and some 5.50 miles southwest of Eagle Mountain, the largest residential community within the general neighborhood.

Fairfield is part of the greater Utah County area. Utah County is located 45 miles south of metropolitan Salt Lake City, which is the financial center for the Intermountain Region. The Provo/Orem area represents the financial center of Utah County with Provo representing the Utah County seat.

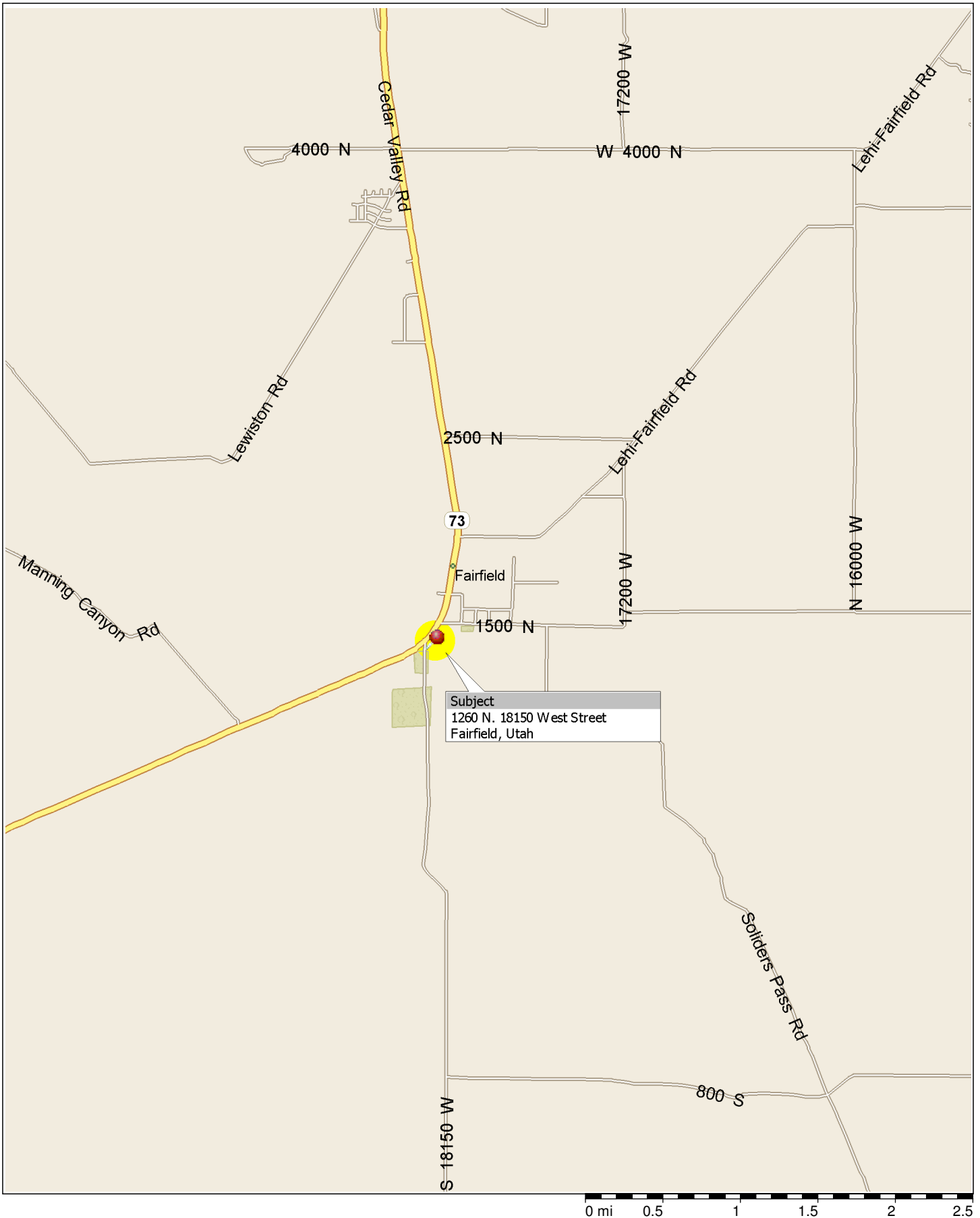
Utah County is surrounded by mountains forming a valley about 10 miles wide and 20 miles long. The Wasatch Mountains on the east and Utah Lake on the west nearly converge to form the south boundary. The north boundary is considered to be the "point of the mountain" which is located just north of Lehi City.

---

<sup>4</sup>Appraisal Institute, *The Appraisal of Real Estate*, 11<sup>th</sup> ed., (Chicago: Appraisal Institute, 1996), 189.

<sup>5</sup>Ibid., 189.

# Neighborhood Map



# AERIAL VIEW



### Population

Utah County continues to benefit from strong population growth that comes from both positive attrition and in-migration. The National Census Bureau estimates the Utah County population at 530,789 in 2011, a 2.2 percent increase from 2010 data. Population figures below are for major cities in Utah County for 1990, 2000, and 2010.

<b>POPULATION DATA - UTAH COUNTY (Census 2010)</b>				
<b>Municipality</b>	<b>1990</b>	<b>2000</b>	<b>2010</b>	<b>Average Annual Change 2000 - 2010</b>
Provo	86,835	105,166	112,488	0.69%
Orem	67,561	84,324	88,328	0.47%
Lehi	8,475	19,028	47,407	14.91%
American Fork	15,722	21,941	26,263	1.97%
Springville	13,950	20,424	29,466	4.42%
Pleasant Grove	13,476	23,468	33,509	4.28%
Spanish Fork	11,272	20,246	34,691	7.13%
Eagle Mountain	n/a	2,825	21,415	65.81%
Fairfield	n/a	139	119	-1.48%
Other	54,774	73,939	147,897	10.00%
County Total	263,590	368,536	520,049	4.11%
State of Utah	1,706,000	2,233,000	2,763,885	2.38%

The overall Utah County market has grown at an average annual rate of 4.11 percent over the past 10 years, outpacing the State of Utah by almost double. It is projected that by 2020, Utah County will have a population of 727,718, an average annual 4.00 percent growth rate over the next 10 years. This is substantially higher than the projections for the State of Utah, which show a 3.2 percent growth rate over the same period. This upward trend will place upward pressure on all real estate sectors, primarily in areas of strongest demand.

Due to its remote location, Fairfield continues to grow at a rate well below that experienced in other locations with Utah County. Neighboring Eagle Mountain has been growing at a rate well in excess of other Utah County locations. Still, given the large amount of land between Eagle Mountain and Fairfield, it will be many years before increased demand will be placed on the Fairfield area.

#### Employment

The Utah County labor market is characterized by a diversified economy, with concentrations in the service and trade industries. This diversification is apparent by the chart presented below for 2007, 2009, and 2011.

<b>EMPLOYMENT DATA - UTAH COUNTY</b>				
<b>Industry</b>	<b>Jobs 2007</b>	<b>Jobs 2009</b>	<b>Jobs 2011</b>	<b>Percent Employed</b>
Mining	55	59	76	0.04%
Construction	17,883	10,737	10,577	5.84%
Manufacturing	19,142	16,315	15,836	8.75%
Trans/Trade/Utility	30,926	29,879	30,032	16.59%
Information	8,159	7,735	8,021	4.43%
Finance	6,660	6,307	5,910	3.27%
Services	78,754	78,217	83,485	46.12%
Government	24,471	26,138	27,076	14.96%
<b>Total</b>	<b>186,050</b>	<b>175,387</b>	<b>181,013</b>	<b>100.00%</b>
Source: Utah Department of Workforce Services, Labor Market Information				

Total non-agricultural employment has had an average annual decrease of 0.67 percent since 2007 with a substantial drop since 2008. This drop is consistent with the general economic slowdown being experienced throughout the state and nation. However, more recent data, as it applies to the overall job market, shows this trend reversing itself with a 3.2 percent increase in jobs since 2010. Some of the larger employers include the Brigham Young University, Intermountain, Health, IM Flash, NuSkin, Nestle Prepared Foods, Adobe Systems and MY FAMILY.

The Utah Department of Economic Security reports that unemployment has continued to show positive trends. As of October 2012, Utah County and the State of Utah as a whole reported unemployment at 5.2 percent and 5.5 percent, down substantially from the high of July 2009 at 8.0 and 7.7 percent, respectively. The general consensus is for stable, but modest job growth going forward.

According to the Utah Department of Workforce Services, the 2009 per capita income for Utah County was \$23,428. This is below the Utah State level at \$31,886 and the national level at \$36,524 (2010).

#### Jurisdiction and Proximity

The subject is located within the Town of Fairfield and falls under Fairfield's jurisdiction. Fairfield is located west within Utah County. The city of Eagle Mountain, also considered to be remote compared to other location within Utah County, is located 5.5 miles northeast of the subject. Traveling by car, metropolitan Provo/Orem is located 50 miles to the east with metropolitan Salt Lake City located approximately 50 miles northeast.

#### Boundaries and Neighborhood Land Use

The subject is located west within Utah County. The geographical area represents land area located to the west within Lehi. There are two cities located to the west of Lehi, they are Saratoga Springs and Eagle Mountain, both of which have been developed primarily with residential uses, with some commercial development recently taking place in Saratoga Springs. The following will detail development within the Saratoga Springs/Eagle Mountain area. As noted, the subject is located some 5.50 miles southwest of Eagle Mountain.

Within the Eagle Mountain/Saratoga Springs neighborhood are three residential (south/north/west) and a centralized commercial district. Each district is described as follows:

The south district, established 10 years ago, is considered to be a resort community and includes an 18-hole golf course, a marina, and other amenities. Homes within this area range in value from \$175,000 to \$500,000. This area has been developing at a moderate to rapid pace over the past five years.

The north district, established 5 years ago, represents a starter home community. Homes within this area range in value from \$135,000 to \$175,000. This area has been developing at a moderate to rapid pace over the past two years.

The west district, established 10 years ago, is commonly known as the Ranches at Cedar Pass and City Center. This area has been developed with a variety of single and multi family residences with some ranchette lots scattered throughout. The area includes an 18-hole golf course and other amenities. Homes within this area range in value from \$150,000 to \$350,000. This area has been developing at a moderate to rapid pace over the past five years.

The primary commercial district is located at the intersection of Redwood Road and Highway 73 in Saratoga Springs. Development at this location includes two neighborhood shopping centers anchored by Smith's Grocery and Walmart, respectively. In-line retail space, an office park, and other retail/residential support facilities are also located at this area with other retail and multi-family projects in the planning stages at this location. A secondary commercial district is located at the intersection of Pony Express and Ranches Parkway in Eagle Mountain. Development at this location includes a small strip center, two office buildings, and a convenience store. A grocery store is currently under construction at this location.

The remaining land area is utilized largely for rural residential and agricultural purposes.

#### Percent Built Up

In order to determine the percentage of existing build-up in the neighborhood, a drive-through survey of the area was performed by the appraisers. Based on the survey, the area appears to be approximately 10 to 20 percent built up. There are a number of large land parcels remaining.

#### Immediate Neighborhood

The subject is located west within the Town of Fairfield. Land to the east of the subject has been developed with residential uses. Most of the homes are middle-to-older in age and valued between \$125,000 and \$200,000, with a handful a higher priced homes scattered throughout. Land to the north and west remains vacant and continues to be utilized for range and/or recreational purposes. Land to the south largely remains vacant with a small handful of industrial buildings located throughout. There is also a dump located to the south of the subject. There are large tracts of vacant land scattered throughout with the immediate neighborhood being less than 5 percent built up.



Access, Transportation, and Traffic Arteries

Access to the general neighborhood is provided from the east/west by State Road 73. Because of its rural nature, there is no north/south access. The closest I-15 on/off ramp is located approximately 20 miles to the east of the subject via State Highway 73. No public transportation is currently available to the community.

Age/Life Trend- Residential

The Saratoga Springs and Eagle Mountain area has seen strong growth up through 2007. However, similar to state and national housing trends, demand within the Saratoga Springs and Eagle Mountain marketplace has softened substantially in 2008. A history of residential building permits for the Saratoga Springs and Eagle Mountain marketplace is summarized in the following table.

<b>UNIT BUILDING PERMITS - UTAH COUNTY</b>			
<b>Year</b>	<b>Utah County</b>	<b>Saratoga</b>	<b>Eagle Mountain</b>
2005	5,819	656	432
2006	6,473	601	833
2007	4,970	489	702
2008	1,415	193	92
2009	1,484	183	174
2010	1,893	230	161
2011	1,865	249	58
2012 - Sept	1,613	230	99
Source: University of Utah BEBR			

Both Saratoga Springs and Eagle Mountain continue to capture a consistent amount of residential development within the Utah County marketplace. In Utah County, Saratoga Springs and Eagle Mountain building permits continue to trend upward from the lows of 2008. Giving these trends, it is clear that the residential market is beginning to stabilize.

According to the MLS, there are 312 home listings in the Saratoga/Eagle Mountain market, compared to 932 homes sold within the past 12 months. This is an inventory of 4.1 months. In the Utah County market, there are 2,024 listings, compared to 5,465 homes sold in the past 12 months. This is an inventory of 4.4 months. An inventory of less than 12 months is considered to be average to good. An inventory of 12 to 18 months is considered fair to average. An inventory over 18 months is considered to be poor. With the tight housing inventory, upward pressure is being placed on available lots.

According to most home builders, current demand is for homes priced less than \$300,000. The following table summarizes activity for homes listed/sold under \$300,000 and over \$300,000 within the Utah County and Saratoga/Eagle Mountain marketplace.

<b>HOME INVENTORY BY PRICE RANGE - UTAH COUNTY</b>				
<b>Location</b>	<b>Price Range</b>	<b>Listings</b>	<b>Sold</b>	<b>Inventory (Months)</b>
Utah County	\$1 to \$300,000	1,451	3,841	4.5
Utah County	\$300,001 plus	573	1,624	4.2
Saratoga/Eagle Mt	\$1 to \$300,000	272	704	4.6
Saratoga/Eagle Mt	\$300,001 plus	40	228	2.1

Clearly much of the demand is for homes valued under \$300,000. As such, most of the home builders have been constructing new homes in this price range. This has resulted in a slight increase in inventory from the spring of 2010. Still, the inventory remains relatively tight with some opportunities within the over \$300,000 price range.

Although there is not an oversupply of existing homes, there continues to be a slight oversupply of vacant lots, especially in the Eagle Mountain marketplace. A recent survey of sales within the Eagle Mountain market shows lots selling between \$35,000 and \$50,000 with variance being primarily as to size and location within the city. Periodically some lots will be sold by banks and basement prices.

Please note that the foregoing data applies primarily to Eagle Mountain and Saratoga Springs. Because lot and homes prices within the communities are low when compared to other location with Utah County, there continues to be strong demand. However, with the Town of Fairfield, there is been virtually no residential growth within the past 5 years.

#### Development Trends - Multi-Family Development

A recent survey of a number of projects in the immediate neighborhood indicated the following data.

<b>COMPARABLE ABSORPTION SUMMARY</b>					
<b>Name/ Location</b>	<b>Unit Size</b>	<b>Unit Price</b>	<b>Units Sold/Total</b>	<b>Overall Absorb.</b>	<b>Monthly Absorb.</b>
Grass Lands Springville	1,253 to 1,253 sf	\$140,000 to \$165,000	25/36	69%	1.56
Brookline Springville	1,073 to 1,321 sf	\$135,000 to \$165,000	66/72	92%	2.86
Rock Creek Eagle Mountain	1,264 to 1,264 sf	\$139,900 to \$149,900	11/24	45%	0.73
Willow Springs Eagle Mountain	1,260 to 1,260 sf	\$93,700 to \$149,900	288/312	92%	2.71
Whispering Springs Orem	1,488 to 1,488 sf	\$185,000 to \$195,900	36/36	100%	1.80
Independence Avenue Provo	1,700 to 2,100 sf	\$175,000 to \$190,000	49/159	31%	1.90
Cove @ Jordan River Saratoga	1,757 to 1,757 sf	\$179,900 to \$205,900	32/35	91%	2.00
Pebblewood American Fork	1,263 to 1,493 sf	\$185,900 to \$210,000	52/70	74%	1.85

Although absorption has slowed from the highs of 4+ units per month through mid year 2007, absorption is adequate and profit can be generated as long as land is purchased at a price that allows for a moderate holding period. Most developers have indicated that values have stabilized.

#### Development Trends - Commercial

Within the Saratoga Springs/Eagle Mountain market, commercial development continues to occur at a moderate rate on a demand basis and primarily for the owner occupant. A history of commercial construction within the Saratoga/Eagle Mountain market is detailed in the following table.

<b>COMMERCIAL CONSTRUCTION - UTAH CO./SARATOGA/EAGLE MTN.</b>		
<b>Year</b>	<b>Utah County (000)</b>	<b>Saratoga/Eagle Mtn. (000)</b>
2005	\$186,286.6	\$7,927.6
2006	\$286,488.9	\$9,175.0
2007	\$304,662.8	\$18,770.1
2008	\$355,776.8	\$30,988.9
2009	\$130,028.6	\$3,419.7
2010	\$251,123.1	\$1,568.3
2011	\$202,873.8	\$4,619.1
2012 - Sept	\$124,586.1	\$12,991.9
Source: University of Utah BEBR		

Consistent with the slowing economy, commercial construction has slowed for 2009/2010. According to Saratoga Springs City, the majority of the commercial development is in the form of smaller retail and office. Eagle Mountain reports that a grocery store is planning to break ground in the near term, with other small retail/office buildings in the planning stages.

Some bright spots within the overall Utah County market include the recent ground breaking

of a large federal building to be located north of Saratoga Springs. Other large office buildings, intended to support national users, and a large regional mall are also being constructed in the north Utah County area.

Again, the foregoing data applies primarily to Utah County to include both Eagle Mountain and Saratoga Springs. Within the Town of Fairfield, there is no commercial development with only a limited amount of industrial development located south along 18150 West. None of this industrial development has taken place within the past 5 years. What limited amount of industrial development there is, all is owner occupied.

#### Property Price Range, Rental Rates, and Financing

Within the Saratoga Springs/Eagle Mountain area, sales of commercial sites have been ranging from \$7.00 to \$18.00 per square foot. Depending on size and age, rental rates for office buildings have been ranging from \$12.00 to \$15.00 per square foot, triple net and for retail buildings from \$14.00 to \$18.00, triple net.

Financing is available from a number of local and national institutions. Agreements are typically negotiated with 15 to 20 year terms (5 to 7 year call) at rates of 1.0 to 2.0 percent over prime. With the improving economy, banks are becoming more open as to the loan that they are willing to do.

#### Property Turnover/Vacancy Rates - Commercial Sectors

All real estate sectors are showing moderate demand with some rebounding from the softness that began to occur in 2008. Detail as to industrial vacancy within the Utah County marketplace can be found in the following table.

<b>UTAH COUNTY VACANCY - INDUSTRIAL SPACE 2012-2010</b>				
<b>Sector</b>	<b>Existing SF</b>	<b>Available SF</b>	<b>Vacancy 2012 - 2nd</b>	<b>Vacancy 2010 - 4th</b>
Orem	5,767,773	341,685	5.92%	6.07%
Provo	4,521,143	106,826	2.36%	11.85%
<b>Utah County North</b>	<b>9,276,996</b>	<b>706,284</b>	<b>7.61%</b>	<b>8.35%</b>
Utah County South	11,088,921	690,087	6.22%	8.72%
Total	30,654,733	1,844,882	6.02%	8.57%
Source: Commerce CRG				

The industrial market continues to improve with vacancy being down from 10.95 percent experienced in 2009. The improved occupancy and rental rates continue to edge upward with most of the demand being placed on newer, well located properties. In 2011, there was 445,172 square feet of positive absorption. The East Lake Business Park, located west of Interstate 15 in north Orem, was recently brought on the market adding 600 acres available for development. It is anticipated that several large national tenants will locate to this park with Utah Valley University recently purchasing 100 acres for campus expansion. The forecast for industrial space is for moderate growth with vacancy and rental rates remaining stable in the short term.

Both the office and retail sectors are also beginning to show signs of stabilizing. Details as they pertain to the office and retail sectors are summarized in the following table. Please note that the subject is located in the Utah County North sector.

<b>RETAIL/OFFICE SPACE FOR YEAR 2012 -2011 UTAH COUNTY</b>				
<b>Office</b>	<b>Existing SF</b>	<b>Available SF</b>	<b>Available 2012 - 2nd</b>	<b>Available 2010 - 4th</b>
Orem	2,828,792	424,744	15.02%	15.67%
Provo	3,490,566	420,440	12.05%	9.33%
<b>Utah County North</b>	<b>3,071,819</b>	<b>429,123</b>	<b>13.97%</b>	<b>16.46%</b>
Utah County South	437,325	49,531	11.33%	22.55%
<b>Total</b>	<b>9,828,502</b>	<b>1,323,838</b>	<b>13.47%</b>	<b>14.03%</b>
<b>Retail</b>				
Orem	4,595,675	451,480	9.82%	12.13%
Provo	2,352,285	272,620	11.59%	9.14%
<b>Utah County North</b>	<b>3,177,126</b>	<b>278,189</b>	<b>8.76%</b>	<b>10.62%</b>
Utah County South	953,157	56,585	5.94%	11.99%
<b>Total</b>	<b>11,078,243</b>	<b>1,058,874</b>	<b>9.56%</b>	<b>11.35%</b>
Source: Commerce CRG				

The office market continues to show signs of improvement with vacancy continuing to decline from 2008 when it reached its high at 15.75 percent. In 2011, there was 354,344 square feet in positive absorption, most of which was high quality space. Still, vacancy continues to be high and newer high quality space will continue to outperform the overall market. With the forecast for continued job growth, it is anticipated that vacancy will continue to drop with rental rates remaining stable in the short term.

The retail sector had vacancy more than double in the past three years from a mid term low of 4.62 percent in 2008. With the soft economy, there has been limited amounts of new construction. This has helped to maintain occupancy, but rental rates have dropped by 25 percent from the high of 2007, the exception being projects anchored by national tenants. Still, sales tax revenues are reversing from the downward trends, up 11 percent in the 4<sup>th</sup> quarter 2011, indicating that the market may have bottomed out. It is expected that occupancy and rental rates have stabilized with modest increases going forward.

#### Positive/Negative Influences

The subject is located in an area that is growing primarily in the residential sector. Still, the Eagle Mountain area is removed from employment centers and residential services and will continue to capture the entry level market. No negative influences were noted.

#### Community Facilities and Services

General community facilities such as schools, places of worship, hospitals, and recreation centers are found within a close distance to the described neighborhood area. Utah County and Saratoga Springs/Eagle Mountain services are considered to be adequate for local businesses and residences. Services provided include street maintenance, garbage pick-up, and police and fire protection.

#### Availability and Adequacy of Public Utilities

All utilities such as water, sewer, electricity, natural gas, and storm drainage systems have been provided throughout both Eagle Mountain and Saratoga Springs.. Both of these communities have sufficient capacity for near term growth projections.

However, the Town of Fairfield only has water and electricity. Sewer is provided by individual septic tanks and although there is infrastructure in place, there is not sufficient water to support large scale development.

#### Nuisances, Hazards, and Adverse Influences

At this time, no significant detrimental influences exist relative to the neighborhood. An inspection and analysis of the subject neighborhood was performed and no items of external obsolescence were observed. Due to zoning restrictions and other legal considerations, no future detriments are anticipated.



### Conformity of Development and Uses

The subject property is zoned for industrial uses. According to *The Appraisal of Real Estate*, conformity is defined as "the appraisal principle that holds that real property value is created and sustained when the characteristics of a property conform to the demands of its market."<sup>6</sup> It is necessary to analyze the conformance of the subject with regard to the surrounding uses since the conformance principle has a strong influence on the subject property value.

The Town of Fairfield has done a good job in providing areas for commercial, industrial and residential development. Still, the mayor indicates that the town would be open to most types of development regardless of zoning. As such, zone changes would most likely be granted as long as the town looked favorably on a particular project.

### Neighborhood Life Stage

According to *The Appraisal of Real Estate*, neighborhoods evolve through four stages which are as follows:<sup>7</sup>

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

The Eagle Mountain and Saratoga Springs neighborhood is considered to be in the growth stage of its life cycle. Much of the growth is occurring within the residential sector. As a result of a declining population and lack of residential services, the Town of Fairfield is in the stability to decline stage. There are no indications that this will change in the near term.

---

<sup>6</sup> Ibid., 41.

<sup>7</sup> Ibid., 174.

### Nuisances, Hazards, and Adverse Influences

At this time, no significant detrimental influences exist relative to the neighborhood. An inspection and analysis of the subject neighborhood was performed and no items of external obsolescence were observed. Due to zoning restrictions and other legal considerations, no future detriments are anticipated.

### Neighborhood Conclusion

The general neighborhood of the subject property has well defined boundaries and is located in the rural community of Fairfield. Due to its remote location, there has been limited demand for residential and/or commercial uses.

The immediate neighborhood is considered to be in a stability to decline stage with very little demand in all real estate sectors. The large amount of vacant land will continue to place downward pressures on values going forward.

A snapshot report provided by the Utah Department of Economic Development, as it applies to Utah County, can be found in the addendum of this report. This report shows mid-term trends and graphs which may provided supplementary information to that detailed in the above analysis.

## **LAND DESCRIPTION**

### Dimensions, Shape, and Area

The subject represents a 93.89 acre land parcel that is mostly rectangular in shape. A copy of the plat map can be found on a following page.

### Topography and Drainage

The subject has mostly level topography, is to street grade, and is consistent with adjoining land parcels. The overall topography has a gentle downhill slope from north to south.

Natural drainage follows the contour of the land. There are no signs of ponding and/or erosion. Although not improved with curb/gutter, street drainage also appears to be adequate.

FEMA has not produced a flood hazard map for the subject area. In the past, this area has been prone to run-off, but would not be considered to be a flood hazard area.

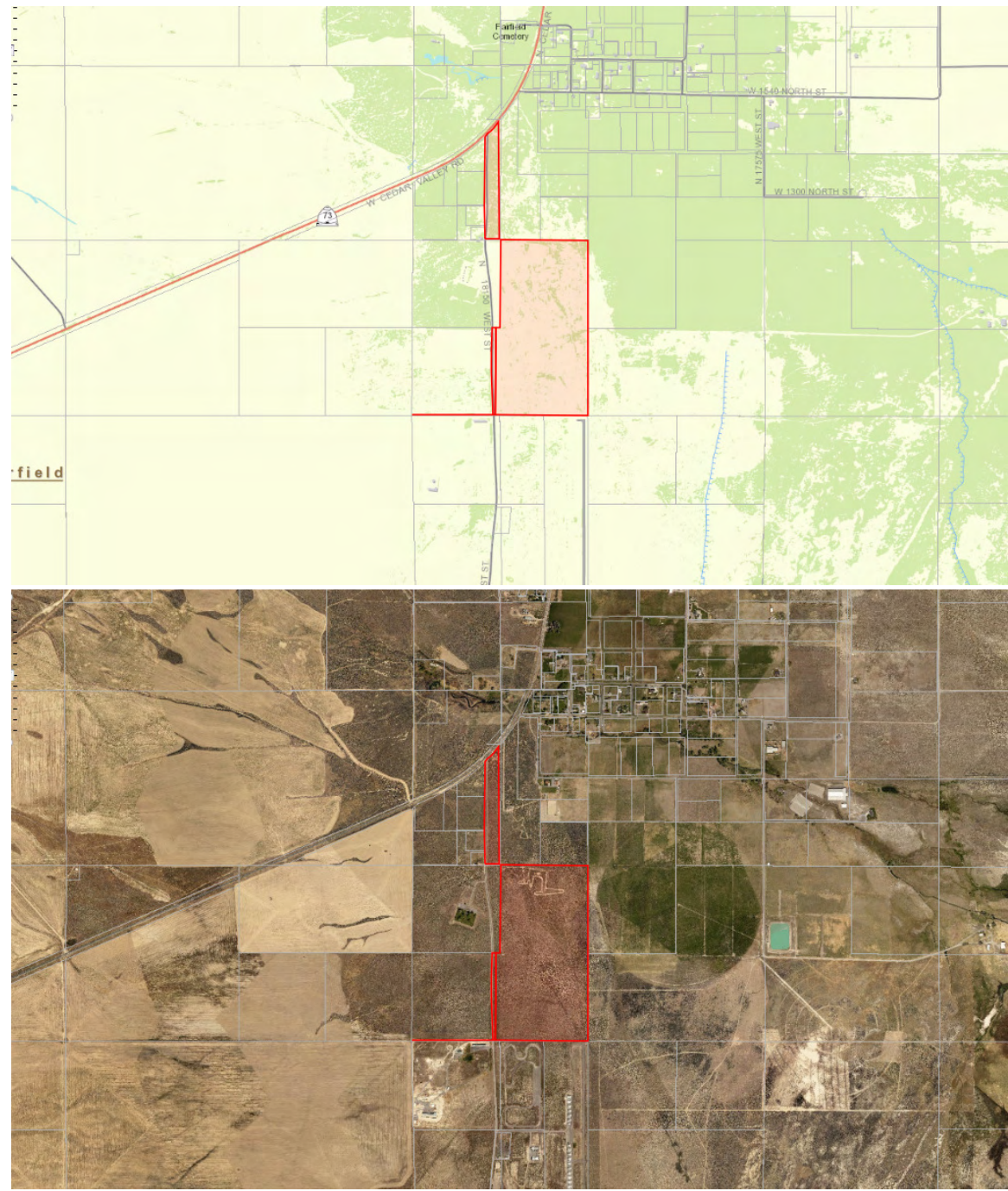
### Soil and Subsoil

No actual soil samples were made for this appraisal. However, based on surrounding development, the soil appears to have adequate stability. Still, a geo tech report is recommended and any collapsible soil would have an affect on the value estimate of this report. There are no indications of wetlands. However, the Town of Fairfield reports that 10 acres of the subject land, located along the 18150 West frontage and north within the overall land area, is contaminated with arsenic. Because of this contamination, the Town of Fairfield will not allow this land to be developed. Any variance from these assumptions would have an effect on my value conclusions.

### Utilities

According to the Town of Fairfield, power is located along 18150 West and water is located along Highway 73. However, because the subject land located along the Highway73 frontage can not be developed because of the arsenic contamination, water will need to be extended some 1,500 linear feet to where subject land can be developed. There is no sanitary sewer.

# PLAT MAP



The Town of Fairfield has sufficient infrastructure in place; however, the town does not have enough water to support large scale development. Any project would need to purchase water before development could take place. Only well water would be approved, which would most likely require changing the point of diversion.

#### Access and Street Improvement

The subject has 308.5 feet of frontage along the south side of Highway 73 and 2881.1 feet of frontage along the east side of 18150 West. The subject's ingress/egress is provided by the respective frontage.

Highway 73 has two travel lanes and is classified as a major collector class arterial. The 18150 West has two travel lane and is classified as a local collector class arterial. Both are asphalt paved and in average condition. It should be noted that all of the subject land located along the Highway 73 and 18150 West frontage is contaminated with arsenic.

These and other streets in the immediate area are asphalt/gravel surfaced, in average condition, and publically dedicated/maintained by the Town of Fairfield and/or the Utah Department of Transportation. The subject has adequate access.

#### Easements, Hazards, and Nuisances

A title report was not provided for this report. A review of a recently prepared title report is recommended before a loan is made on the subject property. The value estimate of this report is based on the subject being free from any easements, hazards or nuisances that would effect the utility of the subject property.

A review of the county plat and physical inspection indicated that all of 18150 West is situated within land area owned by the subject. Based on review of the county plat, it is estimated at 2.65 acres (2.8%) of the subject property is encumbered by 18150 West. Further, a long/narrow portion of subject land is located just west of 18150 West. Given its shape and size, this land area has very limited utility. Typical utility easements are assumed.

### Positive/Negative Influences

The subject is located in a rural area some 15 miles southwest of most residential development and some 20 miles southwest of the closest interstate interchange. This and the lack of infrastructure required to support development, has limited the demand. Further, land located contiguous to the west also suffers from arsenic contamination. Most typically the prevailing wind comes from that direction.

### Onsite Improvements

It is reported that a well is situated north within the overall land area and just south of the Highway 73 frontage. However, it is also reported that this well is owned by a separate party. The Town of Fairfield has indicated a desire to purchase this well to provide a second source of water for the community. Other than the well, there are no other on-site improvements.

**REAL ESTATE TAX INFORMATION**

The subject is identified by the Utah County as tax parcel number 59:065:0001, :0040 and :0051. A combined three year tax history for the subject site is summarized in the following table.

Tax History					
Year	Land Value	Improvement Value	Total Value	Taxes	Percentage Increase
2012	\$18,613	\$0	\$18,613	\$228.41	-1.0%
2011	\$18,613	\$0	\$18,613	\$230.77	4.6%
2010	\$18,613	\$0	\$18,613	\$220.68	n/a

Based the concluded value of this report, Utah County has under assessed the subject. However, this is typical of the Fairfield area and no substantial increase should be anticipated in the near term. Taxes for 2012 are still owing.

**ZONING**

The subject is located within the Town of Fairfield with the majority of the subject land classified with an LI, a light industrial zone. The light industrial zone is to “allow for a compatible mixture of commercial and light industrial uses.

The remaining land, located north and along the 18150 West frontage is classified with an “hold” zone. This land has been contaminated with arsenic. As such, the Town of Fairfield will not allow for development to take place within this land area.

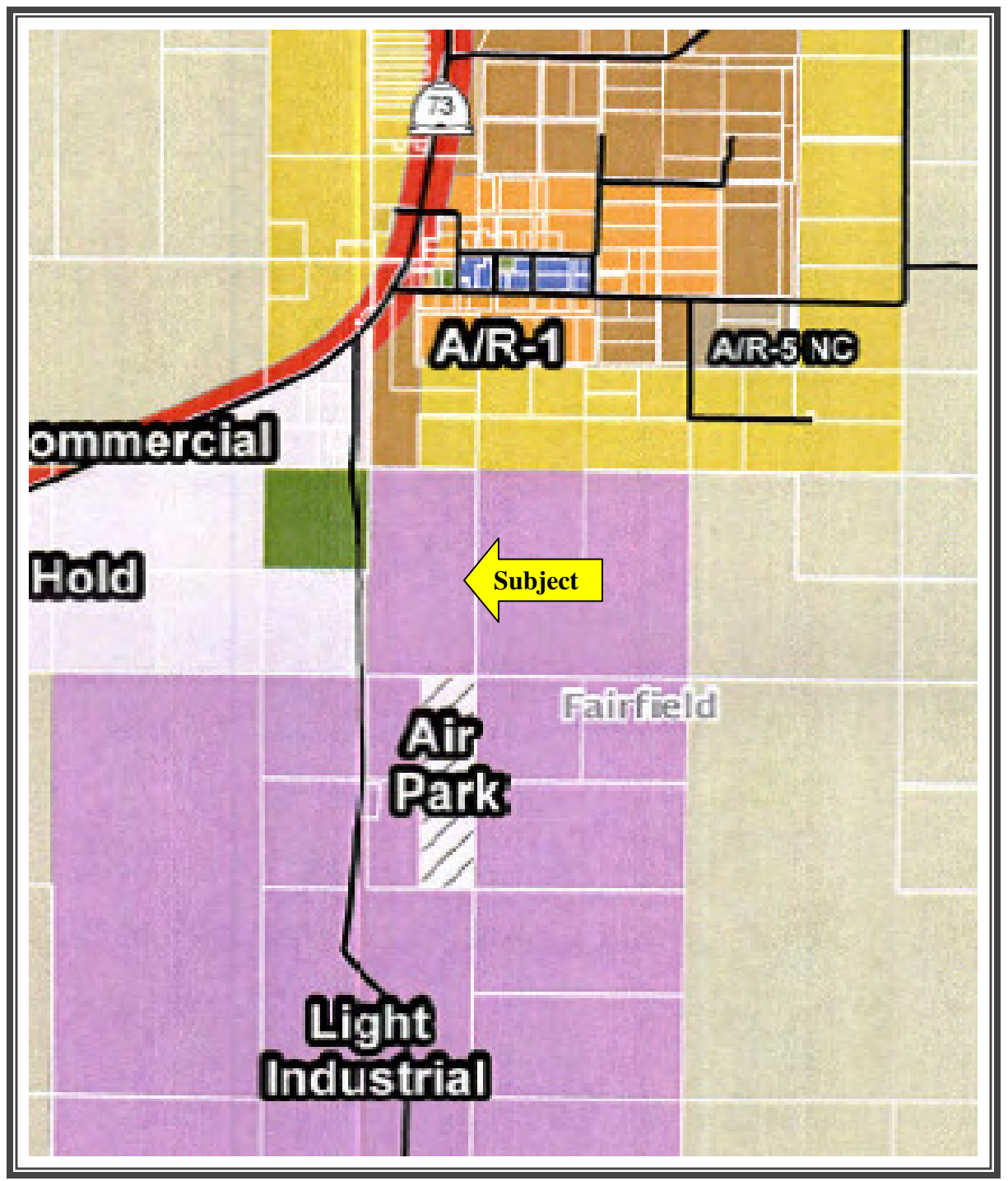
The development standards of the LI zone is as follows:

**Development Standards**

Minimum Lot Area:	None
Minimum Lot Width:	120 feet
Front Yard:	25 feet
Side Yard:	15 feet
Rear Yard:	15 feet
Building Height:	40 feet

A copy of the Town of Fairfield zoning map can be found on the following page. The LI zoning ordinance can be found in the addendum.

# ZONING MAP





**HIGHEST AND BEST USE**

Real estate is typically valued in terms of its highest and best use. Highest and best use is defined in *The Appraisal of Real Estate* as:

"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."<sup>8</sup>

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

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

The subject represents a vacant land parcel. Therefore, the highest and best use analysis is addressed on an "as if vacant" basis only. The subject land will be evaluated under the headings of legally permissible, physically possible, financially feasible, and maximally productive uses to determine its highest and best use. A discussion of highest and best use follows.

---

<sup>8</sup> Ibid., 297.

### Legally Permissible

The majority of the subject is zoned LI, a light industrial zone. This zone allows for industrial and commercial uses. However, given the limited demand, it is mostly likely the most uses would be allowed, subject to approval from the town council. An 10 acre land area is zoned “hold” not allowing for any type of development.

### Physically Possible

The subject represents a 93.89 acre land parcel that is mostly rectangular in shape. The subject is accessed by an asphalt road. Both power and water are located to the subject. However, Fairfield does not have enough water to support large scale development. As such, well water would need to be purchased and dedicated to the city before development could take place. The amount of water would depend on the intensity of development. Any development would need to taking into account the arsenic contamination and the land area currently occupied by 18150 West.

### Financially Feasible

Given the lack of infrastructure required to support development and limited demand, the land should continue to be used in a way that would maximize income without capital investment. This would include agricultural and/or mining uses.

### Maximally Productive

Maximum productivity comes from agriculture uses with some industrial development to occur in phases as demand warranted.

**VALUATION APPROACHES**

In general, there are three primary valuation approaches employed within the appraisal profession by which real property is appraised. These are: (1) the Cost Approach, (2) the Income Capitalization Approach, and (3) the Sales Comparison Approach.

The use of each approach depends on the type of property and the availability of market data upon which the approach is predicated. The use of more than one approach, and preferably all three, requires a correlation analysis which is in effect a checking and refinement measure toward a dependable final estimate of value.

As noted earlier in the report, only the Sales Comparison Approach is applicable for the subject valuation.

## **SALES COMPARISON APPROACH**

The Sales Comparison Approach is a method of estimating market value by comparing similar properties that have sold, or that are currently listed for sale to the subject. Of primary consideration is the fact that the comparables should have the same highest and best use as the property being appraised, while the analysis focuses on the differences between the subject property and the sale comparables. Typical criteria considered are property rights conveyed, terms of sale, conditions of sale, time of sale, economic characteristics, location, size, zoning, and other physical characteristics.

The Sales Comparison Approach is primarily based on the appraisal principle of substitution. Substitution is defined in *The Dictionary of Real Estate Appraisal* as follows: "The appraisal principle that states when several similar or commensurate commodities, goods, or services are available, the one with the lowest price will attract the greatest demand and widest distribution."<sup>9</sup> Other appraisal principles which apply to this approach include supply and demand, balance, and externalities.

In applying the sales comparison approach, appraisers follow certain procedures or steps. According to *The Appraisal of Real Estate*, the procedure is as follows:

- 1) Research the market to obtain information on sales transactions, listing, and offers to purchase or sell properties that are similar to the subject property in terms of characteristics such as property type, date of sale, size, location, and zoning.
- 2) Verify the information by confirming that the data obtained are factually accurate and that the transactions reflect arm's length market considerations. Verification may also elicit additional information about the market.
- 3) Select relevant units of comparison (e.g., income multipliers or dollars per acre or per square foot) and develop a comparative analysis for each unit.

---

<sup>9</sup> Appraisal Institute, *The Dictionary of Real Estate Appraisal*, 3rd ed., (Chicago: Appraisal Institute, 1993), 356.

- 4) Compare comparable sale properties with the subject property using the elements of comparison and adjust the sale price of each comparable appropriately to the subject property or eliminate the sale property as a comparable.
- 5) Reconcile the various value indications produced from the analysis of comparables into a single value indication or a range of values. In an imprecise market subject to varying occupancies and economies, a range of values may be a better conclusion than a single value estimate.<sup>10</sup>

An extensive search was made in the subject area for sale comparables that were arm's length transactions, similar to the subject in highest and best use, and similar in conditions of sale, time of sale, economic factors, and physical characteristics. The subject is zoned for industrial development. A search for land sales of a similar use disclosed four comparables which can be found on the following pages.

---

<sup>10</sup> Appraisal Institute, *The Appraisal of Real Estate*, 11th ed., (Chicago: Appraisal Institute, 1996), 401.

**LAND SALE NUMBER ONE****LOCATION AND GENERAL SITE DATA:**

Address:	456 South 123 East
City, State:	Cedar Fort, Utah
Tax ID. Number:	59:040:0018 and :0019
Zoning:	Cedar Fort
Current Use:	Range
Highest and Best Use:	Low density residential
Conditions of Sale:	Arm's length

**PHYSICAL CHARACTERISTICS:**

Site Size:	40.38 acres
Shape:	Rectangular
Frontage:	Private right of way off of Highway 73
Topography:	Near level
Utilities:	Power
Access:	Adequate
Improvements:	None
Water Rights:	None
Easements:	None

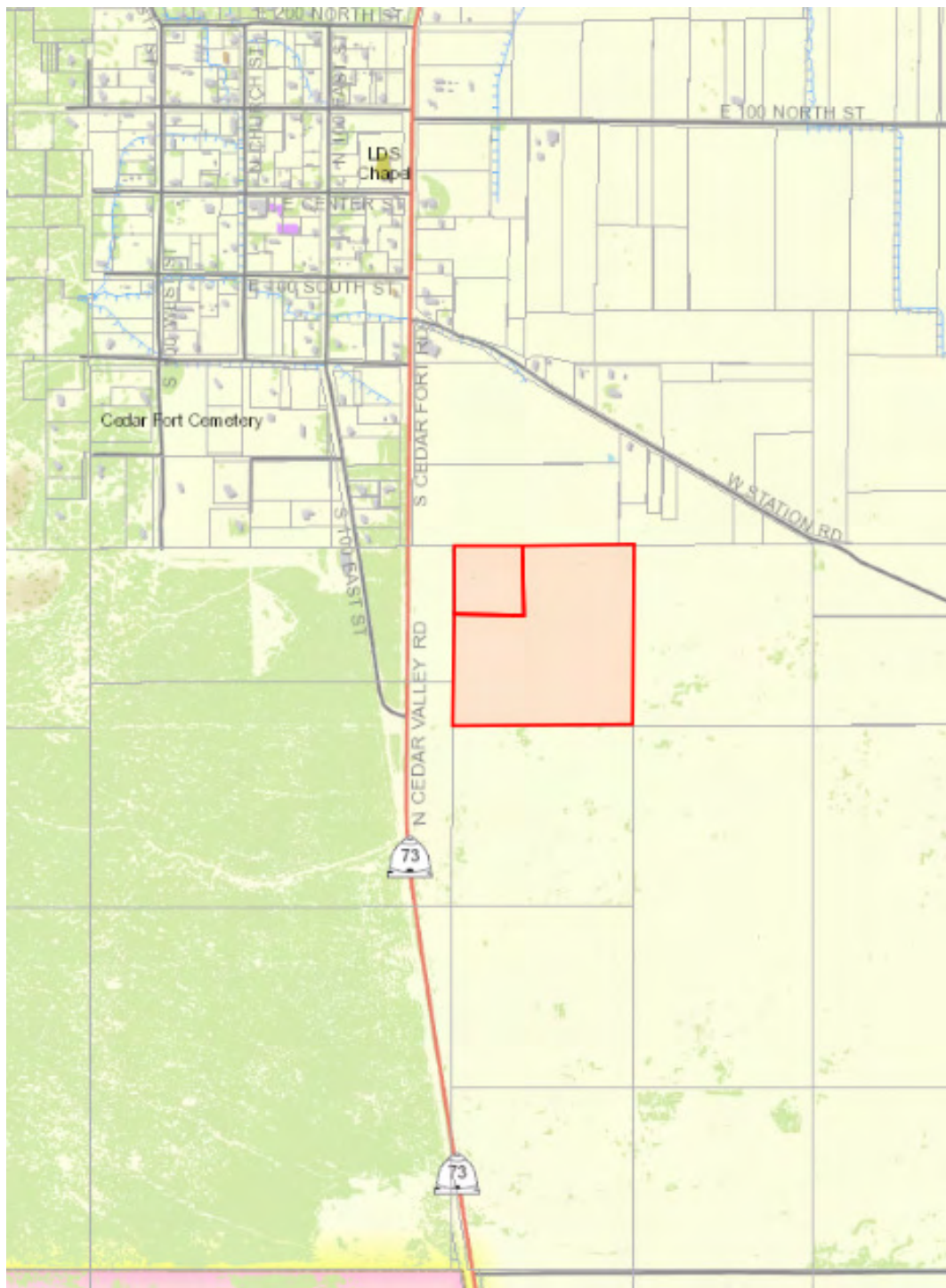
**SALE INFORMATION:**

Property Rights Conveyed:	Fee Simple
Grantor:	Barbara Stookey
Grantee:	Justin Jones
Sale Price:	\$235,000
Other:	None
Sale Date:	May 2011
Terms:	Cash
Cash Equivalent Sale Price:	\$235,000
Verification:	Troy Van Tassle, appraiser

**VALUE INDICATORS:**

Price Per Acre:	\$5,820
-----------------	---------

**ANALYSIS:** This comparable is located north of the subject and just south of Cedar Fort. This location is considered to be very similar to that of the subject. The zone allows for a variety of uses, as approved by Cedar Fort.



**LAND SALE NUMBER TWO****LOCATION AND GENERAL SITE DATA:**

Address:	3200 South 16950 West
City, State:	Utah County, Utah
Tax ID. Number:	59:136:0006
Zoning:	MG-1
Current Use:	Recreational
Highest and Best Use:	Recreational
Conditions of Sale:	Motivated seller

**PHYSICAL CHARACTERISTICS:**

Land Size:	80.00 acres
Shape:	Rectangular
Frontage:	None
Topography:	Level
Utilities:	None
Improvements:	None
Water Rights:	None
Easements:	None

**SALE INFORMATION:**

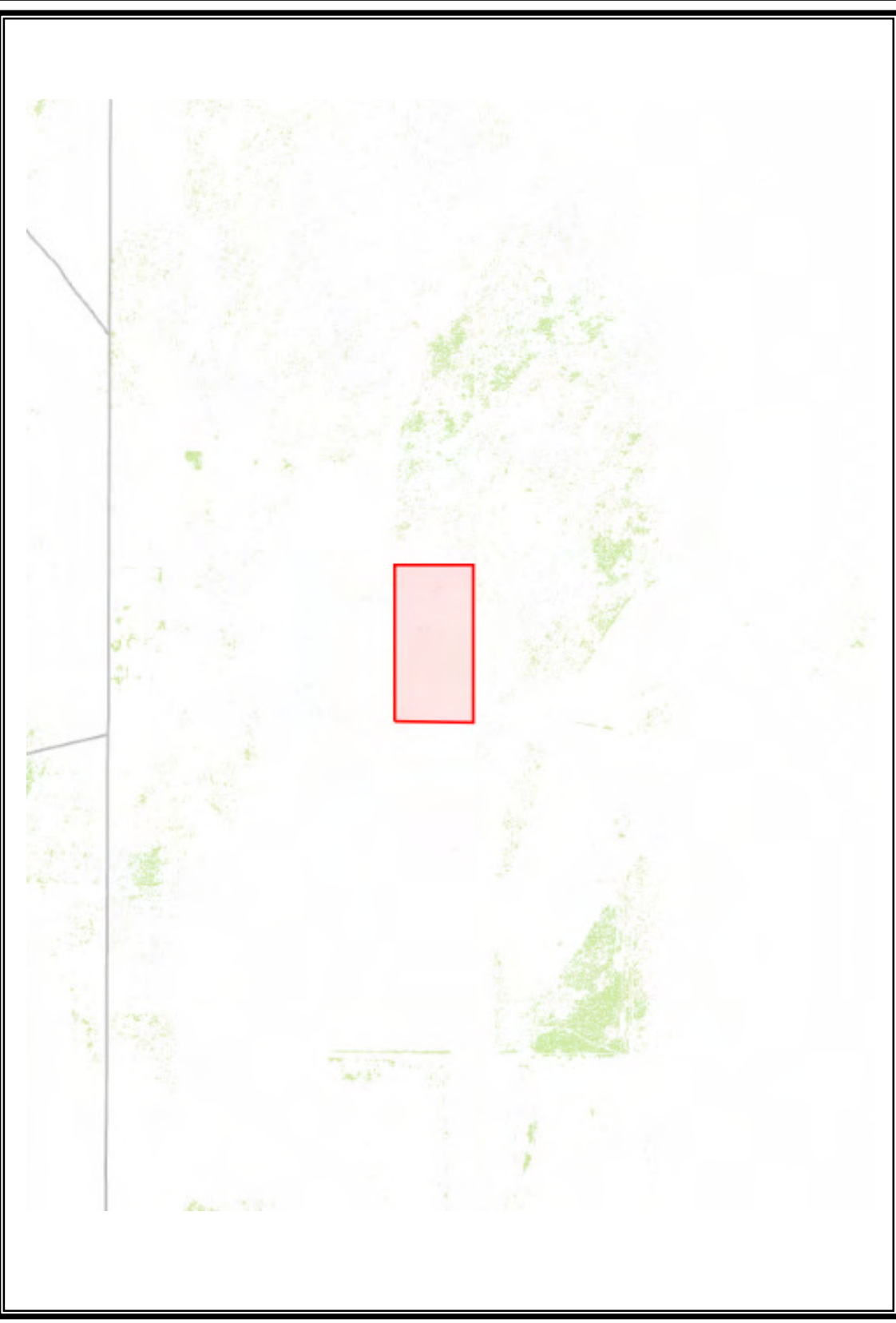
Property Rights Conveyed:	Fee Simple
Grantor:	South Eagle, LC
Grantee:	Stanley R. Smith
Sale Price:	\$80,000
Other:	None
Sale Date:	May 2012
Terms:	Cash
Cash Equivalent Sale Price:	\$80,000
Verification:	Stan Smith (768-8314)

**VALUE INDICATORS:**

Price Per Acre:	\$1,000
-----------------	---------

**ANALYSIS:** This comparable is located 4.0 miles south of the subject. This location is largely removed with access provided by a private right-of-way. The closest public road, which is gravel surfaced is located one mile to the west. As such, this location is largely inferior to that of the subject.





### LAND SALE NUMBER THREE

#### LOCATION AND GENERAL SITE DATA:

Address:	400 North 18150 West
City, State:	Fairfield, Utah
Tax ID. Number:	59:116:0014
Zoning:	LI, light industrial
Current Use:	Land fill
Highest and Best Use:	Industrial
Conditions of Sale:	Arm's length

#### PHYSICAL CHARACTERISTICS:

Site Size:	299.60 acres
Shape:	Mostly rectangular
Frontage:	Extensive frontage along 18150 West
Topography:	Near level
Utilities:	None
Access:	Adequate
Improvements:	None
Water Rights:	None
Easements:	None

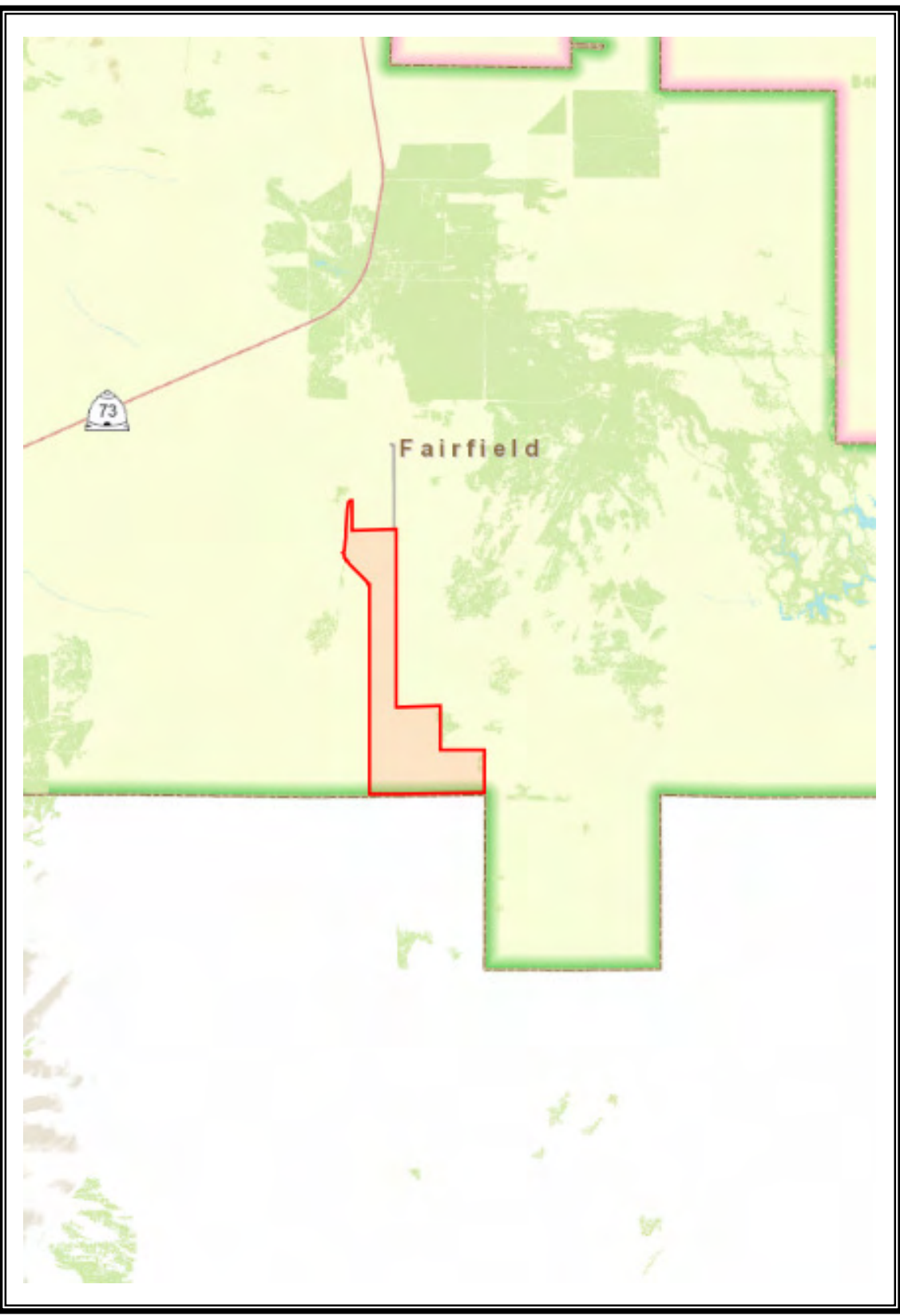
#### SALE INFORMATION:

Property Rights Conveyed:	Fee Simple
Grantor:	GZ Rock, LLC
Grantee:	North Pointe Solid Waste Special Service District
Sale Price:	\$1,395,000
Other:	None
Sale Date:	January 2012
Terms:	Cash
Cash Equivalent Sale Price:	\$1,395,000
Verification:	Dell Nichols, agent

#### VALUE INDICATORS:

Price Per Acre:	\$4,656
-----------------	---------

**ANALYSIS:** This transaction represents a similar land parcel located one mile south of the subject. This location is considered to be very similar to that of the subject. This is the purchase of the landfill and additional land to be utilized for expansion purposes. Of the 299.60 acres, 20 percent being actively utilized for land fill purposes. The agent indicated that about 50 percent of the value was attributed to the landfill approval.



**LAND SALE NUMBER FOUR****LOCATION AND GENERAL SITE DATA:**

Address:	951 West 300 North
City, State:	Juab County, Utah
Tax ID. Number:	XB:1731
Zoning:	I-1 (Industrial)
Current Use:	Range
Highest and Best Use:	Low density residential
Conditions of Sale:	Arm's length

**PHYSICAL CHARACTERISTICS:**

Site Size:	40.00 acres
Shape:	Rectangular
Frontage:	1,351 feet along 300 North
Topography:	Near level
Utilities:	Power, water/sewer located 4 blocks east
Access:	300 North (asphalt paved)
Improvements:	None
Water Rights:	None
Water Right Capacity:	None
Easements:	None

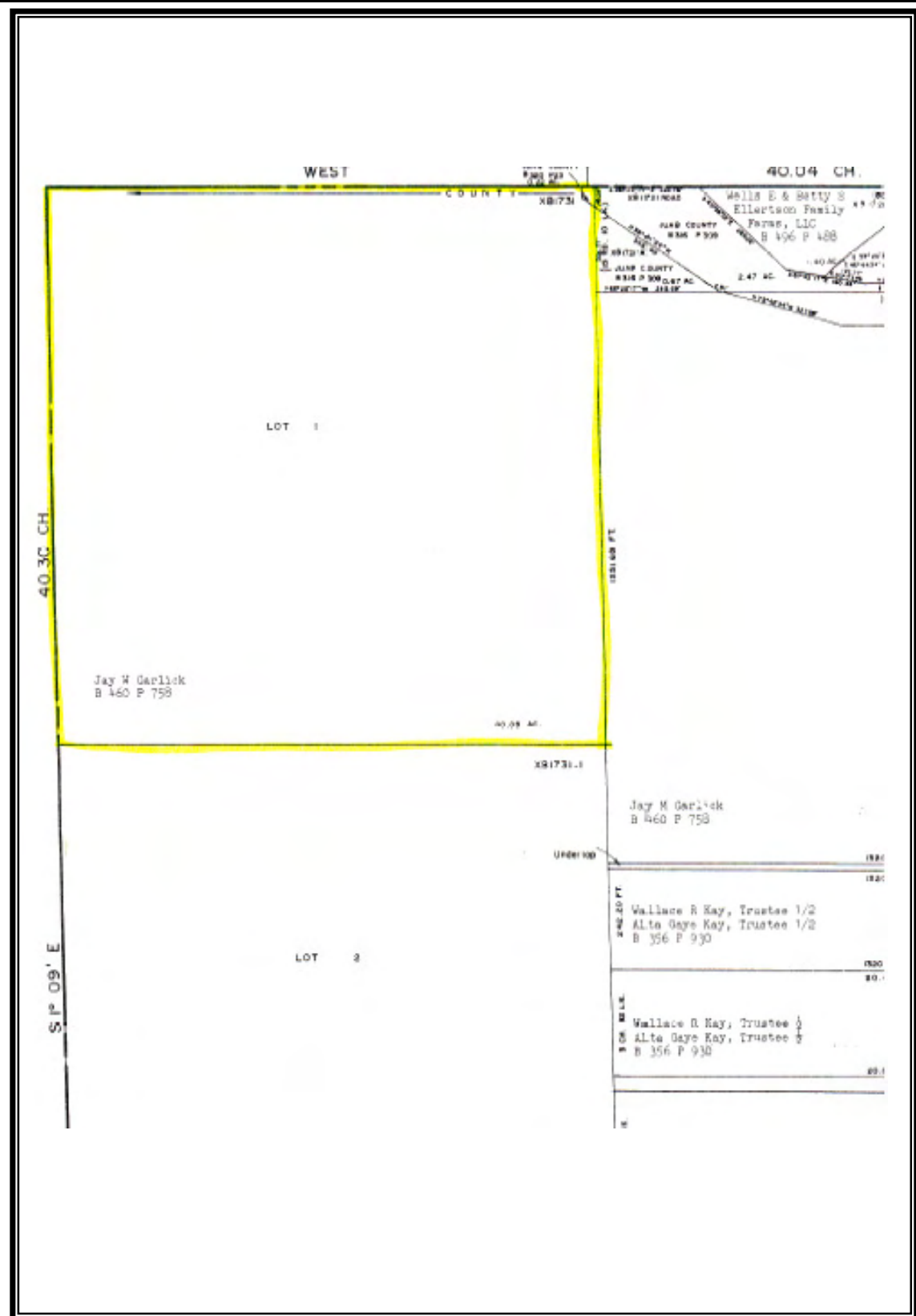
**SALE INFORMATION:**

Property Rights Conveyed:	Fee Simple
Grantor:	Jay Garlick
Grantee:	Con-Fab
Sale Price:	\$270,000
Other:	None
Sale Date:	August 2011
Terms:	Cash
Cash Equivalent Sale Price:	\$270,000
Verification:	Purchase contract

**VALUE INDICATORS:**

Price Per Acre:	\$6,750
-----------------	---------

**ANALYSIS:** This comparable is located south of the subject and west of Mona. This location is considered to be similar to the subject.



WEST

40.04 CH.

LOT 1

40.30 CH

1281.68 FT

Jay W Carllick  
B 460 P 758

40.09 AC

X81731.1

Jay M Carllick  
B 460 P 758

Under Top

1281.68 FT

Wallace R Kay, Trustee 1/2  
Alta Gays Kay, Trustee 1/2  
B 356 P 930

LOT 2

51.09' E

1281.68 FT

Wallace R Kay, Trustee 1/2  
Alta Gays Kay, Trustee 1/2  
B 356 P 930

1281.68 FT

**LAND SALE NUMBER FIVE****LOCATION AND GENERAL SITE DATA:**

Address:	1300 North 18150 West
City, State:	Fairfield, Utah
Tax ID. Number:	59:065:0033, :0034, :0036, :0038 and :0053
Zoning:	LI (Industrial) and Hold
Current Use:	Range
Highest and Best Use:	Low density residential
Conditions of Sale:	Arm's length

**PHYSICAL CHARACTERISTICS:**

Site Size:	24.47 acres
Shape:	Rectangular
Frontage:	Extensive frontage along Highway 73 and 18150 South
Topography:	Near level
Utilities:	Power and water
Access:	Highway 73 and 18150 South
Improvements:	None
Water Rights:	None
Easements:	None

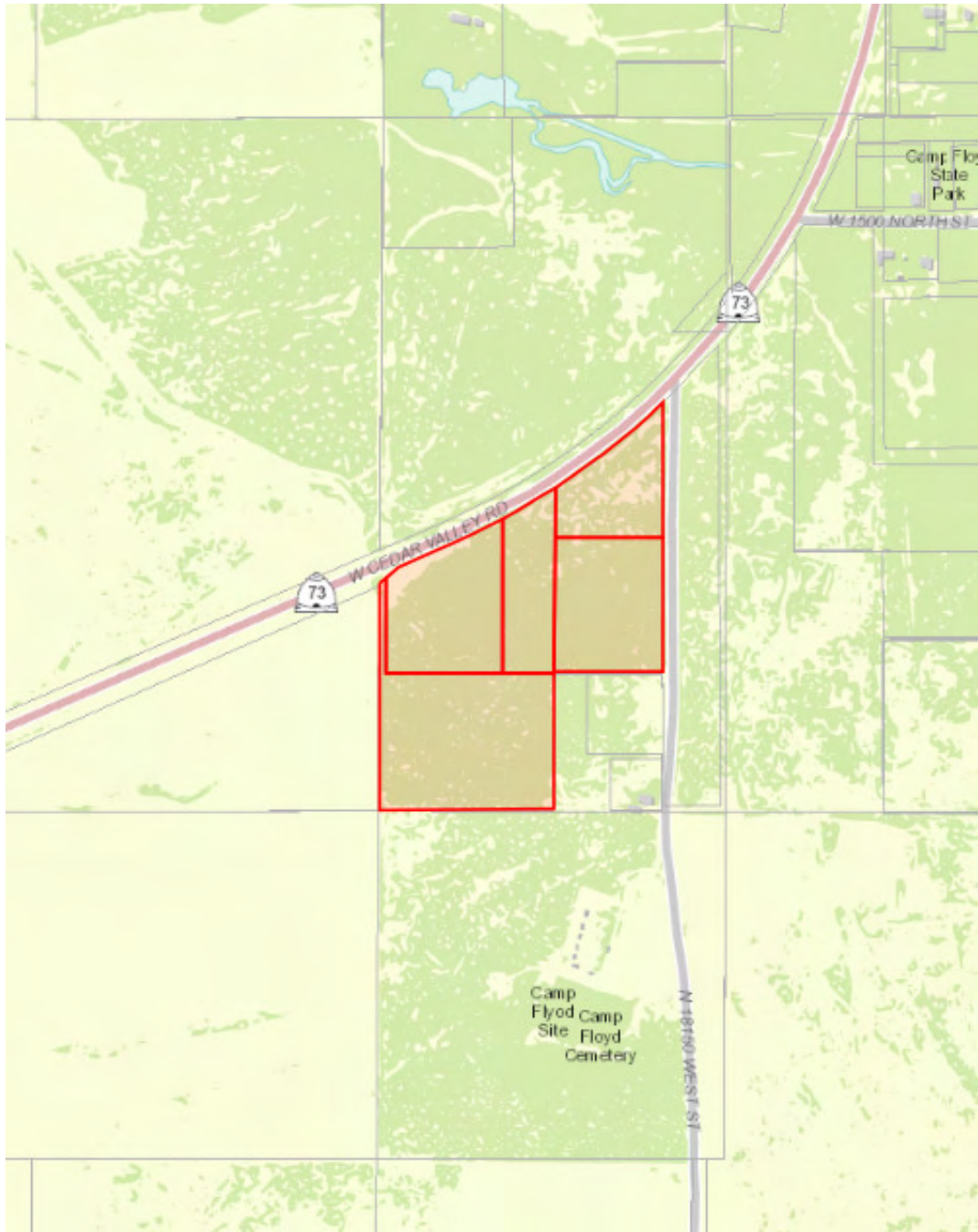
**SALE INFORMATION:**

Property Rights Conveyed:	Fee Simple
Grantor:	Diversified Instruments, LLC
Grantee:	Available
Sale Price:	\$233,035
Other:	None
Sale Date:	Listing
Terms:	Cash
Cash Equivalent Sale Price:	\$233,035
Verification:	Purchase contract

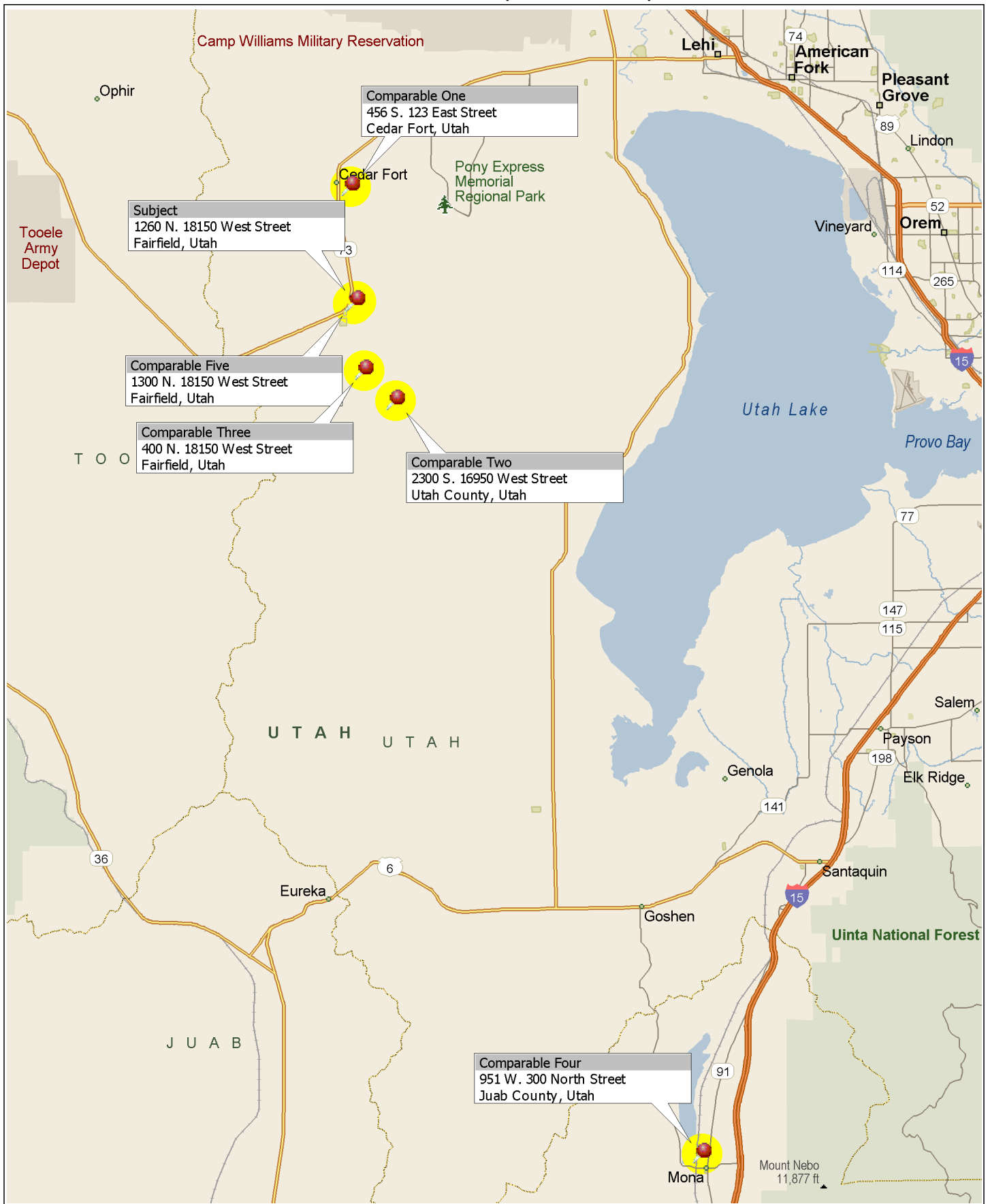
**VALUE INDICATORS:**

Price Per Acre:	\$9,525
-----------------	---------

**COMMENTS:** This comparable is located contiguous to the west of the subject. This location is considered to be identical. Similar to the subject, much of this land is suffers from arsenic contamination.



# Land Sale Comparables Map





LAND SALES SUMMARY						
#	Sale Date	Location	Total Price	Size (Acre)	Price/Acre	Zoning
1	05/11	456 S. 123 East Cedar Fort.	\$235,000	40.38	\$5,820	CF
2	05/12	3200 S. 16950 West, Utah Co.	\$80,000	80.00	\$1,000	MG-1
3	01/12	400 N. 18150 West, Fairfield	\$1,395,000	299.60	\$4,656	LI
4	08/11	951 W. 300 North, Juab Co.	\$270,000	40.00	\$6,750	I-1
5	List	1300 N. 18150 West, Fairfield	\$233,035	24.47	\$9,525	LI/Hold
	Subject	1260 N. 18150 West Fairfield	n/a	93.89	n/a	LI/Hold

#### Price Per Acre Method

Prior to adjustments, the comparables indicate a value range from \$1,000 to \$9,525 per acre. Price variances are typically attributed to six factors: property rights, terms of sale, conditions of sale, date of sale, location, and physical characteristics.

Factors warranting adjustments as detailed in the “analysis” section of the respective date sheets is reflected in the adjustment grid found on the following page.

<b>ADJUSTMENT GRID</b>					
	<b>COMPARABLES</b>				
	1	2	3	4	5
<b>Sales Price/Acre</b>	\$5,820	\$1,000	\$4,656	\$6,750	\$9,525
<b>Property Rights</b>	0%	0%	0%	0%	0%
<b>Adjusted Price/Acre</b>	\$5,820	\$1,000	\$4,656	\$6,750	\$9,525
<b>Financing Terms</b>	0%	0%	0%	0%	0%
<b>Adjusted Price/Acre</b>	\$5,820	\$1,000	\$4,656	\$6,750	\$9,525
<b>Conditions of Sale</b>	0%	0%	-50%	0%	-10%
<b>Adjusted Price/Acre</b>	\$5,820	\$1,000	\$2,328	\$6,750	\$8,573
<b>Market (Time) Adj.</b>	0%	0%	0%	0%	0%
<b>Market Price/Acre</b>	\$5,820	\$1,000	\$2,328	\$6,750	\$8,573
<b>Location</b>	0%	20%	0%	0%	0%
<b>Size</b>	-10%	0%	20%	-10%	-20%
<b>Shape/Topography</b>	0%	0%	0%	0%	0%
<b>Frontage</b>	10%	10%	0%	0%	0%
<b>Utilities</b>	0%	10%	0%	0%	0%
<b>Zoning</b>	0%	0%	0%	0%	0%
<b>Water Rights</b>	0%	0%	0%	0%	0%
<b>Easements</b>	-10%	-10%	-10%	-10%	0%
<b>Other/Improve Site</b>	0%	0%	0%	0%	0%
<b>ADJUSTED VALUE/ACRE</b>	\$5,238	\$1,300	\$2,561	\$5,400	\$6,858
<b>NET ADJUSTMENT/ACRE</b>	-10%	30%	10%	-20%	-20%
<b>Mean</b>	\$4,271				

Land Value Conclusion - "As Is" Value

After adjustments, the value range narrows from \$1,400 to \$7,620 per acre. Comparable five is a listing and given secondary weight. Of the remaining comparables three and four are most similar to the subject, with comparable three located just south of the subject. There are also two other listing of a 40 and 80 acre land parcel, located just south of the subject. Similar to the subject, both have concerns in regards to arsenic contamination. Although listed near \$7,500 per acre, the agents indicated values between \$2,000 to \$4,000 per acre.

Given the negative stigma associated with the arsenic contamination on the subject and neighboring land, there will be continue to be concerns. As such, investors/users will continue to look to other locations. Because it is not clear how or when these concerns will be addressed, a value near the lower end of the range is justified. Based on this analysis, a value of \$3,000 per acre is concluded. Based on the subject's size of 93.89 acres, the total market value is calculated as follows:

$$\begin{array}{rcl} 93.89 \text{ acres} \times \$3,000 & = & \$ 281,670 \\ \text{Rounded} & = & \$ 280,000 \end{array}$$

After careful consideration of the information and analysis contained within this report, I am of the opinion that the "as is" market value of the subject, with fee simple title, as of January 21, 2013, is:

**\$280,000**

**"TWO HUNDRED EIGHTY THOUSAND DOLLARS"**

**RECONCILIATION AND FINAL VALUE ESTIMATE**

Reconciliation is the final step in the valuation process where the appraisal report and value conclusion are analyzed to reach a final value estimate.

A description and analysis of the region, city, and neighborhood were presented at the beginning of the report. A detailed description of the land was discussed. The property was also analyzed concerning the highest and best use.

It was concluded that the highest and best use for the subject property is for industrial development in phases as demand warrants. Any use would need to take into account the arsenic contamination. This was supported by analysis within the Highest and Best Use section of this report.

In determining a value of the land, the Sales Comparison Approach was expanded. From the comparable data, each property was analyzed and adjustments made for comparable differences.

After careful consideration of the information and analysis contained within this report, I am of the opinion that the "as is" market value of the subject, with fee simple title, as of January 21, 2013, is:

**\$280,000**

**"TWO HUNDRED EIGHTY THOUSAND DOLLARS"**

**CERTIFICATION OF VALUE**

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

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
- I have performed other appraisals services, as an appraiser, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
- I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- 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.
- My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the *Uniform Standards of Professional Appraisal Practice*.
- I have made a personal inspection of the property that is the subject of this report.
- No one provided significant real property appraisal assistance to the person signing this certification.
- The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.

- As of the date of this report, I have completed the continuing education program of the Appraisal Institute.

February 6, 2013

DATE



STEVEN NIELSEN

Utah State - Certified General Appraiser License # 5468930-CG00 (Exp. 12/31/14)
--

**GENERAL ASSUMPTIONS**

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

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

**GENERAL LIMITING CONDITIONS**

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

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

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

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



**SPECIAL LIMITING CONDITIONS**

1. The liability of Nielsen and Company is limited to the client only and to the fee actually received by appraiser. Further, there is no accountability, obligation, or liability to any third party. If this report is placed in the hands of anyone other than client, the client shall make such party aware of all limiting conditions and assumptions of the assignment and related discussions. The appraiser is in no way to be responsible for any costs incurred to discover or correct any deficiencies of any type present in the property; physically, financially, and/or legally. In the case of limited partnerships or syndication offerings or stock offerings in real estate, client agrees that in case of lawsuit (brought by lender, partner or part owner in any form of ownership, tenant, or any other party), any and all awards, settlements of any type in such suit, regardless of outcome, client will hold appraiser completely harmless in any such action.
2. The existence of potentially hazardous material on or near the subject site and/or used in the construction or maintenance of any of the buildings, such as the presence of urea-formaldehyde foam insulation, and/or the existence of toxic waste, which may or may not be present on the property, was not observed by myself, nor do I have any knowledge of the existence of such materials on or in the property. The appraiser, however, is not qualified to detect such substances. The existence of urea-formaldehyde foam insulation or other potentially hazardous waste material may have an effect on the value of the property. I urge the client to retain an expert in this field if desired.
3. If there is proposed construction, the appraisal is made subject to satisfactory completion of construction according to architectural plans.

**SUBJECT PHOTOGRAPHS**



**LOOKING SOUTHERLY AT SUBJECT**



**LOOKING SOUTHERLY AT 18150 WEST**

**PHOTOGRAPHS Continued**



**LOOKING NORTHEASTERLY AT SUBJECT**



**LOOKING NORTHERLY AT 18150 WEST**

**PHOTOGRAPHS Continued**



**LOOKING EASTERLY AT HIGHWAY 73**

## QUALIFICATIONS OF APPRAISER

**STEVEN NIELSEN, MAI**  
NIELSEN AND COMPANY  
1459 North 1200 West  
Orem, Utah 84057

---

### Education

Brigham Young University, Bachelor of Science Degree in Finance, August 1991

### Real Estate and Appraisal Courses

SPP, Standards of Professional Practice, Appraisal Institute (SSP) 10/92  
Real Estate Appraisal Principles, Appraisal Institute (1A1) 03/92  
Basic Valuation Procedures, Appraisal Institute (1A2) 03/92  
Basic Income Capitalization, Appraisal Institute (I310) 11/93  
Advanced Income Capitalization, Appraisal Institute (I510) 06/95  
Understanding Limited Appraisal, Appraisal Institute 03/95  
Report Writing and Valuation, Appraisal Institute (I540) 06/96  
Easement Valuation, International Right of Way Association (403) 10/96  
Advanced Application (I550) 10/98  
Land Use Planning (03/99)  
The Appraiser as an Expert Witness (SE700) 11/04  
Reviewing Appraisals of Eminent Domain (410) 11/06  
Appraisal of Nursing Facilities 12/06  
Small Hotel/Motel Valuation 12/06  
General Appraiser Sales Comparison Approach (401G) 11/07  
Forecasting Revenues 03/10  
Condominiums, Co-ops, and PUDs 03/10  
Supervising Appraisal Trainees 04/10  
Appraising Convenience Stores 12/10  
Analyzing Distressed Real Estate 05/11  
New Technology for Real Estate Appraisers 12/11  
What Commercial Clients Would Like Appraisers to Know 12/11  
Analyzing Operating Expenses 12/11  
Appraisal Curriculum Overview - General 12/11  
Appraisal Curriculum Overview - Residential 12/11  
Business Practices and Ethics 12/11  
Real Estate Appraisal Operations 07/12

### Work History

Real Estate Appraiser/Consultant - Nielsen and Company, Orem, Utah - March 1998 to present  
Real Estate Appraiser/Consultant and Branch Manager - Free and Associates, Provo,  
Utah - September 1993 to March 1998  
Real Estate Appraiser/Consultant - Appraisal Associates, Inc., Salt Lake City, Utah - February  
1992 to September 1993  
Expert Witness

### **Professional Accomplishments**

Certified General Appraiser - State of Utah - License # 5468930-CG00 - Expires 12/31/12  
Certified General Appraiser - State of Idaho - License #CGA-780 - Expires 04/05/12  
Real Estate Agent - State of Utah - License #SA00052069  
Member of the Appraisal Institute - Member #11825  
Board of Adjustments - American Fork City - March 1995 to December 1998  
Planning Commission - American Fork City - December 1998 to August 2003  
Instructor - Brigham Young University (Real Estate Principles Course)  
Developer of residential subdivisions, townhome projects, single family homes

### **Appraisal Experience**

Apartment Project: 12 to 120 unit projects  
Eminent Domain: Road widening, wetlands mitigation, utility corridors, and airport expansion.  
Hotel/Motel: Hotels and motels ranging from 40 to 120 rooms with convention facilities.  
Industrial: Office/warehouse and manufacturing facilities up to 4,000,000 square feet  
Office Building: Single and multi-tenant facilities ranging from 1,000 to 200,000 square feet.  
Assisted Living: Various care levels ranging from 8 to 85 wards  
Townhome and Condo projects: Single and multi phase projects ranging from 10 to 120 units.  
Retail: Neighborhood and community centers  
Raw Land: Land ranging from 10 to 1,000 acres.  
Subdivisions: Single and multi phase projects ranging from 4 to 200 lots  
Recreational Properties

### **Partial List of Clients Served**

Zions First National Bank	Utah Department of Transportation
First Security Bank	Lehi City
Western Bank	American Fork City
Washington Mutual Bank	Provo City
U.S. Bank	Orem City
Bank of American Fork	Utah County
Central Bank	Springville City
Far West Bank	Various attorneys
Brighton Bank	Alpine School District
Holladay Bank and Trust	Credit Bureaus
Orem Community Bank	Various developers and contractors
Banc One	Grand County
Capital Community Bank	LDS Church
American Investment Financial	Versar Engineering
First National Bank	Horricks Engineering
National Bank of Arizona	RBG Engineering
Frontier State Bank	Celtic Bank
Wells Fargo Bank	Silver State Bank
GE Capital Asset Funding	Prudential Mortgage Capital
Merrill Lynch Mortgage Capital Inc.	GMAC Capital Funding
National Mortgage Company	SkyMar Capital Funding
California Bank and Trust	Mountain America Credit Union
Bank of Utah	M & T Mortgage



**STATE OF UTAH  
DEPARTMENT OF COMMERCE  
DIVISION OF REAL ESTATE  
ACTIVE LICENSE**

**DATE ISSUED:** 01/02/2013  
**EXPIRATION DATE:** 12/31/2014  
**LICENSE NUMBER:** 5468930-CG00  
**LICENSE TYPE:** Certified General Appraiser

**ISSUED TO:**  
STEVEN NIELSEN  
NIELSEN COMPANY  
1459 N 1200 W  
OREM UT 84057



Handwritten signature of Steven Nielsen in blue ink.

SIGNATURE OF HOLDER

Handwritten signature of the Real Estate Division Director in blue ink.

REAL ESTATE DIVISION DIRECTOR

## **DEFINITIONS**

These definitions have been extracted, solely or in combination, from definitions and descriptions printed in:

- The Dictionary of Real Estate Appraisal, Fourth Edition, Appraisal Institute, Chicago, Illinois, 2002 (Dictionary).
- The Appraisal of Real Estate, Twelfth Edition, Appraisal Institute, Chicago, Illinois, 2001 (Twelfth Edition).
- Marshall Valuation Service, Marshall & Swift, Los Angeles, California, (MVS).

### Absolute Net Lease

A lease in which the tenant pays all expenses including structural maintenance and repairs; usually a long-term lease to a credit tenant. (*Dictionary*)

### Accrued Depreciation

The difference between the reproduction or replacement cost of the improvements on the effective date of the appraisal and the market value of the improvements on the same date. (*Dictionary*)

### Deferred Maintenance

Curable, physical deterioration that should be corrected immediately, although work has not commenced; denotes the need for immediate expenditures, but does not necessarily suggest inadequate maintenance in the past. (*Dictionary*)

### Discounted Cash Flow (DCF) Analysis

The procedure in which a discount rate is applied to a set of projected income streams and a reversion. The analyst specifies the quantity, variability, timing, and duration of the income streams as well as the quantity and timing of the reversion and discounts each to its present value at a specified yield rate. DCF analysis can be applied with any yield capitalization technique and may be performed on either a lease-by-lease or aggregate basis. (*Dictionary*)

### Effective Date

The date at which the analyses, opinions, and advice in an appraisal, review, or consulting service apply. (*Dictionary*)

### Entrepreneurial Incentive

A market-derived figure that represents the amount an entrepreneur expects to receive as compensation for providing coordination and expertise and assuming the risks associated with the development of a project. (*Twelfth Edition*)

### Entrepreneurial Profit

A market-derived figure that represents the amount an entrepreneur receives for his or her contribution to a project and risk; the difference between the development cost of a property and its market value upon completion and stabilization, which represents the entrepreneur's compensation for the risk and expertise associated with development.

Entrepreneurial profit is an amount earned, estimated after completion, while entrepreneurial incentive is an amount anticipated, prior to development. (*Twelfth Edition*)



Exposure Time

The time a property remains on the market. The estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal; a retrospective estimate based on an analysis of past events assuming a competitive and open market. Exposure time is always presumed to occur prior to the effective date of the appraisal. The overall concept of reasonable exposure encompasses not only adequate, sufficient and reasonable time but also adequate, sufficient and reasonable effort. Exposure time is different for various types of real estate and value ranges and under various market conditions. (*Dictionary*)

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. (*Dictionary*)

Floor Area Ratio (FAR)

The relationship between the above-ground floor area of a building, as described by the building code, and the area of the plot on which it stands; in planning and zoning, often expressed as a decimal, e.g., a ratio of 2.0 indicates that the permissible floor area of a building is twice the total land area. (*Dictionary*)

Gross Building Area (GBA)

The total floor area of a building, including below-grade space but excluding unenclosed areas, measured from the exterior of the walls. All enclosed floors of the building including basements, mechanical equipment floors, penthouses, and the like are included in the measurement. Parking spaces and parking garages are excluded. (*Dictionary*)

Gross Lease

A lease in which the landlord receives stipulated rent and is obligated to pay all or most of the property's operating expenses and real estate taxes. (*Dictionary*)

Highest and Best Use

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

Industrial Property Classifications

*Distribution Warehouse* - High cube single-story structures with clear ceiling heights of at least 22 feet to allow three stacking heights of seven feet each. The most common height in this market is 24-foot clear ceiling height. Some distribution buildings now have clear ceiling heights as high as 40 feet or more due to the introduction of robotic computer systems, which allow very narrow aisles and high stacking. In general, column spacing is wider than that in office warehouse buildings and office build-out is minimal, generally 10% or less.

*(Definitions Continued)*

*Flex* - Buildings designed with warehouse capabilities such as dock-high or drive-in loading doors and clear ceiling heights of 14 to 16 feet. However, they are termed flex based on their broad range of office finish and their single-story exterior office appearance. The level of office finish typically ranges from 30% to 70% and suites can be divided into relatively small units. Research & Development (R&D) buildings are generally the same as flex warehouse construction but with higher percentages of office finish, often up to 90%.

*Manufacturing* - Buildings intended to provide space in which to transform, fabricate, or assemble physical resources into other physical goods. These buildings can vary greatly in design, with low clear ceiling heights of 12 feet, to very high clear ceiling heights of 30 feet or more, according to specific industry needs.

*Office Warehouse* - Generally single-story buildings with clear ceiling heights ranging from about 16 feet to 21 feet. The level of office finish is shaped by the needs of individual tenants, the general uses within the market area, and the availability of parking. The level of office finish typically ranges from 10% to 20%. Suites are typically larger than flex warehouse space. These buildings usually have drive-in bays, dock height bays, or a combination thereof and are used for light manufacturing, services, and small-scale distribution businesses.

Insurable Value

Value used by insurance companies as the basis for insurance. Often considered to be replacement or reproduction cost plus allowances for debris removal or demolition less deterioration and noninsurable items. Sometimes cash value or market value, but often entirely a cost concept. (*MVS*)

Leased Fee Interest

An ownership interest held by a landlord with the rights of use and occupancy conveyed by lease to others. The rights of the lessor (the leased fee owner) and the lessee are specified by contract terms contained within the lease. (*Dictionary*)

Leasehold Interest

The interest held by the lessee (the tenant or renter) through a lease transferring the rights of use and occupancy for a stated term under certain conditions. (*Dictionary*)

Market Rent

The rental income a property would probably command in the open market; indicated by the current rents that are either paid or asked for comparable space as of the date of the appraisal. (*Twelfth Edition*)

Market Value

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

- buyer and seller are typically motivated;
- both parties are well informed or well advised, and acting in what they consider their best interests;
- a reasonable time is allowed for exposure in the open market;
- payment is made in terms of cash in United States dollars or in terms of financial arrangements comparable thereto; and
- the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale. (*Dictionary; 12 C.F.R. Part 34.42(g); 55 Federal Register 34696, August 24, 1990, as amended at 57 Federal Register 12202, April 9, 1992; 59 Federal Register 29499, June 7, 1994*)

#### Marketing Time

The time it takes an interest in real property to sell on the market subsequent to the date of an appraisal. Reasonable marketing time is an estimate of the amount of time it might take to sell an interest in real property at its estimated market value during the period immediately after the effective date of the appraisal; the anticipated time required to expose the property to a pool of prospective purchasers and to allow appropriate time for negotiation, the exercise of due diligence, and the consummation of a sale at a price supportable by concurrent market conditions. (*Dictionary*)

#### Modified Gross Lease

A lease in which the landlord receives stipulated rent and is obligated to pay most, but not all, of the property's operating expenses and real estate taxes. (*Dictionary*)

#### Net Lease

Generally a lease in which the tenant pays for utilities, janitorial services, and either property taxes or insurance, and the landlord pays for maintenance, repairs, and the property taxes or insurance not paid by the tenant. Also called *single net lease*, *modified gross lease*, and *semi-gross lease*; sometimes used synonymously with *single net lease* but better stated as a *partial net lease* to eliminate confusion. (*Dictionary*)

#### Net Net Lease

Generally a lease in which the tenant pays for utilities, janitorial services, property taxes, and insurance in addition to the rent, and the landlord pays for maintenance and repairs. Also called *double net lease*, *NN*, *modified gross lease*, and *semigross lease*; sometimes used synonymously with *single net lease* but better stated as a *partial net lease* to eliminate confusion. (*Dictionary*)

#### Net Net Net Lease

A net lease under which the lessee assumes all expenses of operating a property, including both fixed and variable expenses and any common area maintenance that might apply, but the landlord is responsible for structural repairs. Also called *triple net lease* or *NNN* but better stated as a fully net lease. (*Dictionary*)

Prospective Value Opinion

A forecast of the value expected at a specified future date. A prospective value opinion is most frequently sought in connection with real estate projects that are proposed, under construction, or under conversion to a new use, or those that have not achieved sellout or a stabilized level of long-term occupancy at the time the appraisal report is written. (*Dictionary*)

Rentable Area (RA)

The amount of space on which rent is based, calculated according to local practice. (*Dictionary*)

Replacement Cost

The estimated cost *to* construct, at current prices as of the effective appraisal date, a building with utility equivalent to the building being appraised, using modern materials and current standards, design and layout. (*Dictionary*)

Reproduction Cost

The estimated cost to construct, at current prices as of the effective date of the appraisal, an exact duplicate or replica of the building being appraised, using the same materials, construction standards, design, layout, and quality of workmanship and embodying all the deficiencies, superadequacies, and obsolescence of the subject building. (*Dictionary*)

Stabilized Occupancy

Occupancy at that point in time when abnormalities in supply and demand or any additional transitory conditions cease to exist and the existing conditions are those expected to continue over the economic life of the property; the optimum range of long term occupancy which an income-producing real estate project is expected to achieve under competent management, after exposure for leasing in the open market for a reasonable period of time at terms and conditions comparable to competitive offerings. (*Dictionary*)

Usable Area

The area available for assignment or rental to an occupant, including every type of usable space; measured from the inside finish of outer walls to the office side of corridors or permanent partitions and from the centerline of adjacent spaces; includes subdivided occupant space, but no deductions are made for columns and projections. (*Dictionary*)

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. (*Dictionary*)

**Chapter 6-7-4  
Light Industrial**

**6-7-4.1 PURPOSE**

**6-7-4.2 USE TABLE**

**6-7-4.3 DEVELOPMENT STANDARDS**

**6-7-4.4 AIRPARK OVERLAY**

**6-7-4.5 FENCING**

**6-7-4.6 PERFORMANCE STANDARDS**

**6-7-4.7 PARKING**

**6-7-4.8 MASTER PLANNED DEVELOPMENT**

**6-7-4.9 CONDITIONAL USE STANDARDS OF REVIEW**

**6-7-4.10 SIGNS**

**RELATED PROVISIONS**

**6.7.4.1 PURPOSE:** To create a zone which:

A. Allows for a compatible mixture of commercial and light industrial uses. Establishments that are served by streets, power, water, sewage and other utilities and facilities or where such facilities can be readily provided. Which do not require intensive land coverage, generate large volumes of traffic or create obnoxious sounds, glare, dust or odors.

B. This district includes areas which are well adapted to industrial development; but proximity to residential or business districts makes it desirable to limit the manner and extent of industrial operations.

**6-7-4.2 USE TABLE:** If a business is not on this list it can still be presented to the planning and zoning board under a conditional use permit.

**Table 15-4-2.2 Uses**

TYPE	ALLOWED	ADMINISTRATIVE CONDITIONAL USE	CONDITIONAL USE	BUSINESS LICENSE
Accessory Structure, unoccupied	X			
Adult Oriented Business			X	X
Agricultural Industry			X	X
Agriculture	X			
Animal Hospital			X	X
Auto Truck, RV Sales & Rental	X			X
Automotive Body/Paint Repair Establishment	X			X
Automotive Repair Establishment	X			X
Auto Self Serve Station	X			X
Auto Service Station	X			X
Aviation Airpark	X			X
Bar, Tavern, Lounge			X	X
Cinema, Outdoor			X	X

Civic Club	X			
Coal Yard			X	X
Convenience Goods-Sales	X			X
Child Care for Business Facility: 9 children or more		X		X
Dry Cleaning Establishment			X	X
Farm Animals	X			X
Fireworks Sales/Stand		X		X
Fence, Electric	X			
Fence, Razor		X		
Fence, Wildlife/Large Animal		X		
Gated Communities			X	
General Merchandise Sales & Service			X	X
Heavy/Farm Equipment Sales			X	X
Household Pets	X			
Industrial Park	X			X
Industry, Light			X	X
Industry, Medium			X	
Intermittent Commercial Use		X		X
Kennel			X	X
Land Fill			X	X
Lumber Sales/Storage			X	X
Master Planned Development				
Military Surplus Store			X	X
Mortuary	X			X
Nursery	X			X
Pawn Shops	X			X
Public Right-of-Way	X			
Public Utility Stations-except sewer		X		
Public Service	X			
Public Utility Stations-w/sewer		X		X
Recreational Activity			X	X
Repair Services, Small Appliance	X			X
Small Engine Repair	X			X
Stable, Private	X			X
Stable, Public			X	X
Storage Containers			X	
Subdivisions			X	
Telecommunications Facility <35' in Height				X
Temporary Outdoor Use		X		X
Warehouse Storage Units -- Commercial Only			X	X
Welding Machine Shop	X			X

### 6-7-4-2.3 DEVELOPMENT STANDARDS

Table 15.4.2.3 Minimum Lot and Development Standards

		Area	Width	Setbacks	Height	Sidewalks
LOT	Standard	None	120'	Front: 25' Side: 15' Rear: 15'	40' MAX 8' Min	Yes

### WIDTH REQUIREMENTS

**The minimum width of a zoning lot within the I-1 zone shall be as follows:**

- a. For each care taker dwelling, the minimum width of the lot at any point between the frontage and the structure shall be one hundred and twenty (120) feet and shall be in addition to any width needed for the required parking area and the Industrial building to which the dwelling is appurtenant.
- b. For each public park containing approved concessions or Landscape Park containing approved recreational facilities, the minimum width of the lot along the road frontage shall be two hundred fifty (250) feet.
- c. For each governmental building and facility permitted under zoning, minimum width of the lot along the road frontage shall be one hundred (100) feet.
- d. For other permitted structures and uses there shall be no minimum width requirement except as may be required under other provisions of this ordinance.

**LOCATION REQUIREMENT**

**The minimum location requirements within the I-1 zone shall be as follows:**

- a. Front Setback -All building and structures shall have a front setback of at least twenty five (25) feet, unless a greater setback is required. Other than certain public facilities, landscaping features and fences which meet the standards of zoning.
- b. Side and Rear Setbacks -All building and structures, shall have a side and rear setback of at least fifteen (15) feet from any property line unless a greater setback is required. Other than certain public facilities, landscaping features and fences which meet the standards of zoning.

**HEIGHTS AND SIZES OF BUILDING**

**The height and size requirements within the L-I zone shall be as follows:**

- a. The maximum permissible height of any structure shall be forty (40) feet as measured from the current adopted building codes.

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

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

Exception 3: Otherwise, a height in excess 40 feet, if for unoccupied structures, may be approved by the Board of Adjustment as a special exception granted according to the terms of zoning.

- b. The minimum permissible height of any structure shall be eight (8) feet above natural grade.

**SPECIAL REQUIREMENTS**

- a. The yards around buildings shall be kept free of debris, refuse, weeds, placement or storage of junk obsolete vehicles and other flammable material which may constitute a fire or health hazards.
- b. Occupied building for which the sewage/septic system shall be approved by the Health Department in accordance with Fairfield's ordinance and requirements.
- c. No building site, street, driveway, or other cut or fill shall be made so the side slopes exceed the critical angle of repose of the soil. Shall be covered with a substances to prevent and soil envisions.
- d. The grade of roads and driveways which serve a structure shall not exceed twelve (12) percent and the road shall be maintained so as to be readily accessible to emergency vehicles. In accordance with International Fire code to carries the standards of H-20.
- e. All land surface from which topsoil is removed and all land surface on which subsoil is deposited shall be covered by buildings, hard surfacing, or a layer of topsoil at least one inch in depth. In order to prevent the soil from eroding, it shall be re-seeded with plant material having sufficient concentration to screen at least twenty five (25) percent of the exposed surface from view.
- f. Landscaping shall be maintained in a clean, orderly, healthful condition. Such shall include proper irrigation, pruning, mowing, weed removal, pest control, and replacement of dead plantings.
- g. Except in the case of farm uses permitted under zoning. At least two (2) times the floor area of all main and accessory buildings shall be planted and maintained in lawn, trees and shrubs in accordance with provisions of zoning. Automobile wreacking yards, salvage yards and storage yards shall have a landscape strip along the outside of the front fence which is three (3) feet in width for the length of the fence. Landscaping shall be installed before a zoning compliance permit may be issued.

**6-7-4.4 AIRPARK OVERLAY.**

**Intent**

The Airpark Overlay (APO) is created to protect property adjacent to Airparks from hazards of aircraft which take off and land in the vicinity of the Airpark runways, and to protect operating aircraft from the hazards of tall structures.

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

**AIRPARK**

**Intent**

It is the intent of this section of the zoning ordinance to avoid or lessen hazards resulting from the operation of aircraft, to avoid creation of new hazards, and to protect the lives of people who use aircraft facilities

**Scope**

The Planning Commission, in accordance with the provisions of zoning, may approve a conditional use permit for a helicopter pad, landing strip, flying field, or Airpark, with its related terminal and aircraft storage facilities, provided the following provisions are met.

**Meaning of Terms**

For the purpose of this section, the following terms shall have the following meanings:



### 1. Airpark Approach and Transition Zone

For helicopter pads and ultra light vehicle flight facilities, which are required to have sufficient space for safe takeoff and landing, all facilities shall have the Airpark approach and zone and Airpark transition zone contained within the property boundary. Airpark shall be in accordance with Federal Aviation Administration Codes, ordinance or other. All aircrafts approaching or taking off from the north end of the landing shall go or come from the west and not from the east nor over the residential town of Fairfield.

### 2. Airpark Turning Zone

A circular area surrounding an Airpark encompassing all of the land lying within a radius of when Fairfield Incorporated in December 2004 (Reference to Study Figure 13 of the Fairfield Blocks) current distant from the landing strip of an Airpark.

### **Site Plan**

The applicant for a permit for a helicopter pad, landing strip, flying field, Airpark, or Airpark terminal or aircraft storage facilities shall submit a drawn-to-scale site plan for the subject property (at a scale of 1 inch to 200 feet or larger) which shall contain:

- a. The location of all existing and proposed structures.
- b. The location of all vehicle roads and aircraft runways or helicopter lift-off pads.
- c. The location of the property boundary lines.
- d. The location of above-and belowground utility lines Above utility lines must have aviation balls installed on the lines, visible to the pilots.
- e. The topography.

### **Vicinity Map**

In addition to the site plan, the applicant shall submit a vicinity map at a scale of one inch to 1000 feet or larger which shows the land within the current distance as when Fairfield incorporated December or 2004 of the proposed runway, including the following:

- a. The Airpark approach, transition, and turning zones..
- b. The location of aboveground utility lines.
- c. The location of dwellings and all.
- d. Structures over forty feet (40) in height.
- e. The topography.
- f. The property boundary of the Airpark.

### **Standards**

- a. The proposed site of the helicopter pad have different requirements them other types of aircraft, landing strip, flying field, Airpark, Airpark terminal, or Airpark storage facilities lies in the Light Industrial. Zone and qualifies under the requirement of such zone for the placement of an Airpark. Structures shall keep uninformed with all standards and to each structure alike.
- b. Adequate public road capacity, utilities, parking and runway design shall be available for the level of use of the classification of the Airpark.
- c. The facilities shall not reduce the value or use of land available to other property owners in the area due to noise or safety.

d. There is adequate evidence of a safe design of the facilities, including a written acceptance or statement of exemption by the Federal Aviation Administration.

e. Before and during operation of any Airpark, landing strip or flying field facilities, the following height limits shall be met:

1. In any Airpark approach zone, no building or structure shall be erected which is more than one (1) foot in height for each fifty (50) feet said building structure is distant from the end of the landing or takeoff strip.
2. In any Airpark transition zone, no building or structure shall be erected which is more than one (1) foot in height for each seven (7) feet said building or structure is distant from the inside Airpark approach zone boundary.
3. In any Airpark turning zone, no building or structure shall be erected to a height greater than one hundred fifty (150) feet.
4. No helicopter pad, landing strip, flying field, or Airpark may be approved or operated in a location where there will be: electrical interference with radio communication between Airparks and aircraft; on-or off-site lights which make it difficult for flyers to distinguish the landing area or which glare in the eyes of flyers; or buildings, trees, or other objects which impair visibility or otherwise endanger the landing or taking off of aircraft

#### **Existing Airparks**

No building permit may be issued for any building or structure within the land use plan of an existing Airpark, operated by a governmental agency or Airpark authority, without first obtaining the written recommendation from the jurisdiction in charge of the Airpark within 30 days based on an Airpark plan that has been approved by that jurisdiction and submitted to Fairfield. The boundary of the Airpark plan must first be adopted by Fairfield as an Airpark Overlay Zone (APO).

#### **Sanitary Landfill**

##### **See "Solid Waste Disposal Site"**

- a. A sanitary landfill, and ancillary trucking, grinding, compacting or similar facility on the same site as the landfill, which the Board of Adjustments has approved a special exception according to the provision of zoning.
- b. Solid Waste Disposal Site (Sanitary Landfill), a garbage dump, recycling center, compost site or landfill operation utilizing solid wastes, shall meet all Federal, State, Local (Fairfield) and Health Departments standards Regulations, Ordinances and such for approval.

#### **1. Erection of more than one principal structure on the lot.**

More than one structure housing a permitted principal use, may be erected on a single lot provided that yard and other requirements of this ordinance shall be met for each structure.

#### **2. Structure to have access.**

All structures shall be on a lot adjacent to a public street and shall be so located on lots as to provide safe and convenient access for fire protection. Access shall be from the frontage of said paved platted road across the subject lot or building site.

**3. Farm Animals.**

The following restrictions shall apply:

a. Livestock: For each 5000 sq. ft. of enclosed property the following may be kept one horse, one cow, one pig, one goat, or five sheep. Unaltered goats are not allowed other than on a temporary basis for breeding purposes. Living quarters for human are not permitted in any structure which stores or houses animals.

b. Animal Specialties: For each 5000 sq. ft of enclosed area the following may be kept: five rabbits or five fowl. The animals offspring kept in the enclosed area shall not exceed 25 and may only be kept for a period of six months.

**4. Public Utility Stations.**

In any residential zone public utility stations shall meet the following requirements:

a. Each station shall be located on a lot not less than 2,000 square feet in area.

b. Each station shall be located on a lot that has adequate access from a street, alley, or easement.

c. Each station shall be provided with a yard on each of the four sides of the building or structures not less than five (5) feet in width, except that for such stations located on lots fronting on a street and abutted by one or more residential lots, the front, side, and rear yards should equal those required for a single family residence in the same district

**5. Pollution Prevention.**

a. Any use shall be prohibited which emits or discharges gasses, fumes, or other pollutants into the atmosphere in amounts which exceed the standards as proscribed by the Utah State Air Conservation Board, the State Board of Health, or such appropriate body as may be appointed by Fairfield. Any use shall also be prohibited which emits or discharge liquids or solid material onto the soil or water in amounts which result in pollutants entering any water or drainage system in amounts exceeding the standards prescribed by the State Committee, on Water Pollution, or its successor agency.

**6. Accessory Buildings.**

All Buildings and structures shall be prohibited as living quarters.

**6-7-4.5 FENCING**

Fairfield is a fence in zoned area **NOT** a fence out zone area.

Table 154-2.5 Fencing

Clear Vision Restriction	Setbacks	Height	Wildlife/Large Animal	Electric	Razor	Corner Lot
25'	Front: 3' Side: 3'	Front: 8' (8 min. for Razor)	Administrative Conditional Use	Permitted	Administrative Conditional Use	Administrative Conditional Use

			Side: 8' Rear: 8'			
--	--	--	----------------------	--	--	--

**6-7-4.6 PERFORMANCE STANDARDS:** The operation of any use permitted in this district is subject to the following standards of performance:

1. All uses must be operated so that all practical means are used to confine any noise, odor, dust, smoke vibration or other similar feature to the premises upon which they are located.
- 2-Any light used to illuminate signs, parking areas, or for any other purpose shall be so arranged as to confine direct light beams to the lighted property by appropriate directional hooding.

**6-7-4.7 PARKING:** Parking standards, also apply to the following on-site parking requirements. Lighting standards are required for lots that require more than 10 spaces, Parking

Table 6-7-7.6 Parking

USES	PARKING REQUIREMENT
Adult Oriented Business	4 spaces per 1,000 square feet
Animal Hospital	3 spaces per 1,000 square feet
Auto truck, RV Sales & Rental	3 spaces per 1,000 square feet
Automotive Repair Establishment	1 space per service bay plus stalls per 1,000 square feet for office and retail areas
Aviation Airpark — Services	4 spaces per 1,000 square feet
Child Care Facility/Center	1 space per on-duty employee and 1 per 6 children
Industry, Light and Medium	2 spaces per 1,000 square feet
Industrial Park, Light and Medium	2 spaces per 1,000 square feet of gross floor area for the first 10,000 square feet plus 1/2 space per 2,000 square feet for the remaining space. Office area parking requirements shall be calculated separately based on office parking rates
Kennel	1 space per employees
Laundry, Dry Cleaning	3 spaces per 1,000 square feet
Nursery	2 spaces per 1,000 square feet
Master Planned Development	As determined by Planning Commission, based on the proposed uses and the potential for shared parking
Mortuary	1 space per 4 seats in parlor, plus 1 space per 2 employees plus 1 space per vehicle used in connection with the business
Retail Sales Establishment	3 spaces per 1,000 square feet
Warehouse Storage Units — commercial only	2 spaces per 1,000 square feet of gross floor area for the first 10,000 square feet plus A acre per 2,000 square feet for the remaining space.

**6-7-4.8 MASTER PLANNED DEVELOPMENT** Any proposal for new development or redevelopment in excess of ten (10) acres in the zone shall be master planned to assure coordination of design, mitigation of adverse impacts, and common open space. The master plan commits the owner to a specific, detailed development plan as listed below:

**1. DEVELOPMENT REQUIREMENTS.** All master planned development Applications must include:

- a. Planned access for pedestrian use;
- b. A minimum of fifteen percent (15%) of the land as improved common open space to include such uses as: mini parks, picnic, playground, recreations structures, etc.
- c. A designated permanent easement on and over all open spaces to guarantee that the open space remains in recreation use, with the ownership and maintenance the responsibility of the owners association; and
- d. Adopted articles of association and by laws that are satisfactory to Fairfield.

**2. INCENTIVE FOR MASTER PLANNED DEVELOPMENT DESIGN.** The Planning Commission may recommend the following incentives for master planning.

- a. Reduction of setbacks and required yard, subject to the International Building Code;
- b. Allow for the development of private roads and reduced right of way areas;
- c. Reduce required parking, based on an analysis that shows:
  - (i) The proposed number of vehicles required by the typical tenant mix of the project;
  - (ii) A comparison of similar projects and proposed occupancy;
  - (iii) The parking needs of non-residential uses; and
  - (iv) A shared parking plan and plan for overflow parking.

**6-7-4.9 CONDITIONAL USE STANDARDS OF REVIEW.** Fairfield shall not issue a conditional use permit unless the Planning and Zone Administrator, in the case of an administrative conditional use, or the Planning commission, for all other conditional uses, concludes that the application fully mitigates all identified adverse impacts and complies with the following general standards applicable to all conditional uses, as well as the specific standards for the use.

**1. GENERAL REVIEW CRITERIA:** An applicant for a conditional use in the zone must demonstrate:

- a. The application complies with all applicable provisions of this chapter, state and federal law;
- b. The structures associated with the use are compatible with surrounding structures in terms of use, scale, mass and circulation;
- c. The use is not detrimental to the public health, safety and welfare;
- d. The use is consistent with the Fairfield General Plan as amended;
- e. Traffic conditions are not adversely effected by the proposed use including the existence or need for dedicated turn lanes, pedestrian access, and capacity of the existing streets;
- f. There is sufficient utility capacity;
- g. There is sufficient emergency vehicle access;
- h. The location and design of off-street parking as well as compliance with off-street parking standards;
- i. A plan for fencing, screening, and landscaping to separate the use from adjoining uses and mitigate the potential for conflict in uses;
- j. Exterior lighting that complies with the lighting standards of the zone.
- k. Within and adjoining the site, impacts on the aquifer, slope retention, and flood potential have been fully mitigated and is appropriate to the topography of the site.

**2. SPECIFIC REVIEW CRITERIA FOR CERTAIN CONDITIONAL USES.** In addition to the foregoing, the Planning Commission must evaluate the applicants compliance with each of the following criteria when considering whether to approve, or deny or conditionally approve an application for each of the following conditional uses:

**A. Adult Oriented Businesses.**

The purpose and objective of this chapter is to establish reasonable and uniform regulations to prevent the concentration of adult-oriented businesses or their location in areas deleterious to the health, safety and welfare of Fairfield, and to prevent inappropriate exposure of such businesses to the community. This chapter regulates the time, place, and manner of the operation of sexually-oriented businesses, consistent with the United States and Utah State Constitutions.

1) No adult-oriented business may be located within five hundred feet (500') of any:

- a. School, day care facility, cemetery, public park, library, or religious institution;

- b. Residential zoning boundary;
- c. Liquor store; or
- d. Other adult-oriented business.

2) For the purposes of this section, distance is measured in a straight line, without regard to intervening structures or objects, from the closest exterior wall of the structure in which the adult-oriented business is located and:

- a. The closest exterior wall of another adult-oriented business;
- b. The closest property line of any school, day care facility, public park, library, cemetery or religious institution; and
- c. The nearest property line of any residential zone.

B. Child Care Facility/Center. Each application for a child care facility, center or home occupation must include and comply with:

- 1) Proof of application for state child care license;
- 2) Compliance with state, federal and local law;
- 3) A design that does not include a front yard playground;
- 4) A parking and traffic plan that adequately mitigates the adverse impacts of increased traffic in the neighborhood (if a facility or center);
- 5) Childcare providers as a home occupation may not exceed eight (8) children, 12 years of age or younger, including the providers own children at any given time;
- 6) Childcare providers as a home occupation may not provide services for more than 2 infants under the age of two at any given time;

C. Intermittent Commercial Uses. The occasional use of dwellings, community buildings, private clubs, lodges, social or recreational establishments and/or their accessory buildings for commercial purposes may be allowed upon receiving a conditional use permit and provided the provisions of this section are complied with. The following standards shall apply to all intermittent commercial uses in addition to any conditions the Planning Commission deems necessary and desirable to protect the public health, safety and general welfare.

- 1) The display and sales of merchandise should be contained primarily within a building.
- 2) The building proposed for the intermittent commercial use must comply with setback and clear vision area requirements of this ordinance and with applicable building and fire codes.
- 3) A business license from Fairfield is required to conduct an intermittent commercial use.
- 4) Adequate off-street parking is provided to serve the commercial use that does not create a parking shortage for other existing uses on site.
- 5) The use does not cause noise, light, dust or glare which adversely impacts surrounding uses.

D. Minor Telecommunications Facility. The purpose of this section is to establish general requirements for the siting of wireless telecommunications facilities. The intent is to:

- 1) Encourage the location of facilities in non residential areas;
- 2) Minimize the total number of monopole facilities throughout the community;
- 3) Encourage the joint use of new and existing communications sites;

- 4) Encourage providers of facilities to locate them where the adverse impact on the community is minimal;
- 5) Encourage providers of facilities to use innovative design to minimize adverse visual impact;
- 6) Enhance the ability of the providers of telecommunication services to provide such services to the community quickly, effectively, and efficiently.

D-2. Applicability. The requirements of this part apply to both commercial and private wireless telecommunications services such as "cellular or "PCS" (personal communications services) communications and paging systems. All facilities shall comply with the following regulations and all other ordinances of the Fairfield and any pertinent regulations of the Federal Communications Commission and the Federal Aviation Administration.

D-3. Facility types and standards. Wireless telecommunications facilities are characterized by the type and location of the antenna structure; there are four general types of antenna structures: wall mounted; roof mounted; monopoles; and lattice towers. Standards for the installation of each type of antenna are as follows:

1. Wall Mounted Antenna.

- a. Wall mounted antennas shall not extend above the wall line of the building or structure or extend more than four feet horizontally from the face of the building or structure.
- b. Antennas, equipment and the supporting structure shall be painted to match the color of the building or structure or the background against which they are most commonly seen. Antennas and the supporting structures on building should be architecturally compatible with the building and the supporting structures on building should be architecturally compatible with the building.
- c. Antennas mounted directly on existing parapet walls, penthouses or mechanical equipment rooms, with no portion of the antenna extending above the roofline of such structures, shall be considered a wall mounted antenna.
- d. Stealth wall mounted antennas are encouraged and shall be allowed to vary from the provisions of this part as determined by the Planning Commission during the conditional use process.

2. Roof Mounted Antenna.

- a. Roof mounted antennas shall be allowed on top of existing penthouses or mechanical equipment rooms provided the antennas and antenna mounting structures shall not extend more than 1 feet above the existing roof line of the penthouse or mechanical equipment room.
- b. For antennas not mounted on a penthouse or mechanical equipment room and on a flat roof the antennas shall be mounted at least five feet from the exterior wall or parapet wall of the building or structure and shall be measured from the top of the antenna to the roofline of the building, structure, or parapet. The height of the antenna shall be equal to the distance the antenna is set back from the exterior wall or parapet wall.
- c. Roof mounted antennas on a pitched roof shall be allowed provided the antennas and antenna support structures do not extend higher than the peak of the roof measured by a horizontal line from the peak extending over the roof.
- d. Stealth roof mounted antennas are encouraged and shall be allowed to vary from the provisions of this part as determined by the Planning Commission as part of the conditional use.

3. Monopole. The height limit for monopoles is 35 feet.

- a. In residential zones, the monopole will only be allowed in conjunction with an existing public or quasi-public use, including but not limited to churches, schools, utilities, and parks.
- b. No monopoles shall be allowed in the front yard setback of any lot.
- c. Stealth monopole facilities are encouraged and shall be allowed to vary from the provision of this part as determined by the Planning Commission as part of the conditional use.

4. Lattice towers. Lattice towers are not allowed.

D-4. Color/Design. Monopoles, antennas, and any associated buildings or equipment shall be painted to blend with the surroundings that they are most commonly seen. The color shall be determined on a case-by-case basis by the Planning Commission as part of the conditional use process. Within six months after the facility has been constructed, the Planning Commission may require the color be changed if it is determined that the original color does not blend well with the surroundings.

D-5. Additional Requirements. The following shall be considered by the Planning Commission as part of the conditional use process:

- 1) Compatibility of the proposed structure with the height and mass of existing buildings and utility structures.
- 2) Location of the antenna on other existing structures in the same vicinity such as other monopoles, buildings, water towers, utility poles athletic fields, lights, parking lot lights, etc. where possible without significantly impacting antenna transmission or reception.
- 3) Location of the antenna in relation to existing vegetation, topography including ridge lines, and buildings to obtain the best visual screening.
- 4) Spacing between monopoles which created detrimental impacts to adjoining properties.
- 5) Installation of, but not limited to, curb, gutter, sidewalk, landscaping, and fencing.

D-6. Accessory buildings. Accessory buildings to antenna structures must comply with the required setback, height and landscaping requirements of the zoning district in which they are located. All utility lines on the lot leading to the accessory building and antenna structure shall be underground.

D-7. Non-maintained or abandoned facilities. The Building Official may require each non-maintained or abandoned telecommunications facility to be removed from the building or premise when such a facility has not been repaired or put into use by the owner or agent within ninety calendar days after notice of non maintenance or abandonment is given to the owner or agent. The applicant shall post a site specific bond when a permit is issued to guarantee removal of the facility and site restoration. The type of bond and amount shall be determined upon review by the Fairfield staff on a case by case basis. No bond shall be required for roof or wall mounted facilities.

D-8. Building permit required. A building permit is required for all wireless telecommunication facilities including, but not limited to, monopoles, and roof and wall mounted antennas.

D-9. Temporary Drive Test. Companies wishing to perform drive tests shall submit notice to the Planning commission stating the location and the date of the proposed test. Antennas in use for the drive tests shall be limited to testing functions only and shall not be used for telecommunication services to customers.

E. Recreational Activity. The following recreational activities shall be allowed as conditional uses:



1) Recreational activities involving off highway vehicles and similar motorized vehicles for recreational use.

2) Horse arenas, equestrian parks and equine activity, including, but not limited to equine shows, fairs, competitions, performances, racing or sales that involve any breeds of equines and any equine disciplines; boarding or training equines; teaching persons equestrian skills; and other equine activities as determined by the Planning Commission to be consistent with this section.

3) Any other recreational activity as determined by the Planning Commission to be consistent with this district.

**F. Gated Communities for Industrial Developments.** Applicants must comply with the following standards:

1) The applicants have demonstrated a need for an entry gate to effectively control on going negative health, safety and welfare issues; or, in highly unique circumstances, excessive non-neighborhood parking or traffic on a regular basis

2) The private street is not a through street and traffic circulation through the neighborhood to other parts of the community is not impacted.

3) The entry gate shall be set back 25 feet.

4) A building permit for the gate must be approved

5) The entry gate shall meet the following design standards:

a. The clearance distance from the gate bottom to the ground shall be a minimum of (two) 2'.

b. The maximum height from the bottom to top rail shall be (three) 3'.

c. The gate will be constructed from visually open materials that will not obstruct more than 50% visibility (i.e. open fencing).

d. Fencing adjacent to the gate shall not exceed a height of (four) 4' for solid fencing materials and (six) 6' for open materials.

e. Columns added for architectural interest shall not exceed (nine) 9'.

f. The gate design shall be minimal in height and scale to accomplish the goal of preventing unauthorized access.

6) An access plan for emergency services and authorized Fairfield representatives will be provided to and approved by the Fairfield.

**G. Storage Containers.**

1) A maximum of two storage containers per business shall be allowed as a conditional use only in the light industrial district.

2) Storage containers shall be required to have a setback from the primary building or structure, and shall be painted a color to match the primary building or structure or, in the direction of the Planning Commission, shall be painted a neutral color.

3) For purposes of this subsection, "storage container" shall mean: Any trailer commonly described as a storage container or storage unit, including, but not limited to semi-trailers, cargo trailers and any other similar unit with a storage space of greater than 120 square feet.

**6.7.4.10 SIGNS:** If a sign type is not specifically designated below, then it is prohibited.

Table 15-4-2-10 Signs

Sign Type	Allowed	Conditional	Max. Area	I	Max. Height	I	General Restrictions
-----------	---------	-------------	-----------	---	-------------	---	----------------------

Billboard		X	500'	25;	See zone map for allowed areas. All signs over 32 sf shall not be less than 1000 lineal feet
Banner Sign	X		3'x6'	3'	
Construction	X		4'x8'	4'	
Flat or Wall Sign	X		39 sf	7'	Low intensity light fixtures only. One sign per building.
Monumental/Free Standing Sign	X		39 sf	6'	One sign per 500' of frontage. Low intensity light fixtures only.
Name Plate	X		2'x3'	2'	
Real Estate	X		3'x6'	3'	

**RELATED PROVISIONS**

Chapter 11 - Licensing

Chapter 6-2 - Definitions

Chapter 6-3 - Administration and Enforcement



# Current Economic Snapshot: UTAH COUNTY



Updated November 30, 2012

## QuickFacts

### Unemployment Rate

#### October 2012

Utah County	5.1%
Utah	5.2%
U.S.	7.9%

### Nonfarm Employment

#### June 2012 Percent Change from Previous Year

Utah County	4.8%
Utah	3.6%
U.S.	1.3%

### Total Permitted Construction Values

#### Jan-July 2012 Percent Change from Previous Year

Utah County	-1.2%
-------------	-------

### Dwelling Units Permitted

#### Jan-July 2012 Percent Change from Previous Year

Utah County	1,204
Percent Change	1.5%

### Sales

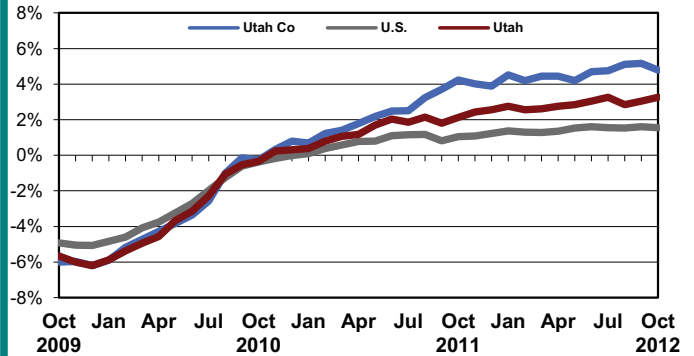
#### 2nd Qtr 2012 Change from Previous Year

Utah County	6.5%
-------------	------

Source: Utah Dept of Workforce Services,  
U.S. Bureau of Labor Statistics,  
Utah Tax Commission,  
Utah Bureau of Econ & Business Research.

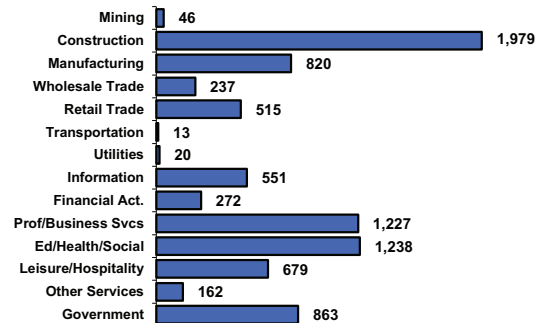
## Labor Force

### Year-Over Change in NonFarm Jobs



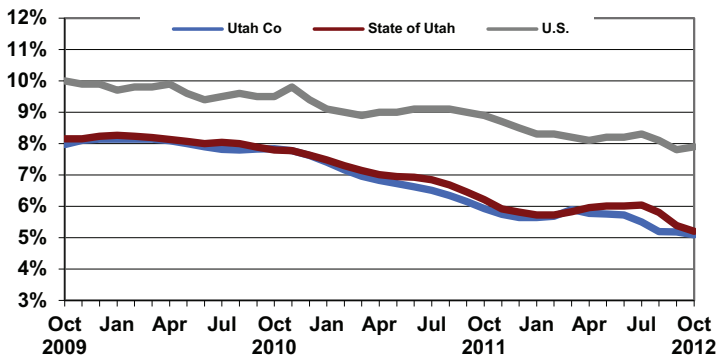
Source: Utah Dept. of Workforce Services; U.S. Bureau of Labor Statistics.

### Utah County Year-Over Job Change June 2012



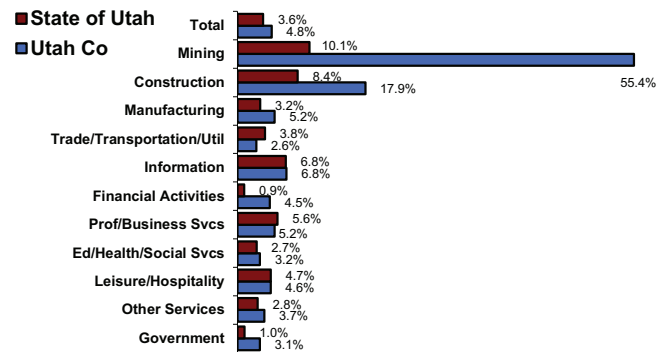
Source: Utah Dept. of Workforce Services.

### Seasonally Adjusted Unemployment Rates



Source: Utah Dept. of Workforce Services; U.S. Bureau of Labor Statistics.

### Percent Change in Nonfarm Jobs by Industry June 2012 – June 2012

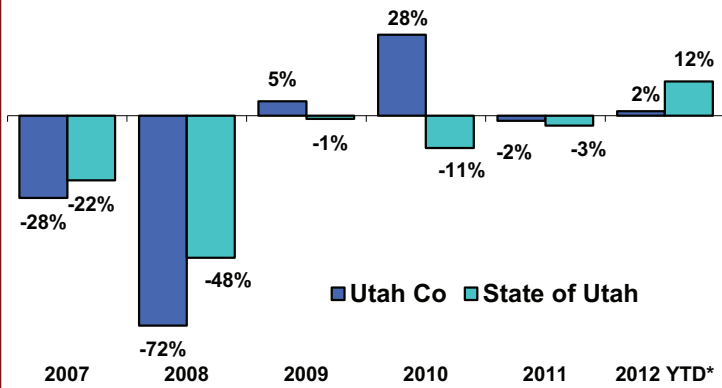


Source: Utah Dept. of Workforce Services.

# Current Economic Snapshot: Utah County

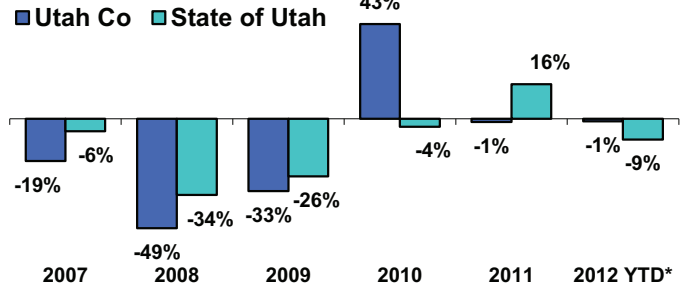
## Sales and Building

Percent Change in Permitted Dwelling Units



\*January-July 2012 compared to January-July 2011.  
Source: Utah Bureau of Economic and Business Research.

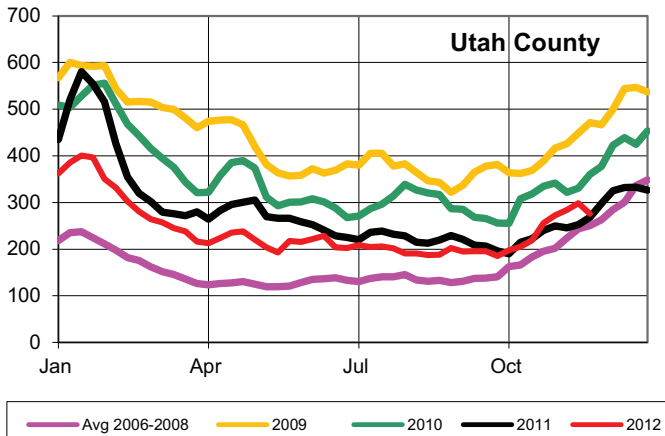
Percent Change in Total Permit-Authorized Construction Values



\*January-July 2012 compared to January-July 2011.  
Source: Utah Bureau of Economic and Business Research.

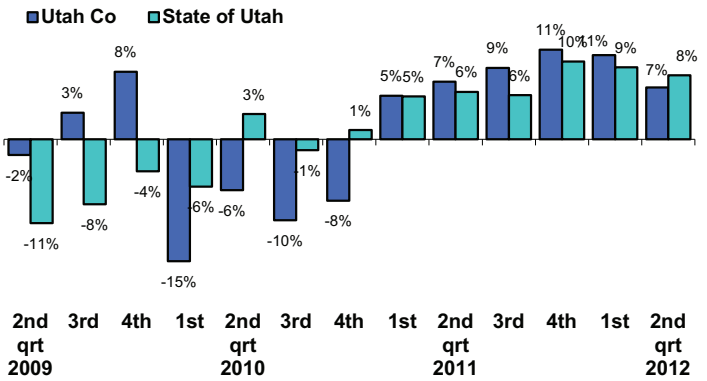
## Initial Unemployment Claims

4-Week Moving Average of Initial Unemployment Claims



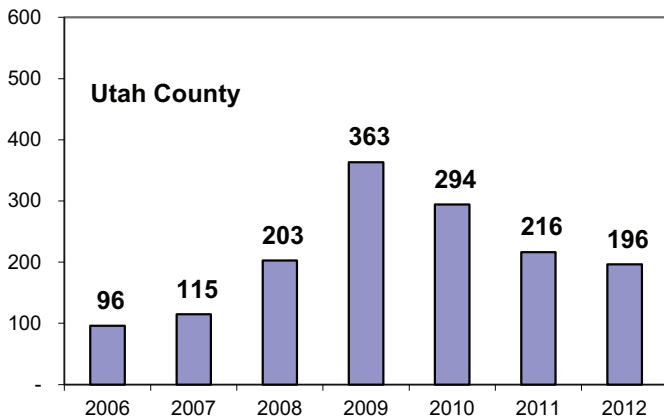
Source: Utah Department of Workforce Services.

Year-Over Change in Gross Taxable Sales



Source: Utah State Tax Commission.

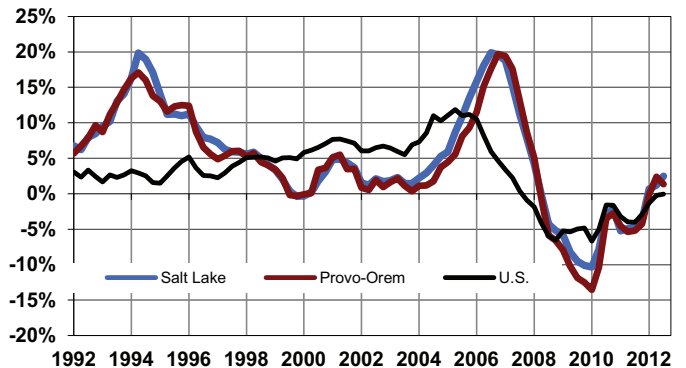
Weekly Average of 3rd Quarter Initial Claims



Source: Utah Department of Workforce Services.

## Other

Year-over Change in MSA Area Housing Price Index (HPI)



Source: Office of Federal Housing Enterprise Oversight.

# LEGAL DESCRIPTION

## **59:065:0001**

**Legal Description:** E 1/2 OF SW 1/4 AND E 66 FT OF SW OF SW 1/4 OF SEC. 32, T6S, R2W, SLB&M. AREA 83.889 AC.

## **59:065:0040**

**Legal Description:** COM S 89 DEG 35' 50" E 1277.05 FT FR SW 1/4 SEC. 32, T6S, R2W, SLB&M.; N 0 DEG 35' 18" E 1331.93 FT; N 89 DEG 33' 12" W 52 FT; S 2 DEG 22' 0" W 362.55 FT; S 0 DEG 16' 30" W 320 FT; S 1 DEG 29' 0" E 649.99 FT; S 89 DEG 35' 53" E 38 FT; N 89 DEG 35' 50" W 1277.05 FT TO BEG. AREA 1.680 AC.

## **59:065:0051**

**Legal Description:** COM N 10 FT & E 1101.71 FT FR W 1/4 COR. SEC. 32, T6S, R2W, SLB&M.; N 0 DEG 37' 59" W 512.5 FT; N 0 DEG 35' 28" E 1034.37 FT; ALONG A CURVE TO L (CHORD BEARS: N 44 DEG 8' 40" E 306.49 FT, RADIUS = 2914.91 FT) ARC LENGTH = 306.63 FEET; S 1766.72 FT; W 218.47 FT TO BEG. AREA 8.319 AC.

**Steve Nielsen**

**From:** David Adams [dradams@providencerealtygroup.com]

**Sent:** Sunday, December 30, 2012 6:20 PM

**To:** Steve Nielsen

**Subject:** Fairfield Land

Steve Nielsen:

You have been awarded the appraisal job on the 108 acres in Fairfield. I believe I have already sent you the PR and the investment summary prepared by the owner. If you need further information please call me. I would be happy to drive to the location with you sometime next week.

**David R Adams**  
**Providence Realty Group**  
**801.372.4200**

---

**From:** Wayne Klein [mailto:wklein@kleinutah.com]

**Sent:** Friday, December 28, 2012 4:18 PM

**To:** David Adams

**Subject:** RE: Fairfield Land

I agree with your recommendation. Ask Steve to go ahead.

Wayne

---

**From:** David Adams [mailto:dradams@providencerealtygroup.com]

**Sent:** Friday, December 28, 2012 6:12 AM

**To:** Wayne Klein

**Subject:** Fairfield Land